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EUROPEAN LOGISTICS PARK INTERNATIONAL SRL
FINANCIAL STATEMENTS AS AT 31.03.2020

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BALANCE SHEET**March 31, 2020***(all amounts are expressed in RON, unless is specified otherwise)*

Indicator Name	Row No.	Closing balance as at	
		31-Mar-19	31-Mar-20
A	B	1	2
A. FIXED ASSETS			
I. INTANGIBLE ASSETS (account 201+203+205+2071+208+233+234-280-290-2933)	1	0	0
II. TANGIBLE ASSETS (account 211+212+213+214+231+232-281-291-2931)	2	6,447,808	6,447,808
III. FINANCIAL FIXED ASSETS (account 261+263+265+267-296)	3	4,300	4,300
FIXED ASSETS - TOTAL (row 01 - row 03)	4	6,452,108	6,452,108
B. CURRENT ASSETS			
I. INVENTORIES (account 301+302+303+/- 308+331+332+341+345+346+/ -348+351+354+356+357+358+361+/-368+371+/-378+381+/ -388-391-392-393-394-395-396-397-398+4091-4428)	5	0	0
II. ACCOUNTS RECEIVABLE (account 267-296+4092+411 +413+418+425+4282+431+437+4382+441+4424+4428+ 444+445+446+447+4482+451+453+456+4582+461 +473-491-495-496+5187)	6	1,999,125	2,035,795
III. SHORT TERM INVESTMENTS (account 501+505+506+508+5113+5114-591-595-596-598)	7	0	0
IV. CASH AT BANK AND IN HAND (account 5112+512+531+532+541+542)	8	79,688	64,496
CURRENT ASSETS - TOTAL (row 05 - row 08)	9	2,078,814	2,100,292
C. PREPAID EXPENSES (account 471)	10	0	0
D. LIABILITIES THAT MUST BE PAID IN LESS THAN ONE YEAR (account 161+162+166+167+168-169+269+401+403+404 +405+408+419+421+423+424+426 +427+4281+431+437+4381 +441+4423+4428+444+446+447+4481+451+453 +455+456+457+4581+462+473+509+5186+519)	11	5,112,898	5,473,376
E. NET CURRENT ASSETS - NET CURRENT LIABILITIES (row 09+10-11-18)	12	(3,034,084)	(3,373,085)
F. TOTAL ASSETS LESS CURRENT LIABILITIES (row 04+12)	13	3,418,024	3,079,023

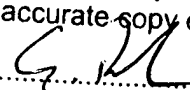
APPROVED AND ISSUED BY THE BOARD OF DIRECTORS
 European Logistics Park International SRL

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G. LIABILITIES THAT MUST BE PAID IN MORE THAN ONE YEAR (account 161+162+166+167+168-169+269+401 +403+404+405+408+419+421+423+424+426+427 +4281+431+437+4381+441+4423+4428+444+446+447 +4481+451+453+455+456+457+4581+462+473+509+5186+519)	14	17,264,541	17,337,842
H. PROVISIONS (account 151)	15	0	0
I. DEFERRED INCOME (row 17+18+21), from which:	16	0	0
- investment subsidies (account 475)	17	0	0
- deferred revenues (account 472) - total (rows 19+20), from which:	18	0	0
- amounts to be reversed in a period of less than a year (account 472)	19	0	0
- amounts to be reversed in a period of more than a year (account 472)	20	0	0
Negative goodwill (account 2075)	21	0	0
J. EQUITY AND RESERVES		0	0
I. SHARE CAPITAL (row 23+24+25), from which:	22	990,650	990,650
- subscribed and paid in share capital (account 1012)	23	990,650	990,650
- subscribed and not paid in share capital (account 1011)	24	0	0
- patrimony (autonomous companies) (account 1015)	25	0	0
II. PREMIUM RELATED TO COMPANY (account 104)	26	0	0
III. REVALUATION RESERVES (account 105)	27	31,163	31,163
IV. RESERVES (account 106)	28	0	0
Own shares (account 109)	29	0	0
Gains from capital (account 141)	30	0	0
Loss from capital (account 149)	31	0	0
V. PROFIT (LOSS) CARRIED FORWARD (account 117) -----	32	0	0
Balance Account Cr			
- Balance Account Dr -----	33	14,246,264	14,868,330
VI. PROFIT (LOSS) OF FINANCIAL YEAR (account 121) -----	34	0	0
Balance Account Cr			
--- Balance Account Dr -----	35	622,066	412,301
DISTRIBUTION OF PROFIT (account 129)	36	0	0
SHARE EQUITY - TOTAL (row 22+26+27+28-29+30-31+32-33+34-35-36)	37	(13,846,517)	(14,258,818)
Public patrimony (account 1016)	38	0	0
EQUITY -TOTAL (row 37+38)	39	(13,846,517)	(14,258,818)

