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**GLOBAL GSA GROUP B.V.
AT AMSTERDAM**

Annual Report 2019

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COMPANIES HOUSE

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BOARD OF DIRECTOR'S REPORT

Global GSA Group B.V., Amsterdam

BOARD OF DIRECTOR'S REPORT

The Board of Director's report is available at the company's offices.

CONSOLIDATED ANNUAL ACCOUNTS 2019

Global GSA Group B.V., Amsterdam

1 CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2019
(before appropriation of results)

		December 31, 2019		December 31, 2018	
		€	€	€	€
ASSETS					
FIXED ASSETS					
Intangible fixed assets	(1)		6,966		6,996
Tangible fixed assets	(2)		203,713		274,643
Financial fixed assets	(3)				
Participations in group companies		60,535		-	
Loans		27,200		4,750	
Other receivables		6,698		6,090	
			94,433		10,840
CURRENT ASSETS					
Receivables, prepayments and accrued income	(4)				
Trade debtors		6,887,618		9,906,736	
Group companies		1,125,000		-	
Related parties		216,859		82,481	
Taxes and social securities		568,871		165,839	
Prepayments and accrued income		925,484		1,234,908	
			9,723,832		11,389,964
Cash at bank	(5)		6,240,880		4,423,665
			<u>16,269,824</u>		<u>16,106,108</u>

		December 31, 2019	December 31, 2018
		€	€
EQUITY AND LIABILITIES			
GROUP EQUITY	(6)		
Shareholders' equity		4,446,716	5,165,755
Minority interest		<u>656,445</u>	<u>795,948</u>
		5,103,161	5,961,703
PROVISIONS	(7)	17,263	13,773
NON-CURRENT LIABILITIES	(8)		
Loan from shareholder		-	300,000
Other debt		<u>9,779</u>	<u>-</u>
		9,779	300,000
CURRENT LIABILITIES	(9)		
Deposits		48	37,979
Trade creditors		8,208,305	7,599,867
Group companies		1,125,000	-
Related parties		350,899	716,606
Taxes and social securities		504,210	569,387
Accruals and accrued expenses		<u>951,159</u>	<u>906,793</u>
		11,139,621	9,830,632
		<u>16,269,824</u>	<u>16,106,108</u>

2 CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR 2019

		2019		2018	
		€	€	€	€
Net turnover	(10)		67,731,423		73,610,190
Expenses					
Costs of sales		54,999,982		60,267,792	
Employee expenses	(11)	6,625,094		5,959,982	
Depreciation and amortisation	(12)	105,670		91,467	
Impairment of fixed assets		-		270,866	
Other operating expenses		3,184,770		4,981,190	
			64,915,516		71,571,297
Operating result			2,815,907		2,038,893
Interest and similar income		172,235		53,620	
Interest and similar expenses		-255,983		-234,703	
Financial income and expenses			-83,748		-181,083
Result before tax			2,732,159		1,857,810
Taxation			-684,890		-1,019,453
			2,047,269		838,357
Share in result of participating interests	(13)		-		46,821
Result after tax			2,047,269		885,178
Share results of third parties	(14)		-557,414		-466,615
Result after tax			1,489,855		418,563

3 CONSOLIDATED CASH FLOW STATEMENT 2019

The cash flow statement has been prepared using the indirect method.

	2019		2018	
	€	€	€	€
Cash flow from operating activities				
Operating result	2,815,907		2,038,893	
Adjustments for:				
Amortisation and depreciation	105,445		91,467	
Movement of provisions	3,490		-1,873	
Movement of working capital:				
Movement of receivables	1,666,132		883,183	
Movements in current liabilities (exclusive of current portion long-term liabilities)	1,308,989		-2,051,404	
Cash flow from operations		5,899,963		960,266
Interest received	172,235		53,620	
Interest paid	-255,983		-221,964	
Corporate income tax	-684,890		-1,019,453	
Result from participations not consolidated	-		46,821	
Share results of third parties	-557,414		-466,615	
		-1,326,052		-1,607,591
Cash flow from operating activities		4,573,911		-647,325
Cash flow from investing activities				
Loan employee	-27,200		-	
Investments in intangible fixed assets	-3,049		57,226	
Investments in tangible fixed assets	-26,969		-144,901	
Investments in participations	-60,535		193,551	
Disposal of tangible fixed assets	3,116		-	
Cash flow from investing activities		-114,637		105,876
Cash flow from financing activities				
Increase other receivables	-608		-	
Movement of revaluation reserve	-		32,579	
Movement other reserves	-		-32,579	
Dividend paid	-2,400,000		-250,000	
Movement of intercompany debt	-300,000		300,000	
Increase in other long-term debt	9,779		-	
Cash flow from financing activities		-2,690,829		50,000
Exchange and conversion differences		48,770		-
		1,817,215		-491,449

