

QUADPACK INDUSTRIES, S.A. and Subsidiary Undertakings

Consolidated Annual Accounts and Consolidated Management Report
for the fiscal year ended 31 January 2019*

*This document is a translation of the Audited Annual Accounts prepared by the Board of Directors. This document has been issued for information purposes only.

Consolidated Annual
Accounts

QUADPACK INDUSTRIES, S.A. AND SUBSIDIARY UNDERTAKINGS

Consolidated report on the fiscal year ended 31 January 2019

1. Group Structure and Activity

a) Parent company

QUADPACK INDUSTRIES, S.A. (the parent Company) was incorporated on 22 June 2010 (under the name of ANLOMO SPAIN, S.L., acquiring its current denomination on 13 October 2015).

Its registered office is located in plaza de Europa no. 9, planta 11, in L'Hospitalet de Llobregat (Barcelona).

The main activities of the parent Company are acquisition, holding, administration and management of holdings in other companies with the purpose of controlling and managing the activity of these owned subsidiaries; providing support services to the management of the owned companies; and providing business consulting services.

On 20 April 2016 QUADPACK INDUSTRIES, S.A. was listed on the Paris (France) stock exchange known as Euronext. To this end, the Parent Company converted its shares into book entries during the first quarter of 2016 by entering accounting records of these shares at Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal (IBERCLEAR). Based on that registration, the Company retained the services of a Participating Agent and the help of another Participating Agent in France to transfer part of its shares to the French Accounting Records institution (Euroclear), in order to enable the aforementioned portion of the shares to be listed in the Euronext stock exchange (Free Market).

The Euronext stock exchange is not a regulated market at the Free Market segment or level, and the Parent Company is therefore not subject to the control and requirement levels of the companies "listed" under Spanish legislation. However, the company is required to undergo quarterly controls and monitoring of its figures, sales performance and internal amounts in order to access this Free Market and maintain the transfers and quotations system and is required to report to this market on any types of structural or shareholding movements.

The Group was first consolidated on 1 February 2013.

b) Subsidiaries

Subsidiaries are defined as companies over which the Parent Company exercises, or may exercise, directly or indirectly, control. Control refers to the power to establish financial and operational policies in order to derive economic benefits from its activities.

This circumstance is manifested, in general, but not only, by the direct or indirect ownership of the majority of the voting rights.

The minority interests in the equity and results of the consolidated subsidiaries are presented under "Minority Interests" under "Equity" in the consolidated balance sheets and "Profit Attributable to Minority Interests" in the consolidated income statement, respectively.

The parent companies have been included in the consolidation using the global integration method.

All subsidiaries close their fiscal year on 31 January.

QUADPACK INDUSTRIES, S.A. AND SUBSIDIARY UNDERTAKINGS

Consolidated report on the fiscal year ended 31 January 2019

The information on fully consolidated subsidiaries for the year ended 31 January 2019 is as follows:

| Company Name/Address | Activity | Company holding the share | Shareholding attributable to the parent company | Value of share In euros |
|--|---|--|---|-------------------------|
| QUADPACK PACKAGING LTD (a) United Kingdom | Trading of packaging and containers for perfumery and cosmetics | Quadpack Industries S.A. | 100% | 614.853 |
| QUADPACK FRANCE, SARL (b) France | Trading of packaging and containers for perfumery and cosmetics | Quadpack Industries S.A. | 100% | 1.696.661 |
| QUADPACK ITALY, SLR (d) Italy | Trading of packaging and containers for perfumery and cosmetics | Quadpack Industries S.A. | 100% | 63.230 |
| QUADPACK SPAIN SL (e) Spain | Trading of packaging and containers for perfumery and cosmetics | Quadpack Industries S.A. | 100% | 3.705.661 |
| YONWOO EUROPE SAS (b) France | Trading of packaging and containers for perfumery and cosmetics | Quadpack Industries S.A. | 90% | 166.751 |
| QUADPACK AUSTRALIA PTY LTD Australia | Trading of packaging and containers for perfumery and cosmetics | Quadpack Industries S.A. | 100% | 2.110.489 |
| QUADPACK GERMANY GMBH (Germany) | Trading of packaging and containers for perfumery and cosmetics | Quadpack Industries S.A. | 100% | 150.000 |
| QUADPACK LTD (a) United Kingdom | Trading of packaging and containers for perfumery and cosmetics | Quadpack Industries S.A. | 100% | 340.618 |
| QUADPACK MANUFACTURING DIVISION, S.L. Spain | Acquisition, holding, administration and management of shares in other companies and all kinds of real estate activities. | Quadpack Industries S.A. | 80% | 1.093.883 |
| TECHNOTRAF WOOD PACKAGING, SL (e) Spain | Manufacture of wooden containers | Quadpack Manufacturing Division S.L. | 80% | 480.000 |
| QUADPACK IMPRESSIONS, SL Spain | Decoration for containers | Quadpack Manufacturing Division S.L. | 56% | 0 |
| QUADPACK PLASTICS SA Spain | Plastic packaging | Quadpack Manufacturing Division S.L. | 80% | 656.000 |
| COLLCAP PRIME LTD United Kingdom | Acquisition, holding, administration and management of shares in other companies and all kinds of real estate activities. | Quadpack Industries S.A. | 100% | 2.451.642 |
| QUADPACK UK LTD (a) United Kingdom | Trading of packaging and containers for perfumery and cosmetics | Collcap Prime LTD | 100% | 2.283.828 |
| QUADPACK ASIA PACIFIC LTD Hong Kong | Trading of packaging and containers for perfumery and cosmetics | Quadpack Industries S.A. y Quadpack UK Ltd | 99% | 153.698 |
| QUADPACK USA INC. United States | Acquisition, holding, administration and management of shares in other companies and all kinds of real estate activities. | Quadpack Industries S.A. | 100% | 430.940 |
| EAST HILL IND LLC. United States | Trading of packaging and containers for perfumery and cosmetics | Quadpack USA INC | 100% | 401.380 |