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PROFIT AND LOSS ACCOUNT

March 31, 2020

(all amounts are expressed in RON, unless is specified otherwise)

Indicator name	Row No.	Results for the year ended	
		31-Mar-19	31-Mar-20
A	B	1	2
1. Net Turnover (row 02 + 03 - 04 + 05 + 06)	1	0	0
Sold output (account 701+702+703+704+705+706+708)	2	0	0
Sales of goods held for resale (account 707)	3	0	0
Trade discounts offered (account 709)	4	0	0
Interest revenues registered by entities striked out from the General Registry and which still have ongoing leasing contracts (account 766)	5	0	0
Revenues from operating subsidies related to net turnover (account 7411)	6	0	0
2. Revenues associated with the cost of completed production (account 711 + 712)	7	0	0
----- Closing Balance C			
----- Closing Balance D	8	0	0
3. Own work capitalized (account 721+722)	9	0	0
4. Other operating revenues (account 7417+758+7815)	10	0	0
from which income from negative goodwill	11	0	0
OPERATING REVENUES - TOTAL (row 01+07-08+09+10)	12	0	0
5. a) Expenses with raw materials and consumables (account 601+602-7412)	13	0	0
Other expenses with materials (account 603+604+606+608)	14	0	0
b) Other third party expenses (water, electricity) (account 605-7413)	15	2,099	1,190
c) Expenses with goods held for resale (account 607)	16	0	0
Trade discounts received (account 609)	17	0	0
6. Personnel expenses (row 19+20)	18	0	0
a) Wages and salaries (account 641+642+643+644-7414)	19	0	0
b) Social security charges (account 645-7415)	20	0	0
7. a) Depreciation and impairment of tangible and intangible assets (row 22-23)	21	0	0
a.1) Expenses (account 6811+6813)	22	0	0
a.2) Revenues (account 7813)	23	0	0
b) Adjustment of current assets (row 25-26)	24	0	0
b.1) Expenses (account 654+6814)	25	0	0
b.2) Revenues (account 754+7814)	26	0	0
8. Other operating expenses (row 28 to 31)	27	116,375	57,123
8.1. Expenses regarding external services (account 611+ 612+ 613+ 614+ 621+ 622+ 623+ 624+ 625+ 626+ 627+ 628-7416)	28	93,231	23,538
8.2. Other taxes and duties (account 635)	29	14,920	32,804
8.3. Other expenses	30	8,224	781

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Expenses for refinancing interests registered by companies which were struck out from the General Registry and which still have ongoing leasing contracts (account 666)	31	0	0
Adjustments regarding provisions (row. 33-34)	32	0	0
- Expenses (account 6812)	33	0	0
- Revenues (account 7812)	34	0	0
OPERATING EXPENSES - TOTAL (row 13 to 16-17+18+21+27+32)	35	118,474	58,313
OPERATING RESULT - PROFIT (row 12-35)	36	0	0
- LOSS (row 35-12)	37	118,474	58,313
9. Revenues from minority interests (account 7611+7613)	38	0	0
- from which, inside the group:	39	0	0
10. Revenues from other financial investments and financial fixed assets (account 763)	40	0	0
- from which, inside the group:	41	0	0
11. Interest revenues (account 766)	42	24	29
- from which, inside the group:	43	0	0
Other financial revenues (account 762+764+765+767+768)	44	42,345	120,561
FINANCIAL REVENUES - TOTAL (row 38+40+42+44)	45	42,370	120,590
12. Adjustments of financial fixed assets and of financial investments held as current assets (row 47-48)	46	0	0
- Expenses (account 686)	47	0	0
- Revenues (account 786)	48	0	0
13. Interest expenses (account 666-7418)	49	54,468	46,419
- from which, inside the group:	50	0	0
Other financial expenses	51	482,650	428,158
FINANCIAL EXPENSES - TOTAL (row 46+49+51)	52	537,117	474,576
FINANCIAL RESULT: - Profit (row 45-52)	53	0	0
- Loss (row 52-45)	54	494,748	353,986
14. ORDINARY RESULT: - Profit (row 12+45-35-52)	55	0	0
- Loss (row 35+52-12-45)	56	613,222	412,299
15. Extraordinary revenues (account 771)	57	0	0
16. Extraordinary expenses (account 671)	58	0	0
17. EXTRAORDINARY RESULT: - Profit (row 57-58)	59	0	0
- Loss (row 58-57)	60	0	0
TOTAL REVENUES (row 12+45+57)	61	42,370	120,590
TOTAL EXPENSES (row 35+52+58)	62	655,591	532,889
18. GROSS RESULT: - Profit (row 61-62)	63	0	0
- Loss (row 62-61)	64	613,222	412,299
19. Tax on profit (account 691)	65	0	0
20. Other taxes not mentioned above (account 698)	66	8,844	2
21. NET RESULT OF THE FINANCIAL EXERCISE:			
- Profit (row 63-64-65-66)	67	0	0
- Loss (row 64+65+66-63)	68	622,066	412,301