Global GSA Group B.V., Amsterdam

Compilation cash

	2019		2018	
	€	€	€	€
Compilation cash at January 1		4,423,665		4,915,114
Movement of cash and cash equivalents		1,817,215		-491,449
Cash and cash equivalents at December 31		<u>6,240,880</u>		<u>4,423,665</u>

4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

GENERAL

Activities

The activities of Global GSA Group B.V., having its legal seat at Amsterdam, The Netherlands, primarily consist of holding activities, and its subsidiaries are engaged in representing airlines as general sales agent on cargo traffic.

Registered address

The actual address of Global GSA Group B.V. (CoC file 34256778) is Folkstoneweg 34 in Schiphol

Group structure

Global GSA Group B.V. is the head of a group of legal entities.

The financial information of the company is recorded in the consolidated financial statements of Global GSA Group B.V. The abbreviated financial statements will be available at the Trade Register of the Chamber of Commerce in Amsterdam, The Netherlands.

The company forms part of a group with Quito S.A.S., located in Paris, France as head. The financial data of the company is to be included in the consolidated annual accounts of the group.

List of participating interests

A summary of the information required by articles 2:379 and 414 of the Dutch Civil Code is given below of the directly and indirectly held interests:

Name, statutory registered office	Share in issued capital %	Included in consolidation
CMF Global Airline Services SARL Paris	100.00	Yes
Mondial Airline Services GmbH Frankfurt	100.00	Yes
SMART Airlines SRL Otopeni	100.00	Yes
Global Airline Services (Holland) Ltd. London	100.00	Yes
ChartAir Uk Ltd London	100.00	Yes
Global GSA Eurasia Ltd. Cyprus	60.00	Yes
Aerovisión Cargo S.L. Madrid	100.00	Yes
AirCargo Pro Ltd. Moscow	60.00	Yes

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FF Cargo Services Ltd Moscow	60.00	Yes
Air Cargo Pro Ltd Kiev	60.00	Yes
FF Cargo Services Ltd Kiev	60.00	Yes
Mondial Airline Services AT GmbH Vienna	100.00	Yes
ChartAir GmbH Frankfurt	90.00	Yes
ChartAir AT GmbH Vienna	90.00	No
AviaCargoMarket Ltd. (via FF Cargo Services Ltd., Moscow) Moscow	40.00	Yes
InterAir Taiwan Taipei	100.00	Yes
InterAir Korea Seoul	100.00	Yes
Mondial Airline Services S.r.l. Bergamo	100.00	No
Chartair S.a.r.l. Paris	100.00	No
ANC Cargo Limited Cyprus	30.60	No

The subsidiary AviaCargoMarket Ltd. is consolidated in the annual accounts, because a significant influence is exercised over the business and financial policy of the subsidiary.

Mondial Airline Services S.r.l., ANC Cargo Limited, Chartair S.a.r.l. and ChartAir AT GmbH are dormant subsidiaries and are not consolidated due to the size of this entity accordance with Dutch Accounting Standard RJ 217.304.

Chartair UK Limited - 9280964 and Global Airline Services (Holland) Ltd. are claiming exemption from audit under section 479A of the Companies Act 2006 (UK Law).

Section 402, Book 2 of the Dutch Civil Code

Since the income statement for 2019 of Global GSA Group 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.

Consolidation principles

Financial information relating to group companies and other legal entities controlled by Global GSA Group B.V. or where central management is conducted, has been consolidated in the financial statements of Global GSA Group B.V. The consolidated financial statements have been prepared in accordance with the accounting principles of Global GSA Group B.V.

The financial information relating to Global GSA Group B.V. is presented in the consolidated financial statements.

Financial information relating to the group companies and the other legal entities and companies included in the consolidation is fully included in the consolidated financial statements, eliminating the intercompany relationships and transactions. Third-party shares in equity and results of group companies are separately disclosed in the consolidated financial statements.

The results of newly acquired group companies and the other legal entities and companies included in the consolidation are consolidated from the acquisition date. On that date the assets, provisions and liabilities are valued at fair values. Goodwill paid is capitalised, to which amortisation is charged based on the estimated useful life. The results of associated companies sold during the year are recognised until the moment of disposal.