- (a) Company audited by Grant Thornton UK LLP (United Kingdom)
- (b) Company Audited by Grant Thornton France (France)
- (c) Company Audited by Grant Thornton Australia (Australia)
- (d) Company audited by Ria Grant Thornton, S.p.A. (Italy)
- (e) Company Audited by Grant Thornton, S.L.P. (Spain)

QUADPACK INDUSTRIES, S.A. AND SUBSIDIARY UNDERTAKINGS

Consolidated report on the fiscal year ended 31 January 2019

The information relating to fully consolidated subsidiaries for the year ended 31 January 2018 is as follows:

| Company Name/Address | Activity | Company holding the share | Share attributable to parent company | Value of share (in euros) |
|--|---|--|--------------------------------------|---------------------------|
| QUADPACK PACKAGING LTD (a) United Kingdom | Trading of packaging and containers for perfumery and cosmetics | Quadpack Industries S.A. | 100% | 614.853 |
| QUADPACK FRANCE, SARL (b) France | Trading of packaging and containers for perfumery and cosmetics | Quadpack Industries S.A. | 100% | 1.685.627 |
| QUADPACK ITALY, SLR (d) Italy | Trading of packaging and containers for perfumery and cosmetics | Quadpack Industries S.A. | 100% | 50.000 |
| QUADPACK SPAIN SL (e) Spain | Trading of packaging and containers for perfumery and cosmetics | Quadpack Industries S.A. | 100% | 3.705.661 |
| YONWOO EUROPE SAS (b) France | Trading of packaging and containers for perfumery and cosmetics | Quadpack Industries S.A. | 90% | 209.406 |
| QUADPACK AUSTRALIA PTY LTD (c) Australia | Trading of packaging and containers for perfumery and cosmetics | Quadpack Industries S.A. | 100% | 2.077.214 |
| QUADPACK GERMANY GMBH (Germany) | Trading of packaging and containers for perfumery and cosmetics | Quadpack Industries S.A. | 100% | 150.000 |
| QUADPACK LTD (a) United Kingdom | Trading of packaging and containers for perfumery and cosmetics | Quadpack Industries S.A. | 100% | 332.957 |
| QUADPACK MANUFACTURING DIVISION, SL Spain | Acquisition, holding, administration and management of shares in other companies and all kinds of real estate activities. | Quadpack Industries S.A. | 80% | 1.000.511 |
| TECHNOTRAF WOOD PACKAGING, SL (e) Spain | Manufacture of wooden containers | Quadpack Manufacturing Division S.L. | 80% | 480.000 |
| QUADPACK IMPRESSIONS, SL Spain | Decoration for containers | Quadpack Manufacturing Division S.L. | 56% | 0 |
| QUADPACK PLASTICS SA Spain | Plastic packaging | Quadpack Manufacturing Division S.L. | 80% | 656.000 |
| COLLCAP PRIME LTD United Kingdom | Acquisition, holding, administration and management of shares in other companies and all kinds of real estate activities. | Quadpack Industries S.A. | 100% | 2.521.743 |
| COLLCAP HOLDING LTD United Kingdom | Acquisition, holding, administration and management of shares in other companies and all kinds of real estate activities. | Collcap Prime LTD | 100% | 962 |
| QUADPACK UK LIMITED (a) United Kingdom | Trading of packaging and containers for perfumery and cosmetics | Collcap Holding LTD | 100% | 3.755.341 |
| QUADPACK ASIA PACIFIC LTD Hong Kong | Trading of packaging and containers for perfumery and cosmetics | Quadpack Industries S.A. y Quadpack UK Ltd | 99% | 153.698 |
| QUADPACK USA INC. United States | Acquisition, holding, administration and management of shares in other companies and all kinds of real estate activities. | Quadpack Industries S.A. | 100% | 93 |
| EAST HILL IND LLC United States | Trading of packaging and containers for perfumery and cosmetics | Quadpack USA INC | 100% | 8.027 |

(a) Company audited by Grant Thornton UK LLP (United Kingdom)

(b) Company Audited by Grant Thornton France (France)

(c) Company Audited by Grant Thornton Australia (Australia)

(d) Company audited by Ria Grant Thornton, S.p.A. (Italy)

(e) Company Audited by Grant Thornton, S.L.P. (Spain)

QUADPACK INDUSTRIES, S.A. AND SUBSIDIARY UNDERTAKINGS

Consolidated report on the fiscal year ended 31 January 2019

c) Companies excluded from consolidation perimeter

Quadpack Industries, S.A. owns 100% and 71% of the shares of Quadpack Foundation and QPNET TECHNOLOGIES, S.L. for a value of 60,000 and 147,680 Euros respectively.

Quadpack Ltd owns 100% of the share capital of Quadpack Hong Kong Ltd, located in Hong Kong, and the value of the financial participation for this investee is 30,928.00 EUR.

