This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation or information, views opinions, the original language version of our report takes precedence over this translation.

INDEPENDENT AUDITOR´S REPORT ON THE ANNUAL ACCOUNTS

To the shareholders of CROPPY SOLUTIONS, S.L.
at the request of the sole administrator

Opinion

We have audited the annual accounts of CROPPY SOLUTIONS, S.L. (the Company), which comprise the balance sheet as at December 31, 2017, the income statement and related notes for the year then ended.

In our opinion, the accompanying annual accounts present fairly, in all material respects, the equity and financial position of the Company as at December 31, 2017, as well as its financial performance for the year then ended, in accordance with the applicable financial reporting framework (as identified in Note 2.1 of the notes to the annual accounts), and in particular, with the accounting principles and criteria included therein.

Basis for opinion

We conducted our audit in accordance with legislation governing the audit practice in Spain. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the annual accounts* section of our report.

We are independent of the Company in accordance with the ethical requirements, including those relating to independence, that are relevant to our audit of the annual accounts in Spain, in accordance with legislation governing the audit practice. In this regard, we have not rendered services other than those relating to the audit of the accounts, and situations or circumstances have not arisen that, in accordance with the provisions of the aforementioned legislation, have affected our necessary independence such that it has been compromised.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Most relevant aspects of the audit

The most relevant aspects of the audit are those that, in our professional judgment, were considered to be the most significant risks of material misstatement in our audit of the annual accounts of the current period. These risks were addressed in the context of our audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these risks.

Revenue recognition

The Company's revenues are generated by many transactions of small amounts with numerous customers. The control of these operations requires administrative work performed mostly by manual means, therefore susceptible to errors in the data processing and in the processes themselves. The high value of this heading and its inherent risk imply that we have considered this issue relevant to our audit.

Our audit procedures have included, among others, the assessment of internal control over the income recognition process, as well as the performance of analytical tests aimed at assessing its variation and completeness. Likewise, we have carried out substantive tests to analyze a sample of transactions, we have requested and obtained external confirmations of the balances receivable from customers, making alternative procedures for the answers not received, and we have checked the billing issued subsequently and the cut-off procedures. Finally, we examine whether the information disclosed in the annual accounts complies with the applicable financial information framework.

Responsibility of the sole administrator for the annual accounts

The Company´s sole administrator is responsible for the preparation of the accompanying annual accounts, such that they fairly present the equity, financial position and financial performance of CROPPY SOLUTIONS, S.L., in accordance with the financial reporting framework applicable to the entity in Spain, and for such internal control as he determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the administrator is responsible for assessing the Company´s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the he either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor´s report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with legislation governing the audit practice in Spain will always detect a material misstatement when it exists. 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 based on these annual accounts.

As part of an audit in accordance with legislation governing the audit practice in Spain, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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.

- Obtain 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 Company´s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Company´s sole administrator.

- Conclude on the appropriateness of the administrator´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 annual accounts 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 the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Company´s administrator regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the significant risks communicated with the Company´s administrator, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are, therefore, considered to be the most significant risks.

We describe these risks in our auditor´s report unless law or regulation precludes public disclosure about the matter.

AUREN AUDITORES SP, S.L.P.
Registered in R.O.A.C. under Nº S2347

Original signed in Spanish by
Rafael Soloaga Morales
Registered in R.O.A.C. under Nº16954

March 28, 2018

ASSETS	Note	Euros 2017	Euros 2016
NON-CURRENT ASSETS		**64.820**	**45.869**
Intangible fixed assets	**4.2**	**630**	**21.630**
Tangible fixed assets	**4.1**	**57.545**	**21.719**
Long-term investments	**5**	**1.395**	**1.395**
Deferred tax assets	**8**	**5.250**	**1.125**
CURRENT ASSETS		**942.165**	**1.068.425**
Stocks		**193.203**	**155.860**
Goods for resale		193.203	155.860
Accounts receivable - commercial and other		**539.653**	**620.699**
Accounts receivable for sales and services		539.333	620.499
Other debtors		320	200
Short-term financial investments		**49**	**504**
Cash and equivalent liquid assets		**209.261**	**291.362**
TOTAL ASSETS		**1.006.985**	**1.114.294**