GENERAL ACCOUNTING PRINCIPLES FOR THE PREPARATION OF THE CONSOLIDATED ANNUAL ACCOUNTS

The financial statements are 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').

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

Income and expenses are accounted for on accrual basis. Profit is only included when realized on the 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.

Comparison with previous year

The comparative figures for the previous financial year have, where necessary, only been adjusted with regards to classification purposes only for comparative purposes.

Assumption of continuity

The assumption of continuity was applied during the preparation of the financial statements.

Estimates

The preparation of financial statements in conformity with the relevant rules requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. If necessary for the purposes of providing the view required under Section 362(1), Book 2, of the Dutch Civil Code, the nature of these estimates and judgments, including the related assumptions, is disclosed in the notes to the financial statement items in question.

Leasing

Operational leasing

The company may have lease contracts whereby a large part of the risks and rewards associated with ownership are not for the benefit of nor incurred by the company. The lease contracts are recognised as operational leasing. Lease payments are recorded on a straight-line basis, taking into account reimbursements received from the lessor, in the income statement for the duration of the contract.

Financial instruments

Financial instruments include both primary financial instruments, such as receivables and payables.

The notes to the specific items of the balance sheet disclose the fair value of the related instrument if this deviates from the carrying amount. If the financial instrument is not recorded in the balance sheet the information on the fair value is disclosed in the notes to the Contingent rights and obligations.

For the principles of primary financial instruments, reference is made to the recognition per balance sheet item

Translation of foreign currency

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

The foreign consolidated group companies and participations that have not been consolidated qualify as operations abroad with another functional currency than that of the company. Regarding the translation of the annual accounts of these operations abroad, the closing rate (as per balance sheet date) is used for balance sheet items and the rate of exchange on the transaction dates is used for items of the profit and loss accounts current rates. The differences in exchange that arise, go directly to the credit or to the debit of the group equity.

PRINCIPLES OF VALUATION OF ASSETS AND LIABILITIES

Intangible fixed assets

Intangible fixed assets are presented at cost less accumulated amortisation and, if applicable, less impairments in value. Amortisation is charged as a fixed percentage of cost, as specified in more detail in the notes to the balance sheet. The useful life and the amortisation method are reassessed at the end of each financial year.

Goodwill is the positive difference between the acquisition price and the fair value of the acquired assets less liabilities and provisions of the acquired entity.

Tangible fixed assets

Tangible fixed assets held in economic ownership by the company and its subsidiaries governed by a financial lease agreement are capitalized. The obligation emanating from the financial lease agreement is presented as a liability. The interest included in future lease installments is charged to the result over the duration of the financial lease agreement.

Financial fixed assets

Where significant influence is exercised participations in non-consolidated group companies are valued under the net asset value method, but not lower than a nil value. This net asset value is based on the same accounting principles as applied by Global GSA Group B.V.

If the company fully or partly guarantees the liabilities of the participation or associated company concerned, or has the effective obligation respectively to enable the company to pay its (share of the) liabilities, a provision is formed. Upon determining this provision, provisions for doubtful debts already deducted from receivables from the company are taken into account.

Where no significant influence is exercised participations are valued at cost and if applicable less impairments in value.

Impairment

On each balance sheet date, the company assesses whether there are any indications that a fixed asset may be subject to impairment. If there are such indications, the realisable value of the asset is determined. If it is not possible to determine the realisable value of the individual asset, the realisable value of the cash-generating unit to which the asset belongs is determined.

An impairment occurs when the carrying amount of an asset is higher than the realisable value; the realisable value is the higher of the realisable value and the value in use. An impairment loss is directly recognised in the income statement while the carrying amount of the asset concerned is concurrently reduced.

Trade and other receivables

Upon initial recognition the receivables on and other receivables are valued at fair value and then valued at amortised cost, which equals the nominal value, after deduction of any provisions. The fair value and amortised cost equal the nominal value. Any provisions for the risk of doubtful debts are deducted. The provisions are determined based on individual assessment of the receivables.

Global GSA Group B.V., Amsterdam

Cash at bank

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.

Minority interest

The third-party share in group equity is valued at the third-party share in the net asset value based on the accounting principles of the company.

Non-current liabilities

Upon initial recognition, the loans and liabilities recorded are stated at fair value and then valued at amortised cost.

Current liabilities

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price. When there are no premiums, discounts or transaction costs, the amortised cost is equal to the nominal value.

ACCOUNTING PRINCIPLES FOR THE DETERMINATION OF THE RESULT

General

The result is defined as the difference between the revenue from goods delivered and services performed on one hand and, on the other hand, the costs and expenses for that year, valued at historical costs.