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NOTES TO FINANCIAL STATEMENTS

1 ACCOUNTING PRINCIPLES, POLICIES AND METHODS

These financial statements have been prepared in accordance with the accounting regulations in compliance with the European directives approved by the Order of the Minister of Public Finances of Romania ("MoFO") no. 1802/2014.

The financial statements include:

(A) Balance Sheet

(b) The profit and loss account

(C) Accounting policies and other explanatory notes

These accompanying financial statements do not have to disclose the financial position, result of operations and a complete set of notes to the financial statements in accordance with the accounting regulations and accounting principles accepted in countries and jurisdictions other than Romania.

Therefore, the accompanying financial statements are not prepared for the use of persons who are not aware of the accounting and legal regulations in Romania, including 1802/2014 for the approval of the Accounting Regulation on the individual annual financial statements and the consolidated annual financial statements with subsequent amendments and completions.

The accounting records based on which these financial statements were presented are made in RON ("RON") at the historical cost according to the Company's accounting policies and according to MOFO 1802/2014.

The accounting policies applied in these financial statements are presented below:

1 BASIC CONCEPTS

Accrual accounting

Financial statements are prepared under accrual accounting. Thus the effects of transactions and other events are recognized when transactions and events occur (and not as cash or his equivalent is earned or paid) and are recorded in the accounting records and reported in the financial statements of the related periods.

Using accounting estimates

The preparation of the financial statements of the Company in accordance with the provisions of MOFO 1802/2014, as amended, asks the management to make estimates and assumptions that affect the reported amounts for income, expenses, assets and liabilities, as well as presentation of contingent liabilities and assets at the end of the period. However, the inherent uncertainty surrounding these estimates and assumptions could result in a significant future adjustment to the carrying amount of the assets and liabilities recorded.

Comparative information

If the values for the previous period are not comparable to those for the current period, this aspect is presented and reasoned in the explanatory notes, without altering the comparative numbers for the previous year.

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2 ACCOUNTING PRINCIPLES

The principle of going concern

Financial statements are based on the assumption that the entity will continue its activity in the foreseeable future. The enterprise does not have the intention or the need to liquidate or significantly reduce its activity; if such an intention or need exists, it may be necessary for the financial statements to be prepared on a different basis of evaluation and in this case the information on the used basis will be presented.

The principle of permanent methods

This presupposes the continuity of applying the same rules and norms on evaluation, accounting and presentation of property and results, ensuring the comparability of accounting information over time.

Principle of prudence

The value of the patrimonial items was determined on the basis of the principle of prudence. The following aspects were considered:

- a) only recognized profits were taken into account until the end of the financial year;
- (b) account has been taken of all foreseeable liabilities and potential losses incurred during the financial year ended or during a previous financial year, even if such liabilities or losses occurred between the date of the financial year end and the balance sheet date;
- c) all value adjustments due to depreciation have been taken into account.

The principle of exercise independence

All revenue and expenditure corresponding to the financial year for which the reporting is made are considered, without taking into account the date of cashing or payment.