NET EQUITY AND LIABILITIES	Note	Euros 2017	Euros 2016
NET EQUITY		**616.652**	**549.903**
Shareholders' funds		**616.652**	**549.903**
Capital	**7.1**	**210.000**	**210.000**
Authorised share capital		210.000	210.000
Reserves		**339.903**	**184.814**
Result for the year		**66.749**	**155.089**
NON CURRENT LIABILITIES		**32.722**	**0**
Long-term debts	**6**	**32.722**	**0**
CURRENT LIABILITIES		**357.611**	**564.391**
Short-term provisions	**8**	**0**	**11.381**
Short-term debts		**9.343**	**0**
Accounts payable - commercial and other		**348.268**	**553.010**
Suppliers	**6**	280.909	395.283
Other creditors		67.359	157.726
TOTAL LIABILITIES AND EQUITY		**1.006.985**	**1.114.294**

	Note	Euros 2017	Euros 2016
Net Turnover		**2.435.578**	**2.842.348**
Supplies		**(2.072.141)**	**(2.396.207)**
Employee costs		**(122.863)**	**(106.244)**
Other operating costs		**(112.426)**	**(115.543)**
Depreciation of fixed assets		**(25.844)**	**(11.804)**
Other results	**10**	**(10.890)**	**6.609**
OPERATING RESULT		**91.415**	**219.160**
Financial Income		**654**	**512**
Other financial income		654	512
Financial Costs		**(2.610)**	**(1.251)**
FINANCIAL RESULT		**(1.956)**	**(740)**
RESULT BEFORE TAX		**89.459**	**218.421**
Corporation Tax	**8**	**(22.710)**	**(63.331)**
RESULT FOR THE YEAR		**66.749**	**155.089**

1. ACTIVITY

CROPPY SOLUTIONS, S.L. was incorporated for an undefined period on 2 April 2009. Its registered office is located on Valladolid (Montero Calvo, 3); The Company was entered in the Mercantile Register of Valladolid.

The corporate purpose of the Company, which is also its current activity, is the purchase, sale, marketing, import and export of agricultural packaging products.

The Company operates in Spain, using the euro as its functional currency.

At December 31, 2017, the Company is majority owned by Karaztis, S.A., a Greek company based in Crete. Karaztis Group prepares consolidated financial statements, in which Croppy Solutions S.L. is included.

2. BASIS OF PRESENTATION OF THE ANNUAL ACCOUNTS

a) True and fair view

The annual accounts, which comprise the balance sheet, the profit and loss account and the explanatory notes, have been prepared from the accounting books of the Company. The annual accounts are presented in accordance with the financial reporting framework applicable in Spain, so that they present fairly the assets, liabilities, financial position and results of the Company. The financial reporting framework is established in:

a) The Commercial Code and other corporate legislation.
b) The General Accounting Plan approved by Royal Decree 1514/07 of November 16, as amended by Royal Decree 1159/2010 and Royal Decree 602/2016 of December 2.
c) The binding rules adopted by the Institute of Accounting and Auditing developing General Accounting Plan and related legislation.
d) All other Spanish accounting legislation applicable.

Unless stated to the contrary, all amounts in these abridged notes are expressed in Euros.

These annual accounts have been prepared by the Sole Director; will be presented to the Shareholders' Meeting for approval. It is expected that they will be approved without modifications.

b) Accounting standards

The annual accounts have been prepared based upon Spanish generally accepted accounting standards. There are no accounting standards that, if its effect is significant, has ceased to apply.

c) Critical aspects for valuations and estimates of uncertainty

When preparing the attached annual accounts, estimates made by the Sole Director have been used to value certain assets, liabilities, income, expenses and commitments that have been recorded in the accounts. These estimates refer mainly to:

- The useful lives of the intangible and tangible fixed assets (note 3 a and b).
- The fair value of intangible assets (note 4.2).