Net turnover

Net turnover represents amounts invoiced for services supplied during the financial year reported on, net of discounts and value added taxes.

Revenues from services are recognised in proportion to the services rendered, based on the cost incurred in respect of the services performed up to balance sheet date, in proportion to the estimated costs of the aggregate services to be performed. The cost price of these services is allocated to the same period.

Share in result of participating interests

Where significant influence is exercised over participations, the group's share in the participations' results is included in the consolidated profit and loss account. This result is determined on the basis of the accounting principles applied by Global GSA Group B.V. Where no significant influence is exercised, the dividend income is accounted for in the profit and loss as financial income.

Taxes

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 annual account and profit calculated for taxation purposes, and with which deferred tax assets (if applicable) are only valued insofar as their realisation is likely.

PRINCIPLES FOR PREPARATION OF THE CONSOLIDATED CASH FLOW STATEMENT

The cash flow statement has been prepared using the indirect method.

The funds in the cash flow statement consist of cash and cash equivalents. Cash equivalents can be considered as highly liquid investments.

Cash flows in foreign currencies are converted at an estimated average rate. Exchange rate differences concerning finances are shown separately in the cash flow statement.

Corporate income taxes, issuance of share capital and interest received and paid are presented under the cash flow from operating activities. Dividends paid and received are presented under the cash flow from financing activities.

The costs of group companies acquired are presented under the cash flow from investment activities, as far as payment has been made with cash and cash equivalents.

5 NOTES TO THE CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2019

ASSETS

FIXED ASSETS

1. Intangible fixed assets

	Software	Goodwill	Total
	€	€	€
<i>Carrying amount as of January 1, 2019</i>			
Purchase price	19,600	78,655	98,255
Cumulative amortisation and impairment	-18,297	-72,962	-91,259
	<u>1,303</u>	<u>5,693</u>	<u>6,996</u>
<i>Movement</i>			
Investments	3,049	-	3,049
Amortisation	-2,464	-615	-3,079
	<u>585</u>	<u>-615</u>	<u>-30</u>
<i>Carrying amount as of December 31, 2019</i>			
Purchase price	22,649	78,655	101,304
Cumulative amortisation and impairment	-20,761	-73,577	-94,338
	<u>1,888</u>	<u>5,078</u>	<u>6,966</u>
<i>Amortisation rates</i>			%
Software			33
Goodwill			10

The book value of the goodwill at year end 2019 relates to the acquisition of Interair Korea and Interair Taiwan. Currently there are no forecasts available for both companies. However it is management's expectation that with the incorporation in the Group new airlines will be brought to both companies and that they both will be profitable in the near future. Therefore, in accordance with 2:386 paragraph 3 of the Dutch Civil Code, the goodwill will be depreciated in a period of 10 years.

2. Tangible fixed assets

	Other fixed operating assets
	€
<i>Carrying amount as of January 1, 2019</i>	
Purchase price	668,422
Cumulative depreciation and impairment	-393,779
	<u>274,643</u>
<i>Movement</i>	
Investments	26,969
Disposals	-3,116
Depreciation	-102,366
Revaluations	7,583
	<u>-70,930</u>
<i>Carrying amount as of December 31, 2019</i>	
Purchase price	692,275
Cumulative depreciation and impairment	-488,562
	<u>203,713</u>
<i>Depreciation rates</i>	%
Other fixed operating assets	3 - 50

3. Financial fixed assets

	12/31/2019	12/31/2018
	€	€
Participations in group companies		
Mondial Airline Services S.r.l.	22,300	-
Chartair S.a.r.l.	1,000	-
ANC Cargo Limited	3,924	-
ChartAir AT GmbH	33,311	-
	<u>60,535</u>	<u>-</u>

Global GSA Group B.V., Amsterdam

	12/31/2019	12/31/2018
	€	€
Loans		
Loan employee	27,200	4,750

CURRENT ASSETS**4. Receivables, prepayments and accrued income****Trade debtors**

Trade debtors	7,756,553	10,886,410
Provision for doubtful debts	-868,935	-979,674
	<u>6,887,618</u>	<u>9,906,736</u>

Group companies

We refer to the disclosure of the company statements concerning the receivable from the shareholder Trade Centre Global Investments B.V.