Quadpack UK owns 100% of the shares of Longshawe Australia Pty. Ltd. and Diva Cosmetics Ltd., amounting to 7 and 113 euros, respectively.

These investees have been excluded from the consolidation perimeter due to their minor relative importance.

Financial information relating to investees excluded from the consolidation perimeter in the fiscal year ended 31 January 2019, is shown below:

| Company Name/Address | Activity | Capital | Reserves | Result of the |
|---|----------|---------|----------|---------------|
| QUADPACK FOUNDATION | | 30.000 | (8.189) | (18.481) |
| QPNET TECHNOLOGIES, S.L | | 10.812 | 101.906 | 80.274 |
| Quadpack Hong Kong Ltd, Longshawe Australia Pty Ltd. | | 27.746 | (17.452) | (3.745) |
| Diva Cosmetics Ltd | | 115 | - | - |

Financial information relating to investees excluded from the consolidation perimeter in the year ended 31 January 2018, is shown below:

| Company Name/Address | Activity | Capital | Reserves | Result of the |
|---|----------|---------|----------|---------------|
| QUADPACK FOUNDATION | | 30.000 | (17.365) | 9.176 |
| QPNET TECHNOLOGIES, S.L | | 10.812 | 47.914 | 53.991 |
| Quadpack Hong Kong Ltd, Longshawe Australia Pty Ltd. | | 27.746 | (12.295) | (5.157) |
| Diva Cosmetics Ltd | | 7 | 20.146 | (9.808) |
| | | 115 | - | - |

d) Group Changes

In the year ended 31 January 2019, there has been no change to the consolidation perimeter:

On 1 February 2018, Quadpack USA underwent a capital increase of USD 499,900. On 1 February 2018 East Hill Industries Ltd. underwent a capital increase of USD 499,000

In the year ended 31 January 2018, Quadpack USA Inc and East Hill Industries LLC were included in the consolidation perimeter.

The first one was acquired on 24 November 2016 and later on 1 April 2017 the name was changed to Quadpack USA Inc. East Hill Industries was incorporated on 1 October 2017.

On 10 November 2017, Quadpack Asia Pacific Ltd underwent a capital increase from 100 ordinary shares to HKD 13,600 (1,537) per share.

2. Basis for the presentation of the consolidated annual accounts

a) True and fair view

The consolidated annual accounts, which consist of the consolidated balance sheet, the consolidated profit and loss account, the statement of changes in the consolidated net equity, the consolidated cash flow statement and the consolidated report, which consists of notes 1 to 25, have been prepared from the accounting records of the companies mentioned in the previous note, were prepared in accordance with the General Accounting Plan approved by Royal

QUADPACK INDUSTRIES, S.A. AND SUBSIDIARY UNDERTAKINGS

Consolidated report on the fiscal year ended 31 January 2019

Decree 1514/2007 of 16 November, modified by Royal Decree 1159/2010, of 17 September which approves the Standards for preparing Consolidated Annual Accounts, modified, in turn by Royal Decree 602/2016 of 2 December, as well as with the rest of valid commercial law to show a true and fair view of the Group's consolidated equity, consolidated financial situation, consolidated results, consolidated changes in net equity consolidated and cash flows occurred during the year.

All the amounts shown in this consolidated report are expressed in euros, unless otherwise stated.

The consolidated annual accounts formulated by the Directors of the Parent Company will be submitted to the approval of the General Meeting of Shareholders of QUADPACK INDUSTRIES, SA, and it is considered that they will be approved without any modification.

b) Accounting principles

The consolidated annual accounts have been prepared by applying the generally accepted accounting principles. No accounting principle, which could have a significant effect, has been omitted.

c) Changes in accounting criteria

No significant changes in accounting criteria took place during the 2018-19 fiscal year with respect to the criteria applied in the preceding fiscal year.

d) Critical aspects of uncertainty assessment and estimation

When preparing the attached consolidated annual accounts estimates made by the Directors of the Parent Company have been used to value some of the assets, liabilities, income, expenses and commitments that have been recorded in the accounts. These estimates basically refer to:

- The evaluation of possible losses for the impairment of certain assets (notes 3a, 3f, 3g, 3i and 3j).
- The useful lives of the tangible and intangible assets (notes 3f and 3g).
- Estimation of recoverability of tax credits capitalised (note 3m).
- Estimation on provisions and contingent liabilities (note 3n).

Although the estimates have been made on the basis of the best information available at the end of the 2018-19 fiscal year, it is possible that events that may take place in the future could force those estimates to be modified (upwards or downwards) over the coming years. If this were necessary, any modifications would be incorporated prospectively.

e) Grouping of items

Certain items on the consolidated balance sheet, the consolidated profit and loss statement, the statement of changes in consolidated net equity and the consolidated cash flows statements have been grouped together to make them easier to understand. However, when significant, they have been presented separately in the corresponding notes to the consolidated reports.

f) Components contained in several items

When preparing the consolidated annual accounts, no items have been observed as being registered in two or more balance sheet items.

g) Classification of current and non-current items

When classifying current items, a maximum period of one year from the date of the attached consolidated annual

QUADPACK INDUSTRIES, S.A. AND SUBSIDIARY UNDERTAKINGS

Consolidated report on the fiscal year ended 31 January 2019

accounts has been considered.

h) Comparison of information

According to corporate law, for comparison purposes each of the items of the balance sheet, profit and loss statement, statement of changes in net equity and cash flows statement, all of them consolidated, includes, in addition to the figures for the 2018-19 fiscal year, the figures for the previous year. Quantitative information from the previous fiscal year is also included in the consolidated report, except when an accounting standard specifically states that this is not necessary.