These estimates were made based on the best information available to date of preparation of these financial statements, there being no fact which might change the estimates. Any future event is not known at the time of preparing these estimates, it could lead to changes (upwards or downwards), which would be made, if any, prospectively.

Going concern principle

The Sole Director estimates that there is not events or circumstances that may cast doubts about the continuity of the company's activity in the future, so he has elaborated these annual accounts using the going concern accounting principle.

d) Comparison of information

These annual accounts show, for comparative purposes, with each of the items in the balance sheet and the profit and loss account, the figures for the year 2017 and those corresponding to the previous year. The figures of both years are comparable.

e) Assets or liabilities distributed in several items

There are no assets or liabilities recorded in two or more items of the balance sheet, except of financial liabilities, classified by their maturity date.

f) Changes in accounting criteria

During fiscal year 2017 there were no significant changes in accounting criteria with respect to those applied in the previous year.

g) Error correction

These annual accounts do not include adjustments made because of errors detected in the year.

3. ACCOUNTING AND VALUATION POLICIES

The main accounting and valuation policies used to prepare the annual accounts are as follows:

a) Intangible fixed assets

As a rule, intangible fixed assets are registered as long as they comply with the requirement concerning identification. They are initially valued at their acquisition or production cost, being reduced thereafter by the related accumulated depreciation and, if required, by the losses for impairment that have arisen.

The annual charge for depreciation is calculated proportionally distributing the cost over their estimated useful lives, which are the following depreciation rates:

	% of depreciation
Industrial property	20,00
Computer software	33,33
Other intangible assets	10,00

The following criteria are applied:

a.1) Computer software

This classification includes amounts paid for ownership rights or the right to use computer programs.

Computer programs that meet the criteria are capitalized at acquisition or development cost. They are amortized on a straight-line basis over 3 years, commencing when the program enters use.

Maintenance costs for computer software are booked to results for the year in which they are incurred.

a.2) Other intangible assets

The Company collects under this heading the marketing rights and know-how acquired in prior years which was initially valued at cost of acquisition or production cost. The estimated useful life of these assets was 10 years and were amortized using the straight-line method. However, at the end of this year, its estimated fair value is nil, and therefore it has been fully amortized.

b) Tangible fixed assets

Tangible fixed assets are valued at their acquisition or production cost, reduced thereafter by the corresponding accumulated depreciation and any losses for impairment.

The indirect taxes associated with tangible fixed assets are only included in the acquisition or production cost when they cannot be recovered directly from the Spanish Treasury.

Costs relating to upgrades, improvements or expansions that represent an increase in the productivity, capacity or efficiency, or, a lengthening of the useful lives of the assets are recorded as an increase in value of the asset in question. Costs relating to repairs and maintenance are recorded in the profit and loss account in the year of accrual.

The company depreciates its tangible fixed assets using the straight-line basis distributing the cost over the estimated useful lives of the assets:

	Useful life
Other facilities	8 years
Furniture	10 years
Computers hardware	4 years
Vehicles	7 years

c) Impairment of the value of intangible and tangible fixed assets

An impairment loss in value of an item of tangible or intangible assets occurs when its book value exceeds its recoverable value, being this the higher between fair value less costs of selling and value in use

For this purpose, at the year-end, the Company applies the so-called "impairment test" to find out whether there is evidence that some tangible or intangible assets, with indefinite useful life, or if any cash-generating unit may be damaged, in which case we proceed to estimate the recoverable amount and make the related valuation adjustments.

Impairment test are made on an individualized basis. However, when it is not possible to determine the recoverable amount of each individual item, the company proceed to determine the recoverable amount of the cash-generating unit to which it belongs.

d) Operating and financial leases

The Company considers as finance leases those operations for which the lessor transfers to the lessee all risks and rewards of ownership of the asset and considers the rest as operating leases.

d.1) Financial leases

In leasing operations in which the Company is the lessee, the Company recognizes an asset in the balance sheet according to the nature of the acquired item and a liability for the same amount, which is the lower between the fair value of the asset and the current value of the amounts payable for the lease, including the final option. It is not included contingent rents, the cost of services and taxes to be paid by the lessor. The finance cost is charged to the profit and loss account in the year they are incurred using the method of effective interest rate. The contingent rents are registered in the year they are incurred.