The principle of separate evaluation of asset and liability items

In order to determine the total value of a balance sheet position, the value of each individual asset or liability item was determined separately.

The principle of non-compensation

The values of the items representing assets were not compensated by the values of the items representing liabilities, respectively the revenues with the expenses, except for the compensations between the assets and liabilities allowed by the International Accounting Standards.

The principle of economic prevalence over the legal

The information presented in the financial statements reflects the economic reality of events and transactions, not just their legal form.

Principle of significance threshold

An item that is of significant value was presented separately in the financial statements. Elements with insignificant values that have the same nature or similar functions have been summed up, and their separate presentation is not necessary.

Subsequent Events

Events that occurred after the balance sheet date and provided additional information on the management's estimates at the balance sheet date led to the adjustment of the patrimonial items in order to reflect additional information too.

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3 ACCOUNTING POLICIES AND METHODS

Fixed assets

Fixed assets are recorded in the balance sheet at historical cost, less cumulative depreciation.

The acquisition cost is equal to the purchase price, the irrecoverable charges, the transportation and supply costs and other necessary expenditures for putting into use or entry into the property of the good (taxes, authorizations, studies, fees, etc.).

Fixed assets are amortized starting from the month following the date of commissioning, as the case may be. Fixed assets in progress and land are not amortized. Land plots are amortized using the linear method.

For the amortization calculation, the linear depreciation method is used, the lifetime used being the following:

Buildings and special constructions	12-60 years
Equipment	4-16 years
Vehicles	4-6 years
Office furniture and equipment	4-6 years

The ongoing investment is amortized from the start-up date.

Expenses with the maintenance and repair of fixed assets are highlighted in operating expenses at the time they are performed, and improvements that lead to the increase in lifetimes or technical parameters of fixed assets and value of assets are capitalized in their cost and amortized over the remaining period.

Most of the intangible assets registered by the Company are represented by software and licenses. They are linearly amortized over a period of up to 3 years.

Inventory

Inventory are registered into accounting at a value equal to the acquisition cost.

Acquisition cost includes, as in the case of fixed assets, the purchase price, irrecoverable charges, transportation and supply costs and other necessary expenses required for putting into use or entry into the property of the good.

The inventory evaluation method used by the Company is FIFO (first entered - first out).

If the net realizable value of inventories is less than the cost of acquisition or cost of production, then that net realizable value for the current asset is the one that is presented in the financial statements, respectively the value of the asset, less the impairment adjustment.

Receivables

Receivables are presented in the balance sheet at nominal value less the impairment adjustments in cases where the recoverable amount was found to be lower than the nominal value.

Cash and cash equivalents

Cash assets consist of cash, bank accounts, short-term bank deposits, checks and commercial effects deposited at banks, being recorded at cost.

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For the cash flow situation, cash and cash equivalents include cash in petty cash, bank accounts, short-term financial investments, treasury advances, net of overdraft. The foreign currency assets are valued at the exchange rate communicated by the National Bank of Romania valid on the closing date of the financial year.

Assessment of receivables and debts in foreign currency

Transactions in foreign currency are translated into RON at the exchange rate at the date of the transaction.

In the financial statements, monetary assets and liabilities denominated in foreign currency (cash and cash equivalents such as bank deposits, receivables and foreign currency payables) should be evaluated and reported using the exchange rate communicated by the National Bank of Romania valid at the end of the financial year.

Exchange rate differences, favourable or unfavourable, between the date of recording of receivables or debts in foreign currency for the current month or the end of the previous month exchange rate for those in previous months and the exchange rate at the end of the financial year, shall be recorded, to financial income or expenses, as the case may be.

The exchange rate communicated by the NBR for the end of the financial period ended 31.03.2020 was: 1 EUR = 4.8254 RON (1 EUR = 4.7628 RON as at 31 March 2019).

Suppliers and other debts

Commercial debts are recorded at the nominal value of the amounts to be paid for the goods or services received.

For debts denominated in RON, which are settled on a currency exchange basis, any favourable or unfavourable differences that result from their valuation are recorded as financial income or expenses, as the case may be.

Provisions

Provisions are recognized in the balance sheet when the Company has a legal or constructive obligation arising from a past event and it is probable that in the future it will be necessary to consume some economic resources that will put an end to this obligation. Provisions are reviewed at each end of the period and adjusted to reflect the most appropriate current estimate.