It should also be noted that as a result of the inclusions to the consolidation perimeter in the year ended 31 January 2018, the consolidated profit and loss account figures for the current year 2018-19 are not directly comparable with the figures for the previous year, insofar as it did not include a full year, and led to an increase in the net turnover of 7,650 thousand euros and a loss of 414 thousand euros.

3. Valuation standards

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

a) Goodwill on consolidation

Corresponds to the positive differences in the elimination between the investment and the fair value of the net assets acquired, calculated on the date of first consolidation or on the date of acquisition of each of the companies in the consolidation perimeter.

The goodwill is assigned to each of the cash generating units in which it is expected that profits will be obtained from the business combination, and it is amortised. The cash generating units in which it is expected profits will be obtained from the business combination and among those for which its value has been assigned, are subject to a value impairment test at least once a year and, if necessary, the relevant value adjustment is recorded.

Any value adjustments due to impairment recorded in the goodwill are not subject to reversal in future financial years.

Goodwill is amortised in a straight-line in ten years. The useful life will be determined separately for each cash-generating unit to which goodwill is allocated.

b) Negative difference in consolidation

The negative difference in consolidation, which is classified as a reserve, is the difference that exists between the book value of the parent company's stake, direct or indirect, in the capital of the subsidiary and the value of the proportionate share of the net equity of said subsidiary attributable to said stake on the date of first consolidation, minus the positive differences as indicated in the previous paragraph.

c) Transactions between the companies included in the consolidation perimeter

The elimination of reciprocal debit and credit balances and expenses, revenues and results from internal operations has been performed based on the provisions established in this regard in Royal Decree 1159/2010 of 17 September.

d) Standardisation of items

Different items from the individual accounts of each of the companies have been subjected to the corresponding standardisation for valuation purposes, adopting in the applicable cases the criteria used by Quadpack Spain, S.L.,

QUADPACK INDUSTRIES, S.A. AND SUBSIDIARY UNDERTAKINGS

Consolidated report on the fiscal year ended 31 January 2019

the most relevant Company in the Group, for its own annual accounts.

e) Exchange conversion differences

The financial statements of the subsidiaries established abroad, denominated in foreign currency, have been converted using the closing exchange rate method, in accordance with the provisions established by Royal Decree 1159/2010. The general exchange conversion method consists mainly of:

- All asset items have been converted at the exchange rate in force on 31 January 2019.
- With regard to the liability and net equity items, except for the "Capital" and "Reserves" headings (historical exchange rates) and "Profit for the year" (average exchange rate), these are converted into Euros at the exchange rate in force on 31 January 2019.
- The closing exchange rate method has entailed the conversion of all items in the profit and loss statement at the average exchange rate for the year.

The exchange rate differences resulting from the application of this criterion is included under the "Exchange conversion differences" of the accompanying consolidated balance sheet.

f) Intangible fixed assets

As a general 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 amortisation and, if required, by the losses for impairment that have arisen. In particular, the following criteria are applied:

f.1) Industrial property

This is initially valued at the acquisition or production cost, including registration and filing costs. It is amortised on a straight-line basis over its useful life (8 years and 50 years).

f.2) Computer software

This concept includes the amounts paid for ownership rights or licensed usage of computer programs.

Computer programs that meet the recognition criteria are capitalised at acquisition or development cost. They are amortised on a straight-line basis over a period of three years from the time each program comes into use.

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

f.3) Goodwill

The goodwill is only recorded when its value is evidenced under an onerous acquisition, in the context of a business combination.

The amount of the goodwill is the excess cost of the business combination over the corresponding fair value of the acquired identifiable assets minus the fair value of the liabilities assumed.

The goodwill is assigned to each of the cash generating units in which it is expected that profits will be obtained from the business combination, and it is amortised applying an amortisation rate of 10%.

The cash generating units in which it is expected profits will be obtained from the business combination and among

QUADPACK INDUSTRIES, S.A. AND SUBSIDIARY UNDERTAKINGS

Consolidated report on the fiscal year ended 31 January 2019

those for which its value has been assigned, are subject to a value impairment test at least once a year and, if necessary, the relevant value adjustment is recorded.

g) Tangible fixed assets

The tangible fixed assets have been recorded at their acquisition cost.

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 Revenue Service.

Costs relating to expansions, modernisations or improvements are registered as an increase in the assets value only if they represent an increase in their capacity, efficiency, productivity or a lengthening of their useful lives. Conservation and maintenance expenses are charged to the profit and loss statement of the fiscal year in which they are incurred.

The amortisation is performed using the straight-line basis and on the basis of the estimated useful lives of the assets. The annual amortisation percentages applied are the following:

| | Coefficient |
|----------------------------------|-------------|
| Machinery | 12,5% |
| Facilities | 15% |
| Mould Facilities | 33% |
| Other installations | 20-33% |
| Furniture | 15-25% |
| Information-processing equipment | 25-38% |
| Transportation equipment | 16-25% |
| Other intangible | 20% |

- Impairment of the value of intangible and tangible fixed assets

At the end of each fiscal year or whenever there is an indication of a loss in value, the Group proceeds to estimate the possible existence of a loss in value that could reduce the recoverable value of said assets to an amount lower than their book value by carrying out impairment tests.