Related parties

Receivables from related parties	<u>216,859</u>	<u>82,481</u>
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Taxes and social securities

Corporate income tax	553,980	131,494
Value added taxes	14,891	34,345
	<u>568,871</u>	<u>165,839</u>

5. Cash at bank

Cash balances are at free disposal of the group. For guarantees granted to third parties, reference is made to the contingent obligations on page 21 of this report.

EQUITY AND LIABILITIES

6. GROUP EQUITY

Shareholders' equity

Please refer to the notes to the non-consolidated balance sheet on page 32 of this report for an explanation of the equity.

	2019	2018
	€	€
Minority interest		
Carrying amount as of January 1	795,948	711,638
Share results of third parties	557,414	466,615
Dividend	-505,000	-331,134
Foreign exchange rates	-191,917	-51,171
Carrying amount as of December 31	656,445	795,948

7. PROVISIONS

The pension provision has a predominantly long term character.

Pension provision

Carrying amount as of January 1	13,773	15,646
Movement in the year	3,490	-1,873
Carrying amount as of December 31	17,263	13,773

8. NON-CURRENT LIABILITIES

Loan from shareholder

Trade Centre Global Investments B.V.

Carrying amount as of January 1	300,000	-
Movement in the year	-	300,000
Change	-300,000	-
Carrying amount as of December 31	-	300,000

On the loan from shareholder an interest rate of LIBOR + 2% has been applied. No securities or guarantees have been provided. Loan was repaid in 2019.

9. CURRENT LIABILITIES

	12/31/2019	12/31/2018
	€	€
Related parties		
Payables to other related parties	350,899	716,606
Taxes and social securities		
Corporate income tax	128,586	302,538
Value added taxes	113,118	8,361
Wage taxes and social security premiums	257,052	255,299
Pension contributions	5,454	3,189
	504,210	569,387
Value added taxes		
VAT	113,118	8,361

CONTINGENT ASSETS

Tax assets

In the consolidated accounts is not recognized a deferred tax asset with regards to the compensable fiscal losses of approx. € 1.4 million in the UK subsidiaries and approx € 0.3 million in the Austrian subsidiary. These losses can be potentially offset in the future.

CONTINGENT LIABILITIES

Long-term financial obligations

Guarantees

As of December 31, 2019 the guarantees granted to third parties amount to approx. € 6,600,000.

Lease

The obligations for car leases entered into with third parties are approx. € 250,000. Of this amount approx. € 103,000 is due within two and five years and € 106,000 concerns 5 years or longer.

Rental commitments

The obligations for rentals entered into with third parties are approx. € 425,000. Of this amount € 250,000 is due within two and five years, and € 62,000 five years or longer.

Global GSA Group B.V., Amsterdam

Credit facility agreement

On October 25, 2019 Global GSA Group B.V. signed a new credit facility agreement with ABN AMRO BANK N.V. the credit facility limit amounts to € 7,500,000.

The receivables and property, plant and equipment of the group are pledged to ABN AMRO BANK N.V. Also a bank guarantee of € 2,500,000, plus interest and costs, from Société Generale, having its registered office in Paris, France, by order of Quito S.A.S. is granted until December 31, 2020

In the credit facility agreement two financial requirements are included. This concerns a tangible net worth calculation of at least 25% of adjusted balance sheet and a EBITDA of at least € 2,500,000.

6 NOTES TO THE CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR 2019

10. Net turnover

The revenues decreased in 2019 compared to 2018 with 8.0 %.

11. Employee expenses

Included under the personnel expenses is an amount of € 926,000 (2018: € 842,000) in social security costs and € 91,000 (2018: € 80,000) in pension costs.

Emoluments of directors and supervisory directors

On the basis of 2:383c paragraph 2 and 2:383 paragraph 1 of the Dutch Civil Code, a statement of remuneration of the management board is not necessary, because the remuneration of the management board of Global GSA Group B.V., which is remitted from the company, can be related to one natural person.

Staff

The average number of employees of the group during the year, converted to full-time equivalents amounts to 136 (2018: 135). All of these employees are employed by the foreign investments, except for 3 FTE.

12. Depreciation and amortisation

In regards to the intangible fixed assets an amount of € 3,000 (2018: € 22,000) was amortised.

An amount of approx. € 102,000 (2018: € 69,000) was recognized as depreciation on the tangible fixed assets.