The assets involving such operations are amortized using the same criteria as those applied to the rest of tangible (or intangible) assets, according to their nature.

d.2) Operating leases

The costs associated with operating lease agreements are recorded in the profit and loss account for the year in which they accrue.

Any amount collected or paid when contracting an operating lease is treated as an advance collection or payment and is transferred to results over the period of the lease, based upon the reception or the cession of the benefits of the leased asset.

e) Financial assets and liabilities

e.1) Financial assets

These correspond to commercial and non-commercial loans arising from the sale of goods, deliveries of cash or the delivery of services, with the corresponding amounts receivable being fixed or determinable, which are not negotiated on any market.

Initially, these are recorded at the fair value of the delivery plus the direct costs of the operation. Thereafter, they are valued at their amortized cost, recording the interest accrued in the profit and loss account based on the effective interest rate.

Nevertheless, the trade credits with maturity not exceeding one year and not having a contractual interest rate are initially measured at their nominal value, provided that the effect of not discounting the cash flows is not significant, in which case they will subsequently assessing the amount, unless they had deteriorated.

Valuation adjustments for impairment are recorded based on the difference between the book value and the present value at the year-end of the estimated future cash flows that will be generated (discounted at the effective interest rate calculated at the date of the initial accounting entry). These adjustments are booked to the profit and loss account.

Financial assets are written off when they expire or have been transferred substantially all risks and rewards of ownership, such as firm asset sales, factoring operations in which the company does not retain any credit or interest risk and sales of financial assets in which the transferor does not retained subordinated debt or grant any warranty or assume any other type of risk.

On the contrary, it is not derecognized financial assets and financial liabilities is recognized in an amount equal to the consideration received on disposals of financial assets in retaining substantially all risks and rewards of ownerships, such as the discounting, the “recourse factoring” or sales of financial assets with repurchase agreements at a fixed price or sale price plus interest.

e.2) Financial liabilities

Financial liability is recognized in the balance sheet when the company becomes a mandatory part of the contract or legal transaction under the provisions.

Debits and payables arising from purchase of goods and services in the ordinary course of business or non-commercial operations are initially measured at the fair value of the consideration received, adjusted for transactions costs directly attributable.

Nevertheless, trade payables by maturity not exceeding one year and not having a contractual interest rate are initially measured at their nominal value, provided that the effect of not discounting the cash flows is not significant.

Debits and payables are stated, subsequently, at amortized cost, employing the effective interest rate. Those who, according to the comments in the previous paragraph, are initially measured at their nominal value, continue to be valued for the amount.

e.3) Deposits given and received

The difference between the fair value of guarantees delivered and received and the amount paid or received is considered an advance payment or payment by the operating lease or service delivery, which is charged to the profit and loss account during the period of the lease or during the period in which the service is provided.

Discounted cash flows have not been done because of its insignificant effect.

f) Inventories

Stocks are valued at the lower of their purchase price, production cost or net realizable value. The valuation methodology applied is average cost. Commercial discounts, rebates and similar items, and, any interest included in the nominal value of the amounts payable are deducted when determining the purchase price.

Trade discounts, rebates, and equivalent items incorporated in the nominal interest debits are deducted in determining the purchase price.

Net realizable value of inventories is the estimated selling price less any costs to be incurred in the process of marketing, sales and distribution.

When the net realizable value of inventories is less than the purchase price or production cost, the appropriate valuation adjustments made, are recognized as expense in the income statement.

Corrections will be reversed if the circumstances that caused the correction value of the stocks have ceased to exist, recognized as income in the consolidated income statement.

The assessment of obsolete, defective or slow movement is reduced to its realizable value, the correction recorded in the consolidated income statement of the year.

g) Corporation tax

The expense or income for corporation tax is calculated based upon the sum of the expense or income for current tax plus the corresponding part of the expense or income for deferred taxes.