The recoverable amount is the fair value minus the sale costs, or the use value, whichever is greater.

The procedure implemented by the Management of the Group in order to carry out that test is as follows:

Recoverable values are calculated for each cash generating unit, although for tangible fixed assets, whenever possible, impairment calculations are carried out asset-by-asset on an individualised basis.

If the Group has to recognise an impairment loss of a cash generating unit to which all or part of the goodwill had been assigned, firstly the book value of the goodwill corresponding to said unit is reduced. If the impairment exceeds the amount thereof, secondly the rest of the assets of the cash generating unit are reduced in proportion to their book value, up to the limit of the higher of the following values: their fair value minus sale costs, their value in use and zero. The impairment loss has to be registered against the results for the year.

When a loss of value due to impairment is reverted on a later date (a circumstance which is not permitted in the specific case of goodwill), the book value of the asset or of the cash generating unit is increased up to the revised estimate of its recoverable value, but in such a way that the increased book value does not exceed the book value that would have been calculated in the absence of any impairment losses recognised in prior years. This reversal of an impairment loss is recognised as income in the consolidated profit and loss statement.

QUADPACK INDUSTRIES, S.A. AND SUBSIDIARY UNDERTAKINGS

Consolidated report on the fiscal year ended 31 January 2019

h) Leases and other similar transactions

The Group records as a financial lease any operation whereby the lessor substantially transfers to the lessee the risks and rewards inherent to the ownership of the asset covered by the contract. All other operations are treated as operating leases.

h.1) Financial leases

In financial leasing operations in which the Group companies are the lessee, the Group records an asset in the balance sheet according to the type of asset covered by the contracts and a liability for the same amount. The amount registered in the accounts is the lower of the following amounts: the fair value of the leased asset and the current value at the start of the lease of the minimum agreed leasing payments, including the purchase option. It does not include contingent fees, service costs, or taxes payable by the lessor. The financial burden is charged to the profit and loss account for the fiscal year in which it is accrued, using the effective interest rate method. Contingent fees are acknowledged as an expense of the fiscal year in which they are incurred.

Assets recorded for this type of operation are depreciated using the same criteria as those used for all tangible (or intangible) fixed assets, according to their nature.

h.2) Operating leases

Income and expenses derived from operating lease contracts are recorded in the profit and loss statement in the year in which they are accrued.

Furthermore, the acquisition cost of the leased asset is recorded in the balance sheet according to its nature. The cost is increased by the contract costs that are directly assignable to the agreement and these are recognised as expenses over the life of the contract, using the same criterion that is used for recognising the income from the operating lease.

Any collection or payment that may be made when entering into an operating lease agreement will be treated as an advance collection or payment that will be included in the long term results of the lease period, as the profits from the leased asset are given or received.

Expenses arising from operating leases are recorded in the profit and loss account for the fiscal year in which they are incurred.

Any collection or payment that may be made when entering into an operating lease agreement will be treated as an advance collection or payment that will be included in the long term results of the lease period, as the profits from the leased asset are given or received.

i) Inventories

Stocks are valued at the lower of their purchase price, or net realisable value. The valuation methodology applied is the average price. 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.

The net realisable value is the estimated sales price minus the estimated costs to complete the manufacture of the item, and, minus those costs that will be incurred in the processes relating to marketing, sale and distribution.

Valuation adjustments are recognised as expenses in the profit and loss statement when the net realisable value of the stocks is lower than their acquisition price or production cost.

These adjustments are reversed when the circumstances that caused the original adjustment to the value of the

QUADPACK INDUSTRIES, S.A. AND SUBSIDIARY UNDERTAKINGS

Consolidated report on the fiscal year ended 31 January 2019

stocks have ceased to exist and the reversal is recognised as income in the profit and loss statement.

The value of obsolete, defective or slow-moving products is reduced to their possible realisable value, recording the adjustment in the profit and loss statement for the year.

j) Financial Instruments

j.1) Financial assets

For valuation purposes, the financial assets of the Group are classified as follows:

j.1.1) Loans and other amounts receivable

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 and not negotiated in any market.

They are initially recorded at the fair value of the service provided plus any transaction costs that are directly attributable. They are subsequently measured at their depreciated cost, and the accrued interest is entered in the income statement on the basis of their effective interest rate.

Notwithstanding the above, loans maturing at less than one year that are initially valued at their nominal value will continue to be valued at that value, unless there has been impairment.

Value adjustments due to impairment are recorded on the basis of the difference between their carrying value and the present value of their estimated future cash flows at the closing of the fiscal year, discounted at the effective interest rate calculated when initially entered. These adjustments are recorded in the profit and loss statement.

j.1.2) Investments held to maturity

This category includes debt securities with fixed maturity dates and determinable recovery amount, which are traded on an active market, and which the Group declares an intent and capacity to hold until maturity.

Initially, these are recorded at the fair value of the consideration paid plus the direct costs of the transaction.

These investments are subsequently rated at their depreciated cost, and the interest accrued during the accounting period is calculated using the effective interest rate method.

Value adjustments due to impairment are recorded in the profit and loss statement as calculated on the basis of the difference between their carrying value and the present value of their estimated future cash flows at the closing of the fiscal year, discounted at the effective interest rate calculated when initially entered.

j.1.3) Investments in the equity of group companies

Includes investments in the equity of companies over which there is non-consolidated control.

They are initially recognised at fair value, which, unless there is evidence to the contrary, is the transaction price, which is the fair value of the consideration paid, plus any transaction costs directly attributable to them.