13. Share in result of participating interests

	2019	2018
	€	€
Share in result of Proactive Airline Services AB (inclusive of result sale)	-	19,999
Share in result of ProActive Airline Services ApS (inclusive of result sale)	-	26,822
	-	46,821

14. Share results of third parties

Share in result Lost Angel B.V.	-37,682	14,971
Share in result Filuet Cyprus Ltd.	-387,416	-359,126
Share in result Coastline Consulting Ltd	-129,139	-119,709
Share in result Mr. Bondarev	-1,738	-1,365
Share in result Mr. Raevskiy	-1,439	-1,386
	-557,414	-466,615

COMPANY ANNUAL ACCOUNTS 2019

7 COMPANY BALANCE SHEET AS AT DECEMBER 31, 2019
(before appropriation of results)

Crowe Feederer B.V.
P.O. Box 22856
1100 DL Amsterdam
Phone: (31 (0)20 56 40 000

		December 31, 2019		December 31, 2018	
		€	€	€	€
EQUITY AND LIABILITIES					
EQUITY	(20)				
Issued share capital		36,000		36,000	
Share premium reserve		391,599		391,599	
Legal reserves		53,851		61,005	
Other reserves		2,583,113		4,584,313	
Result financial year		1,489,855		398,800	
			4,446,716		5,349,707
NON-CURRENT LIABILITIES			-		300,000
CURRENT LIABILITIES	(21)		1,408,646		336,065

5,855,362

5,985,772

B COMPANY PROFIT & LOSS ACCOUNT FOR THE YEAR 2019

	2019	2018
	€	€
Share in result of participating interests after taxes	1,551,509	932,133
Other income and expenses after taxation	-61,654	-533,333
Result after taxation	<u>1,489,855</u>	<u>398,800</u>

9 NOTES TO THE COMPANY FINANCIAL STATEMENTS

The Company financial statements have been prepared in accordance with Title 9 Book 2 of the Dutch Civil Code. Since the income statement for the Company 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.

For the general principles for the preparation of the financial statements, the principles for valuation of assets and liabilities and determination of the result, as well as for the notes to the specific assets and liabilities and the results, reference is made to the notes to the consolidated financial statements, if not presented otherwise hereinafter.

10 NOTES TO THE COMPANY BALANCE SHEET AS AT DECEMBER 31, 2019

ASSETS

FIXED ASSETS

15. Intangible fixed assets

	Goodwill
	€
<i>Carrying amount as of January 1, 2019</i>	
Purchase price	78,655
Cumulative amortisation and impairment	-72,962
	<u>5,693</u>
<i>Movement</i>	
Amortisation	-615
<i>Carrying amount as of December 31, 2019</i>	
Purchase price	78,655
Cumulative amortisation and impairment	-73,577
	<u>5,078</u>
<i>Amortisation rates</i>	%
Goodwill	10

The book value of the goodwill at year end 2019 relates to the acquisition of Interair Korea and Interair Taiwan. Currently there are no forecasts available for both companies. However it is management's expectation that with the incorporation in the Group new airlines will be brought to both companies and that they both will be profitable in the near future. Therefore, in accordance with 2:386 paragraph 3 of the Dutch Civil Code, the goodwill will be depreciated in a period of 10 years.

16. Tangible fixed assets

	Other fixed operating assets
	€
<i>Carrying amount as of January 1, 2019</i>	
Purchase price	117,000
Cumulative depreciation and impairment	-46,364
	<u>70,636</u>
<i>Movement</i>	
Investments	1,546
Depreciation	-15,825
	<u>-14,279</u>
<i>Carrying amount as of December 31, 2019</i>	
Purchase price	118,546
Cumulative depreciation and impairment	-62,189
	<u>56,357</u>

The depreciation rates for other operating fixed assets are between 20 - 33%.

	12/31/2019	12/31/2018
	€	€
17. Financial fixed assets		
Participations in group companies	2,395,446	4,452,976
Loans	783,586	580,499
	<u>3,179,032</u>	<u>5,033,475</u>

Global GSA Group B.V., Amsterdam

	12/31/2019	12/31/2018
	€	€
Participations in group companies		
CMF Global Airline Services SARL	108,636	97,213
Mondial Airline Services GmbH	794,040	2,951,336
SMART Airlines SRL	196,594	239,935
Global Airline Services (Holland) Ltd.	1	1
Global GSA Eurasia Ltd.	1,038,814	976,978
Aerovisión Cargo S.L.	1	1
InterAir Taiwan	219,401	167,957
InterAir Korea	15,659	19,555
Mondial Airline Services S.r.l.	22,300	-
	<u>2,395,446</u>	<u>4,452,976</u>

The movement in the participations consists out of the results of the participations amounting up to € 1,552,000, dividends distributed amounting up to € 3,515,000, positive FX results amounting up to € 7,000, the total investments amount up to € 22,000 and due to negative equities of participations € 124,000 in value was adjusted in the financial year.