The Company recognizes as risk and expense provisions - other provisions - bonuses paid to employees and unpaid leave.

Financial result

The financial result includes expenses / income from exchange rate differences from available revaluation and external payments, interest payable for loans and interest received for current bank accounts. The principle of the separation of financial exercises is respected for the recognition of these types of expenses and income.

Affiliated companies

In accordance with MOFO 1802/2014, an entity is affiliated to a company if it is under the control of that company.

Control exists when the parent company fulfils one of the following criteria:

- a) holds the majority of voting rights over a company;

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b) is a shareholder or associate of a company and the majority of the members of the administrative, management and supervisory bodies of the company in question who have performed these functions during the financial year, during the previous financial year and until the preparation of the annual financial statements have been appointed only as a result of the exercise of his voting rights;

c) is a shareholder or associate of the company and owns alone control over the majority of the voting rights of the associates as a result of a concluded agreement with other shareholders or associates;

d) is a shareholder or associate of a company and has the right to exercise a dominant influence over that company, under a contract concluded with the entity in question or a clause in the constitutive act or company status, if the law applicable to the company permits such contracts or clauses;

e) The parent company has the power to exercise or exercise effectively, a dominant influence or control over the Company;

f) is a shareholder or associate of the company and has the right to appoint or revoke the majority of the members of the administrative, management and supervisory bodies of the Company;

g) The parent company and the related entity are managed on a unified basis by the parent.

An entity is "tied to" another entity if:

- a) directly or indirectly through one or more entities;
- controls or is controlled by the other entity or is under common control of the other entity (this includes parent companies, subsidiaries or member subsidiaries);
- has an interest in the entity, which gives significant influence on it; or
- has joint control over the other entity;
- b) is an associate entity of the other entity;
- c) represents a joint venture in which the other entity is associated;
- d) is a member of the key management personnel of the entity or its parent company;
- e) represents a close member of the family of the person referred to in a) or d);
- f) is an entity that is controlled, jointly controlled or significantly influenced, or for which significant voting power in such an entity is given, directly or indirectly, by any person referred to in d) or e); or
- g) the entity represents a post-employment benefit plan for the benefit of employees of the other entity or for employees of any entity linked to such a company.

Accounting errors

Errors found in accounting may refer either to the current financial year or to previous financial years; errors from previous periods also refers inclusive to misrepresentation of information in the annual financial statements. Errors are corrected at the time of their discovery. Past due errors are omissions and erroneous statements included in the entity's financial statements for one or more prior periods resulting from the error of using or not using credible information that:

a) were available at the time the financial statements for those periods were approved for issue;

b) could have been reasonably obtained and taken into account in the preparation and presentation of those annual financial statements.

Correction of errors for the current financial year is made on the basis of the profit and loss account.

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The correction of significant errors in the previous financial years is made on the basis of the retained earnings.

The insignificant errors of the previous financial years are corrected on the profit and loss account.

Correcting errors related to previous financial years does not change the financial statements of those exercises. In the case of errors related to previous financial years, their correction does not require the adjustment of the comparative information presented in the financial statements. Comparative information on the financial position and financial performance, respectively the change in the financial position, is presented in the explanatory notes. In the explanatory notes to the financial statements provide also information on the nature of the errors found and the periods affected by them.

NON CURRENT ASSETS

TANGIBLE ASSETS

COST	Balance			Balance
	<u>1.4.2019</u>	<u>Additions</u>	<u>Disposals</u>	<u>31.03.2020</u>
Land	6,447,808	-	-	6,447,808

The Company holds plots of land totalizing app. 159,636 sqm, located in Calugareni, DNS Bucuresti – Giurgiu, Giurgiu County.

No depreciation was booked for the land as at 31.03.2020.

SHARE CAPITAL AND OTHER INFORMATION

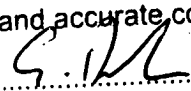
EUROPEAN LOGISTICS PARK INTERNATIONAL SRL was founded in 2007, on the basis of Law no.15 / 1990 and Law no. 31/1990, is registered at the Trade Register under no. J40/15053/2007.

The registered headquarters is in Bucharest, sect. 1 str. BENJAMIN FRANKLIN nr. 7 et. 2 ap. 7.