After initial recognition, these financial assets are measured at cost less any accumulated impairment losses.

Impairment adjustments are recognised in the consolidated profit and loss account.

QUADPACK INDUSTRIES, S.A. AND SUBSIDIARY UNDERTAKINGS

Consolidated report on the fiscal year ended 31 January 2019

The Group removes the financial assets when they expire or when the rights to the cash flows of the relevant financial asset have been assigned and the risks and benefits inherent to owning the asset have been substantially transferred, such as in firm sales of assets, assignments of business loans in factoring operations in which the company does not retain any loan or interest risks, sales of financial assets with fair value re-purchase agreements or the securitisation of financial assets in which the assigning company does not retain related financing or grant any type of guarantee or assume any other type of risk.

j.2) Financial liabilities

These are the liabilities and amounts payable that the Group has that have arisen from the purchase of goods and services as a result of the company's commercial activity, as well as those that might not have arisen from commercial activities but cannot be considered as derivative financial instruments.

They are valued initially at the fair value of the consideration received, adjusted for the costs directly attributable to the transaction. Thereafter, these liabilities are valued based upon their amortised cost, using the effective interest rate.

Notwithstanding the above, loans maturing at less than one year that are initially valued at their nominal value will continue to be valued at that value, unless there has been impairment.

The Group eliminates financial liabilities from the accounting registers when the associated obligations have expired.

j.3 Equity instruments

An equity instrument represents a residual interest in the Parent Company's equity after deducting all of its liabilities.

Equity instruments issued by the Parent Company are recorded in the net assets at the amount received, net of issuing expenses.

Treasury shares acquired by the Parent Company are recorded directly as a lower value of consolidated net equity, at the value of the service provided in exchange. The results derived from the purchase, sale, issuance or amortisation of equity instruments are recognised directly in consolidated Net Equity, without in any case registering any result in the consolidated profit and loss statement.

j.4) Deposits paid and received

The difference between the fair value of the deposits paid and received and the amount disbursed or collected is treated as an advance payment or collection relating to the operating lease or the rendering of the service, which is recognised in the profit and loss statement during the rental period or over the duration of the period during which the service is provided. Nevertheless, as these are long term deposits with insignificant amounts, the cash flows have not been deducted.

When these are short-term deposits no cash flow is deducted as their impact is not significant.

k) Transactions in foreign currencies

k.1) Monetary items

The conversion of the treasury and accounts payable stated in foreign currencies into the functional currency is carried out by applying the exchange rate that is in effect at the time the operation takes place and they are valued at year-end according to the exchange rate that is in effect at that time.

QUADPACK INDUSTRIES, S.A. AND SUBSIDIARY UNDERTAKINGS

Consolidated report on the fiscal year ended 31 January 2019

Exchange rate differences arising from the valuation of foreign currency payables and receivables at the closing of the fiscal year are recorded directly in the profit and loss statement.

k.2) Non-monetary items

The conversion of financial investments in foreign currencies into the functional currency is carried out by applying the exchange rate that is in effect when the operation takes place.

Thereafter, the valuation is carried out based upon the nature of the item in question:

k.2.1) Items valued at historic cost:

Amounts provided for amortisation are calculated using the amount of the functional currency converted at the exchange rate that is in effect when the item was initially recognised.

Valuation adjustments are recorded when the recoverable value at the year-end exchange rate is lower than the net book value.

k.2.2) Items valued at fair value:

These are valued applying the exchange rate that is in effect on the date their fair value is calculated.

l) Hedges

Cash flow hedges are any hedges covering for the exposure to cash flow variations attributable to a specific risk associated with a recorded asset or liability or a highly probable transaction. The portion of the gain or loss on the hedging instrument is temporarily entered under net assets and recorded in the profit and loss statement for the same period as the hedged item, unless the hedge is for a transaction expected to result in the recognition of a non-financial asset or liability, in which case the amounts recorded under net assets are included in the cost of the asset or liability when it is acquired or assumed.

m) Tax on profits

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 Group does not pay taxes on a consolidated taxation basis, it pays taxes individually for each company.

Current tax is the amount resulting from the application of the tax rate to the taxable result for the fiscal year, after having taken into account allowable tax deductions.

The expense or income for deferred taxes relates to the recognition or cancellation of the deferred tax assets and liabilities. They include temporary differences that are identified as amounts expected to be payable or recoverable arising from differences between the carrying amounts of assets and liabilities and their tax value, as well as tax loss carryovers and tax deduction credits that are not applied for tax purposes. These amounts are recorded by applying a tax rate to the relevant temporary difference or credit that is equal to the tax rate at which they are expected to be recovered or settled.

Deferred tax liabilities are recorded for all taxable temporary differences, except those arising from the initial recognition of goodwill or other assets and liabilities in a transaction that does not affect the tax result or the accounting result, and is not a business combination.

On the other hand, deferred tax assets are only recorded to the extent that the probability is considered that the Company generating them shall have future taxable profits against which they can be realised.

QUADPACK INDUSTRIES, S.A. AND SUBSIDIARY UNDERTAKINGS

Consolidated report on the fiscal year ended 31 January 2019

Deferred tax assets and liabilities arising from transactions with direct debits or credits to equity accounts are also recorded with an offset under net assets.