The current tax is the amount resulting from the application of the tax rate to the taxable result for the year, after having considered allowable tax deductions.

The expense or income for deferred taxes relates to the recognition or cancellation of the deferred tax assets and liabilities. These include the temporary timing differences, which are those amounts that are expected to be recoverable or payable due to the differences between the book value of assets and liabilities and the value of the same items for tax purposes, as well as tax losses available for future offset and unused tax credits or deductions. These amounts are recorded by applying the expected tax rate at the time of the recovery or payment to the temporary timing difference, to the tax credit and the tax losses.

Deferred tax liabilities are recorded for all the temporary timing differences, except for those that arise from the initial recognition of goodwill or from other assets and liabilities in a transaction that affects neither the tax result nor the accounting result and is not a business combination. The same exception is applied for those liabilities arising from temporary timing differences related to investments in subsidiaries, associated companies and joint businesses where the Company can control the timing of the reversal and it is probable that there will no reversion in the foreseeable future.

On the other hand, deferred tax assets are only recognised as long as it is probable that the Company will have sufficient future taxable profits to recover the assets.

The deferred tax assets and liabilities arising from operations recorded directly as part of equity are also recognised as part of the net equity.

As part of the closing process for each year-end, the deferred tax balances are reviewed to verify that they are still valid, and any adjustments required are recorded. Likewise, the deferred tax assets not recorded on the balance sheet are also reviewed and these are recorded in as far as their recovery against future taxable profits is considered probable.

h) Provisions and contingencies

When drafting the annual accounts, the directors of the company differentiate:

Provisions:

Creditor balances that cover present obligations arising from past events, where the settlement will probably cause a reduction in resources, but the amount and date of the settlement are not yet determined.

Contingent liabilities:

Possible obligations arising from past events, which are beyond the control of the company. The annual accounts reflect all the provisions concerning those matters where it is estimated that the probability of having to meet the obligation is higher than remote; are recorded at the present value of the best possible estimate of the amount required to settle the obligation or to transfer it to a third party. Other contingent liabilities are not recorded in the annual accounts, instead information is provided about these in the notes to the annual accounts.

Any adjustments arising from the successive recalculations of these provisions are recorded as a financial expense as they accrue. If the provisions fall due at less than one year and the financial effect is not significant, no discounting calculation is performed.

If not doubts exist concerning the collection off any compensation due from a third party when an obligation is settled, this does not reduce the amount of the liability, instead it is recorded as an asset.

i) Related party transactions

Transactions between related parties, irrespective of the degree of relationship between the parties, are accounted for in accordance with the general policies, being recorded initially at their fair value. If the agreed price for a transaction is different to the fair value, the difference is recorded based upon the economic reality of the operation.

j) Income and expenses

These are recognized on an accrual basis. Accounting recognition takes place when the real flow of goods and services that they represent occurs, irrespective of the timing of the related monetary or financial flow. Income is valued at the fair value of the consideration received, after deducting discounts and taxes.

Sales income is recognized when the significant risks and rewards inherent to the ownership of the goods sold have been transferred to the purchase and the company no longer retains either the daily management of the goods or effective control of the same.

As far as sales income for services is concerned, this is recognized based upon the degree of completion of the rendering of the service at the balance sheet date, as long as the result of the transaction can be reliably estimated.

4. TANGIBLE AND INTANGIBLE FIXED ASSETS

4.1 Tangible fixed assets

The details of the movements during the year ended on 31.12.2017 are presented below:

	Balance at 31.12.2016	Additions	Retreats	Balance at 31.12.2017
Cost				
Machinery	1.500	0	0	1.500
Other installations	1.110	0	0	1.110
Furniture	6.344	0	0	6.344
Data processing equipment	1.584	0	0	1.584
Vehicles	23.591	55.082	-23.591	55.082
Gross Values	**34.129**	**55.082**	**-23.591**	**65.620**
Depreciation				
Machinery	-294	-180	0	-474
Other installations	-913	-148	0	-1.061
Furniture	-1.378	-676	0	-2.054
Information processing equipment	-1.073	-128	0	-1.201
Vehicles	-8.752	-3.712	9.179	-3.285
Accumulated Depreciation	**-12.410**	**-4.844**	**9.179**	**-8.074**
Net Value	**21.719**	**50.238**	**-14.412**	**57.545**

The policy of the company takes out insurance policies to cover potential risks to subject the various elements of its tangible assets. At year-end 2017 insure cover is sufficient.