The subscribed share capital of the company as at 31 March 2020 and 2019 was: 990,650 RON, wholly private, number of social shares 99,065, the nominal value of a share being 10 RON/social share.

EUROPEAN LOGISTICS PARK INTERNATIONAL SRL has a unique associate MEGAPOINT LIMITED.

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BALANCES WITH RELATED PARTIES

	<u>March 31,</u> <u>2019</u> RON	<u>March 31,</u> <u>2020</u> RON
<u>DUE TO:</u>		
Megapoint Ltd – LOAN	5,010,170	5,076,022
Nazofan Ltd – LOAN	9,750,166	9,878,318
Brickcrest Ltd – LOAN	1,578,868	1,687,273
Nazofan Ltd - TRADE PAYABLES	5,024,754	5,090,797
<u>DUE FROM:</u>		
Nazofan Ltd - TRADE RECEIVABLES	1,886,069	1,875,100

The above mentioned loans bear no interest.

GOING CONCERN

The Company's total liabilities exceeded its total assets by Ron 14,258,818.

This condition indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

However, the management and the shareholders consider that the company will continue to run its activity at least in the next 12 months, in normal conditions, on a going concern basis, with the financial support of its shareholders.

CONTINGENCIES – RELATED PARTIES

Financial statements at 31 March 2020 include transactions with affiliated parties. The Romanian tax legislation includes the "market value" principle, according to which the transactions between affiliated parties must be carried out at market value. Local taxpayers who engage in transactions with affiliated parties must prepare and make available to the tax authorities, at their written request, the transfer pricing documentation.

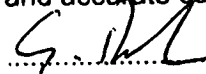
The company was not asked for this file. The company believes it will not suffer any losses in the case of a fiscal check for transfer pricing verification.

However, the impact of different interpretations of tax authorities cannot be estimated reliably. This could be significant for the financial position and / or the operations of the Company.

IDENTIFIED RISKS

Currency risk

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The Company operates under foreign exchange risk because it carries out transactions denominated in Euro ("EUR"). Therefore, there is a risk of variation in the value of the net monetary assets held in Romanian Lei.

Credit risk

In its activity, the Company exposes to credit risk from receivables (customers). There are no significant credit risk concentrations. Company management closely and constantly monitors the exposure to credit risk.

Interest rate risk - is the risk that the value of a financial instrument to fluctuates due to variations in market interest rates.

The company is not exposed to such a risk in the context in which related parties loans bear no interest until current date.

Liquidity risk is the risk that an entity may encounter difficulties in obtaining the funds needed to meet the commitments of the financial instruments.

The company permanently evaluates the liquidity risk by planning and monitoring sources and resources, and by daily tracking cash flow variations. For reasons of prudence, any investment that exceeds the Company's ability, is achieved only by attracting resources within the Group to which it belongs.

Operational risk

Takes into account that the realization of income, implicitly of profits, largely depends on ensuring the continuity of activity by the Group to which the Company belongs, and thus any economic decision regarding the allocation of funds from the Group for investments could have implicitly impact on the continuity of the Society.

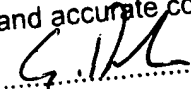
Environmental risk

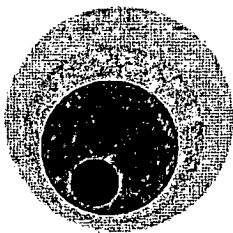
In carrying out the activity, EUROPEAN LOGISTICS PARK INTERNATIONAL SRL is committed to complying with all environmental regulations in force. Until now, none of the investments implemented by the Company has led to negative environmental effects during its realization, but on the contrary, as is the case with the investments made.

POST BALANCE SHEET EVENTS – COVID-19

Related to the closure of the financial year, in the epidemiological context triggered by the national and international spread of the new coronavirus COVID-19 and the declaration of "Pandemic" by the World Health Organization, since 11.03.2020 also in Romania have been taken restrictive measures with an impact on economic activities.

The company has considered this context as a post balance-sheet event, meaning that the going concern basis and its activity is not affected and no further adjustments should be made to the financial statements as at 31.03.2020. At the same time, the Company's management has taken measures and is monitoring continuously the situation, the estimate being that the Company will be able to overcome this pandemic state.

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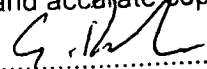
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