At each accounting closure, the recorded deferred taxes are reviewed in order to verify that they remain in force and that timely adjustments are being made. Deferred tax assets that are not recorded on the balance sheet are also valued, and they are recorded to the extent that their recovery through future tax benefits becomes probable.

n) Provisions and contingencies

When drafting the consolidated annual accounts, the directors of the Parent Company make a distinction between:

n.1) Provisions

Credit balances covering for current obligations arising from past events, whose cancellation is likely to result in an outflow of resources, but which are indeterminate as to their amount and/or time of cancellation.

n.2) Contingent liabilities

Possible obligations arising from past events, whose future materialisation depends on the occurrence of one or more future events which are beyond the control of the Group.

The consolidated 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 the improbability; they 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. Contingent liabilities are not recorded in the consolidated annual accounts, instead information is provided about these in the notes to the report.

o) Long-term employee remuneration liabilities

Payments based on equity instruments

Products or services received in these transactions are recorded as assets or expenses depending on their nature at the time when they are obtained, with the relevant increase in net equity if the transaction is settled with equity instruments, or the relevant liability if the transaction is settled with an amount based on liability values.

In cases where the service provider or product supplier is able to decide how to receive the compensation, a composite financial instrument is recorded.

Transactions with employees that are settled with equity instruments, both for services provided and the increase in net equity to be recorded, are valued at the fair value of the disposed equity instruments, referring to the date of the transfer agreement.

In transactions with employees that are settled with equity instruments that are compensated via products or services not provided by employees, they are valued at the fair value of the products or services at the date when they are received. If such fair value cannot be reliably estimated, the products or services received and the increase in equity are valued at the fair value of the transferred equity instruments, at the date on which the company obtains the products or the other party provides the services.

In transactions that are settled in cash, the products or services received and the liability to be recorded are valued at the fair value of the liability, referring to the date on which the requirements for recognition have been met.

Liabilities arising from these transactions are valued at their fair value at the closing of the fiscal year, and any changes in their rating during the fiscal year are recorded in the income statement.

QUADPACK INDUSTRIES, S.A. AND SUBSIDIARY UNDERTAKINGS

Consolidated report on the fiscal year ended 31 January 2019

p) Transactions between related parties

Operations between related parties, irrespective of the degree of relationship between the parties, are accounted for in accordance with the general standards, being recorded initially at their fair value. If the price agreed in a transaction differs from its fair value, the difference is recorded according to the economic reality of the transaction.

q) Income and Expenditure

These are recognised on an accrual basis. That is to say, 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. These revenues are valued at the fair value of the service received, minus discounts and taxes.

Sales income is recognised when the significant risks and rewards inherent to the ownership of the sold good have been transferred to the purchaser and the Group no longer retains either the daily management of said good or actual control thereof.

As for sales income for services rendered, this is recognised based upon the level of completion of the rendering of the service on the date of the balance sheet, as long as the result of the transaction can be reliably estimated.

r) Consolidated cash flow statement

The consolidated cash flow statement has been prepared using the indirect method, and it uses the following expressions with the meanings indicated below:

- Operating activities: activities that constitute the Group's ordinary income, as well as other activities that cannot be classified as investing or financing activities.
- Investing activities: activities having to do with the procurement, sale or disposal by other means of long-term assets and other investments not included in cash and cash equivalents.
- Financing activities: activities that result in changes in the size and composition of the net equity and the liabilities that are not part of the operating activities.

s) Segmented information

The Group is internally organised by operative segments that in general coincide with the activity of each of the companies that are included in the consolidation perimeter. Note 20d shows information about the contribution made by each company included in the consolidation perimeter to the consolidated results, and note 24 shows the most important segmented information.

QUADPACK INDUSTRIES, S.A. AND SUBSIDIARY UNDERTAKINGS

Consolidated report on the fiscal year ended 31 January 2019

4. Intangible fixed assets

The balances and variations during the fiscal years of the gross and accumulated amortisation values are as follows:

| | Concessions | Industrial property | Goodwill | Computer applications | Other intangible fixed assets | Total |
|---------------------------------------|-------------|---------------------|-------------|-----------------------|-------------------------------|-------------|
| <u>Gross values</u> | | | | | | |
| Balance as at 31.01.17 | 649 | 25.954 | 6.123.988 | 614.523 | 290.343 | 7.055.457 |
| Entries | - | - | 644.049 | 131.424 | 59.842 | 835.315 |
| Balance as at 31.01.18 | 649 | 25.954 | 6.768.037 | 745.947 | 350.185 | 7.890.772 |
| Transfers | - | - | - | 75.955 | 1.061 | 77.016 |
| Entries | - | 16.960 | - | 200.099 | 26.931 | 243.990 |
| Disposals, retirements, or reductions | - | - | - | - | (59.842) | (59.842) |
| Balance as at 31.01.19 | 649 | 42.914 | 6.768.037 | 1.022.001 | 318.335 | 8.151.936 |
| <u>Cumulative depreciation</u> | | | | | | |
| Balance as at 31.01.17 | (649) | (9.317) | (376.018) | (514.769) | - | (900.753) |
| Depreciation allowance | - | (888) | (642.557) | (64.444) | - | (707.889) |
| Balance as at 31.01.18 | (649) | (10.205) | (1.018.575) | (579.213) | - | (1.608.642) |
| Transfers | - | - | - | (6.164) | (88) | (6.252) |
| Impairment | - | - | (420.000) | - | - | (420.000) |
| Depreciation allowance | - | (1.057) | (676.804) | (142.206) | (4.293) | (1.244.360) |
| Balance as at 31.01.19 | (649) | (11.261) | (2.115.380) | (727.583) | (4.381) | (2.859.254) |
| <u>Valuation adjustments</u> | | | | | | |
| Balance as at 31.01.17 | - | - | - | - | (281.652) | (281.652) |
| Exchange conversion differences | - | 776 | 8.691 | (1.225) | (8.691) | (449) |
| Balance as at 31.01.18 | - | 776 | 8.691 | (1.225) | (290.343) | (282.101) |
| Exchange conversion differences | - | - | - | 1.915 | - | 1.915 |
| Balance as at 31.01.19 | - | 776 | 8.691 | 690 | (290.342) | (280.184) |
| Net book value as at 31.01.19 | - | 32.428 | 4.661.348 | 295.107 | 23.612 | 5.012.495 |
| Net book value as at 31.01.18 | - | 16.525 | 5.758.153 | 165.509 | 59.842 | 6.000.029 |