This caption includes a vehicle acquired under a financial leasing contract, whose data are as follows:

Description	Contract period	Past months	Cost	Previous years fees	This year fees	Pending fees	Purchase option
Volvo XC 90	60 months	10 months	53.719,01	0,00	11.653,98	42.065,03	886,28

4.2 Intangible fixed assets

The balances and details of the movements during the year ended on 31.12.2017 are presented below:

	Balance at 31.12.2016	Variation	Balance at 31.12.2017
Cost			
Industrial property	290	0	290
Computer software	2.484	0	2.484
Other intangible fixed assets	90.000	0	90.000
Gross value	**92.774**	**0**	**92.774**
Depreciation			
Industrial property	-290	0	-290
Computer software	-1.854	0	-1.854
Other intangible fixed assets	-69.000	-21.000	-90.000
Accumulated depreciation	**-71.144**	**-21.000**	**-92.144**
Net value	**21.630**	**-21.000**	**630**

Other intangible assets relate to the marketing rights and customer base acquired to Hicusa Packaging Inc. in 2009. The company had been amortizing this asset in 20 years but, as explained in Note 3.a.2), in this year management has estimated that its fair value was no longer valid and therefore it has been amortized in full.

5. FINANCIAL ASSETS

a) Long-term financial assets

COST	Equity instruments	Debt securities	Crédits, derivatives and others	TOTAL
Balance at beginning of 2016	0	0	2.035	2.035
(+) Addtions	0	0	0	0
(-) Retreats	0	0	-640	-640
(+/-) Transfers and other variation	0	0	0	0
Balance at the end of 2016	0	0	1.395	1.395
(+) Addtions	0	0	0	0
(-) Retreats	0	0	0	0
(+/-) Transfers and other variation	0	0	0	0
Balance at the end of 2017	0	0	1.395	1.395

The balance of long-term financial assets corresponds to guarantees with no defined maturity.

b) Impairment originated by credit risk

In the years 2017 and 2016, changes resulting from the impairment losses arising from credit risk of customers have been:

	2016	2017
Balance al the beginning	9.297	6.566
Impairment recognized in the year	4.354	0
Reversed impairment	-7.085	0
Balance al the year-end	6.566	6.566

c) Financial assets designated at fair value with changes in the profit and loss account

There are not financial assets at fair value.

d) Group companies

There are not investments in group companies.

6. FINANCIAL LIABILITIES

a) Classification by maturity

FINANCIAL LIABILITIES	Maturity in years						
	1	2	3	4	5	More than 5	TOTAL
Financial debts	0	0	0	0	0	0	0
Bank debts	0	0	0	0	0	0	0
Financial leasing creditors	9.343	9.675	10.019	10.376	2.651	0	42.065
Other financialdebts	0	0	0	0	0	0	0
Debts with group companies	0	0	0	0	0	0	0
Trade creditors and other liabilities	0	0	0	0	0	0	0
Trade creditors	280.909	0	0	0	0	0	280.909
Other creditors	22.000	0	0	0	0	0	22.000
TOTAL	312.252	9.675	10.019	10.376	2.651	0	344.974

b) During the year there were no defaults on debts.

c) There are no debts with collateral, except for the financial lease agreement.

7. NET EQUITY AND SHAREHOLDERS FUNDS

7.1 Share capital

The share capital amounts to Euro 210.000, represented by 2100 shares of Euro 100 par value each, all from the same class, fully subscribed and paid, giving equal rights to their holders.