Loans

Global Airline Services (Holland) Ltd.	732,931	562,056
Aerovisión Cargo S.L.	23,455	13,693
Loan employee	27,200	4,750
	<u>783,586</u>	<u>580,499</u>

On the loans to investments noted above an interest rate of LIBOR +2% has been applied and this interest charge amounted in 2019 in total approx. 45K EUR. No securities or guarantees have been provided. The loans have been granted for three years and can at the end of the term be extended with another 12 months each period. The loans can be repaid prior to the end of the term. The nominal value of the loan to the UK subsidiary was deducted with the negative equity of this participation and the book value amounts to 732K EUR. The nominal value of the loans to the Spanish subsidiary was deducted with the negative equity of this participation and the book value amounts to 23K EUR. In 2019 additional loans were provided to the UK and Spanish subsidiaries of resp. 144K GBP and 60.7K EUR. In the latter amount is included 30.7K EUR in invoices paid on behalf of the subsidiary and accrued as loan component.

Repayment terms have been agreed concerning the loan to the employee of € 4,200 per year. The last monthly installment will be April 2029 and early repayment is acceptable. According to the terms no interest is charged and no security has been provided by the borrower.

CURRENT ASSETS

	12/31/2019	12/31/2018
	€	€
18. Receivables, prepayments and accrued income		
Trade debtors	9,013	-
Group companies	1,453,482	164,364
Related parties	190,948	1,824
Taxes and social securities	14,891	34,345
Dividend to be received (Mondial Airline Services GmbH)	258,933	-
Other	259,700	461,382
	<u>2,186,967</u>	<u>661,915</u>

In the line item 'Group companies' an amount of approximately € 1,085,000 is included concerning its shareholder Trade Centre Global Investments B.V.

In the line item 'Other' an amount of approximately € 215,000 is included of accrued expenses which will be recharged to the shareholder Global GSA Holding B.V.

Taxes and social securities

Value added taxes	<u>14,891</u>	<u>34,345</u>
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19. Cash at bank

Cash balances are at free disposal of the company.

EQUITY AND LIABILITIES

20. EQUITY

	12/31/2019	12/31/2018
	€	€
Issued share capital		
Subscribed and paid up 36,000 ordinary shares at par value € 1	36,000	36,000
	2019	2018
	€	€
Share premium reserve		
Carrying amount as of January 1	391,599	391,599
Movement	-	-
Carrying amount as of December 31	391,599	391,599
	12/31/2019	12/31/2018
	€	€
Legal reserves		
Retained earnings participations	161,310	161,310
Currency translation reserve	-215,161	-222,315
	-53,851	-61,005
	2019	2018
	€	€
<i>Retained earnings participations</i>		
Carrying amount as of January 1	161,310	161,310
Movement	-	-
Carrying amount as of December 31	161,310	161,310
<i>Currency translation reserve</i>		
Carrying amount as of January 1	-222,315	-193,319
Miscellaneous movement	7,154	-28,996
Carrying amount as of December 31	-215,161	-222,315

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	2019	2018
	€	€
Other reserves		
Carrying amount as of January 1	4,584,313	4,866,893
Result appropriation previous year	398,800	-
Other mutations	-	-32,579
Dividends	-2,400,000	-250,001
Carrying amount as of December 31	<u>2,583,113</u>	<u>4,584,313</u>

Result financial year

Carrying amount as of January 1	398,800	-
Result appropriation previous year	-398,800	-
Unappropriated profit	<u>1,489,855</u>	<u>398,800</u>
Carrying amount as of December 31	<u>1,489,855</u>	<u>398,800</u>

12/31/2019	12/31/2018
€	€

Loan from shareholder

Trade Centre Global Investments B.V.	-	<u>300,000</u>
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21. CURRENT LIABILITIES

Deposits	-	36,039
Trade creditors	86,952	152,645
Group companies	1,125,269	-
Related parties	109,198	34,016
Taxes and social securities	20,125	23,135
Accruals and accrued expenses	67,102	90,230
	<u>1,408,646</u>	<u>336,065</u>

In the group companies an amount of € 1,125,000 is included in relation to dividends to be distributed to the shareholder Global GSA Holding B.V.

CONTINGENT ASSETS AND LIABILITIES

Long-term financial obligations

Guarantees

On October 25, 2019 Global GSA Group B.V. signed a new credit facility agreement with ABN AMRO BANK N.V. the credit facility limit amounts to € 7,500,000.