At December 31, 2017 and 2016, legal entities that have an interest equal to or greater than 10% are as follows:

	% of participation	
	2017	2016
Karatzis, S.A.	90%	90%

8. FISCAL SITUATION

The breakdown of this balance at the 2017 and 2016 year-ends is as follows:

	31/12/2017		31/12/2016	
	Debit	Credit	Debit	Credit
Income tax	0	2.031	0	45.511
Value added tax	0	32.813	0	62.135
Labour taxes	0	6.756	0	8.928
Social security	0	3.760	0	5.598
	0	45.359	0	122.172

The reconciliation between the profit for the year and the taxable income:

	2017		2016	
	Increase / (decrease)	Amount	Increase / (decrease)	Amount
Balance of income and expenses		89.459		218.421
Permanent differences:				
- Non-deductible expenses	1.381		2.297	
Temporary differences	16.500	0	4.500	
Taxable income	107.340		225.218	

The detail of income tax expense:

Income tax expenditure	**2017**	**2016**
Current tax	26.835	64.456
Deferred tax		
- Temporary differences	-4.125	-1.125
Total	**22.710**	**63.331**

The temporary differences correspond to the amortization of goodwill, which is fiscally carried out in 20 years. This item generates a deferred tax asset of Euro 5.250 at December 31, 2017.

In 2016 tax authorities reviewed the Income tax and VAT returns filed by the Company in 2012 and 2013. Some issues have been detected in which the criterion of tax authorities is different from the one applied by the Company, and as a result has generated a Tax debt of 11.381 euros, booked at 2016 year-end in Short-term provisions heading of the balance sheet. In 2017 such amount has been payed.

At December 31, 2017, the tax authorities can review all settlements and tax returns filed by the company in 2014 to 2017 years. In view of the Sole Director there have been appropriately settled such taxes, so that even in the case of discrepancies with tax authorities, any resulting liabilities, if materialize, would not have a significant effect on these financial statements.

9. RELATED PARTY OPERATIONS

The breakdown of the operations with related parties in 2017 and 2016 is as follows:

KARATZIS, S.A.	Shareholder
Rodrigo González Pardo	Shareholder and Sole Administrator

During the years 2017 and 2016 were performed the following commercial transactions with related parties:

Expenses and income from sale / purchase of goods and services provided / received

	Purchase of goods		Rendered services	
	2017	2016	2017	2016
Karatzis, S.A.	725.284	729.035	0	0
	725.284	729.035	0	0

Balances at year-end

	Credit		Debit	
	2017	2016	2017	2016
Karatzis, S.A.	209.130	227.687	0	0
	209.130	227.687	0	0

In 2017, the remunerations earned by the Sole Administrator, who also performs the functions of senior management, salaries and wages amounted to Euro 53.164. There are no obligations or commitments on pensions or payment of insurance premiums or any other nature with former or current members of the governing bodies of the Company or on their behalf. In 2016, the Sole Administrator remunerations were Euro 50.000.

According to communications received by the Sole Administrator, he and, to the best of his knowledge, people related to him, have refrained from engaging in the alleged conflict of interest under Article 229.1 of the Companies Act.

10. OTHER INFORMATION

Average staff

The average number of employees, all men, for the years 2016 and 2015 is as follows:

	2017	2016
Sole Administrator	1,00	1,00
Other qualified personnel	2,00	2,00
	3,00	3,00

Other information

The item "Other results" of the profit and loss account has the following breakdown

	2017	**2016**
Losses from fixed assets	-10.693	0
Exceptional expenses	-1.444	-4.849
Exceptional revenues	1.247	11.458
Total	**-10.890**	**6.609**

The fees accrued by the auditors have amounted to Euro 3,100 euros in 2017. The auditors have not provided any other service to the company.

Information of the environment

The company conducts all actions necessary to comply with current regulations on environment issues. According to the Sole Administrator, there is no risk of an environment nature which might necessitate exceptional or incurring significant investment for this reason.

Post balance sheet events

There have been no significant post-balance sheet events after the closure of the 2017 financial statements that would require additional disclosures.