The receivables and property, plant and equipment of the group are pledged to ABN AMRO BANK N.V. Also a bank guarantee of € 2,500,000, plus interest and costs, from Société Générale, having its registered office in Paris, France, by order of Quito S.A.S. is granted until December 31, 2020

In the credit facility agreement two financial requirements are included. This concerns a tangible net worth calculation of at least 25% of adjusted balance sheet and a EBITDA of at least € 2,500,000.

Obligations

The off balance sheet commitments between one and five years amounts to € 17,000 for the company. The consolidated obligations are disclosed in the consolidated section of the financial statements.

11 NOTES TO THE COMPANY PROFIT & LOSS ACCOUNT FOR THE YEAR 2019

22. Employee expenses

The social security premiums and pension contributions amounted in 2019 to respectively € 33,000 (2018: € 32,000) and € 15,000 (2018: € 15,000).

Staff

During the 2019 financial year, the average number of employees converted into full-time equivalents, amounted to 3 (2018: 3).

23. Share in result of participating interests

	2019	2018
	€	€
Share in result of CMF Global Airline Services SARL	81,423	71,714
Share in result of Mondial Airline Services GmbH	417,294	1,437,616
Share in result of SMART Airlines SRL	110,447	239,883
Share in result of Global Airline Services (Holland) Ltd.	177,417	-1,536,981
Share in result of Global GSA Eurasia Ltd.	777,599	715,409
Share in result of Proactive Airline Services AB (inclusive of result sale)	-	19,999
Share in result of Aerovisión Cargo S.L.	-53,514	-36,538
Share in result of InterAir Taiwan	44,650	1,091
Share in result of InterAir Korea	-3,807	-6,882
Share in result of ProActive Airline Services ApS (inclusive of result sale)	-	26,822
	<u>1,551,509</u>	<u>932,133</u>

12 OTHER DISCLOSURE

Post balance sheet events

In 2020 the company's shareholder Global GSA Holding B.V. obtained a credit facility of 20 million euro for its subsidiaries and thus replaced the credit facility of Global GSA Group B.V. Also, at shareholder level a merger is being prepared in which Global GSA Group B.V. will merge into Global GSA Holding B.V.

There are no other relevant post balance sheet events that should be disclosed here.

Appropriation of the profit for 2019

The board of directors proposes to add the profit for 2019 of € 1,489,855 to the other reserves. This proposal has been processed in the annual account in advance of the adoption by the General Meeting.

Signing of the financial statements

Schiphol, September 8, 2020

I. Durmaz

OTHER INFORMATION

Crowe Foederer B.V.
P.O. Box 72865
1108 DJ Amsterdam
Phone +31 (0)20 56 46 000

OTHER INFORMATION

13 Independent auditor's report

The audit opinion of the independent auditor is included on the next pages

14 Provisions of the Articles of Association relating to profit appropriation

The Annual General Meeting shall determine how much of the profit will be added to the reserves and/or distributed as dividends.

INDEPENDENT AUDITOR'S REPORT

To: The shareholders of Global GSA Group B.V.

A. Report on the audit of the financial statements 2019 included in the annual report

Our opinion

We have audited the financial statements 2019 of Global GSA Group B.V. based in Schiphol

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Global GSA Group B.V. as at 31 December 2019 and of its result for 2019 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 2019;
2. the consolidated and company profit and loss account for 2019;
3. the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Global GSA Group 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;

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 scepticism 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;
- 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.

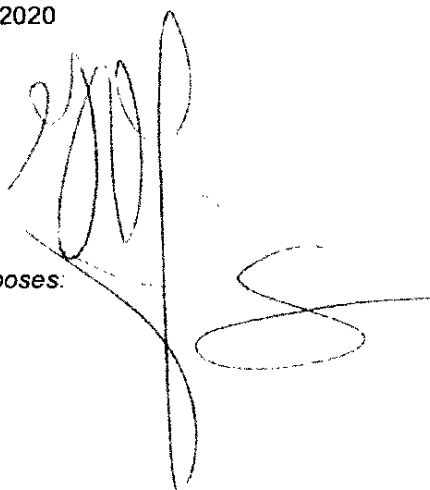
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Amsterdam, 8 September 2020

Crowe Foederer B.V.

H.J. Verhaar RA

Initial for identification purposes:

A large, stylized handwritten signature in black ink, likely belonging to H.J. Verhaar RA, is written over the text 'Initial for identification purposes:'. The signature is fluid and cursive, with a long horizontal stroke at the bottom.