QUADPACK INDUSTRIES, S.A. AND SUBSIDIARY UNDERTAKINGS

Consolidated report on the fiscal year ended 31 January 2019

The Group has certain elements that are part of its intangible assets that are located outside Spanish territory. They are detailed below:

| | 31.01.2019 | | | | |
|-------------------------------|----------------|-------------------------|------------------|---------------------------------|---------------|
| | Gross Value | Cumulative depreciation | Impairment | Exchange conversion differences | Net Value |
| Concessions | 649 | (649) | - | - | - |
| Industrial property | 10.581 | (9.478) | - | 776 | 1879 |
| Computer applications | 88.574 | (30.741) | - | (1.225) | 56.608 |
| Other Intangible fixed assets | 318.335 | (4.381) | (281.652) | 1.915 | 34.217 |
| Total | 418.139 | (45.248) | (281.652) | 1.466 | 92.704 |

| | 31.01.2018 | | | | |
|-------------------------------|----------------|-------------------------|------------------|---------------------------------|--------------|
| | Gross Value | Cumulative depreciation | Impairment | Exchange conversion differences | Net Value |
| Concessions | 649 | (649) | - | - | - |
| Industrial property | 10.581 | (8.886) | - | - | 1.695 |
| Computer applications | 2.243 | (2.243) | - | - | - |
| Other Intangible fixed assets | 290.343 | - | (281.652) | (8.691) | - |
| Total | 303.816 | (11.778) | (281.652) | (8.691) | 1.695 |

The cost of intangible assets in use which are fully amortised is as follows:

| | Balance as at | Balance as at |
|-------------------------------|----------------|----------------|
| | 31.01.2019 | 31.01.2018 |
| Concessions | 649 | 649 |
| Industrial property | 3.010 | - |
| Computer applications | 470.520 | 440.320 |
| Other Intangible fixed assets | 291.778 | 291.776 |
| Total | 773.626 | 732.745 |

Goodwill

As a result of the acquisition by Quadpack Packaging Limited of the activities of Spirit Limited in 2015-16, goodwill was generated that amounts to 327,825 Euros. At the close of 2015-16, an impairment test was performed based on a calculation of value in use based on projections of future cash flows based on financial budgets. Based on the value in use the Group recorded a goodwill impairment loss. During the years 2016-17 and 2017-18, additional impairment losses of 32,754 euros and 6,011 euros, respectively, were recorded. Totally impaired since the year ended 31 January 2018.

QUADPACK INDUSTRIES, S.A. AND SUBSIDIARY UNDERTAKINGS

Consolidated report on the fiscal year ended 31 January 2019

As a result of Quadpack USA Inc.'s acquisition of the business of East Hill Industries Inc. in the year ended 31 January 2018, goodwill of EUR 644,049 was generated.

The goodwill balance is as follows:

| Company | 31.01.2019 | | |
|----------------------------|----------------|-------------------------------------|----------------|
| | Gross Value | Accumulated depreciation/impairment | Net Value |
| Quadpack Packaging Limited | 327,825 | (327,825) | - |
| East Hill Industries Inc. | 644.049 | (85,872) | 558.177 |
| Total | 971.874 | (413.697) | 558,177 |

| Company | 31.01.2018 | | |
|----------------------------|----------------|-------------------------------------|----------------|
| | Gross Value | Accumulated depreciation/impairment | Net Value |
| Quadpack Packaging Limited | 327,825 | (327,825) | - |
| East Hill Industries Inc. | 644.049 | (21,467) | 622.582 |
| Total | 971.874 | (349,292) | 622.582 |

Goodwill on consolidation

The consolidated goodwill balance is as follows:

| Company | 31.01.2019 | | | |
|-----------------------------|------------------|--------------------------|------------------|------------------|
| | Gross Value | Accumulated depreciation | impairment | Net Value |
| Collcap Prime Ltd. | 2.836.570 | (614,591) | - | 2.221.979 |
| Quadpack Plastic, S.A. | 1.133.040 | (339.910) | (420.000) | 373.130 |
| Quadpack Australia PTY Ltd. | 2.154.378 | (646,312) | - | 1.508.066 |
| Total | 6.123.988 | (1.600.813) | (420.000) | 4.103.175 |

| Company | 31.01.2018 | | | |
|-----------------------------|------------------|--------------------------|------------|------------------|
| | Gross Value | Accumulated depreciation | impairment | Net Value |
| Collcap Prime Ltd. | 2.836.570 | (330.933) | - | 2.505.637 |
| Quadpack Plastic, S.A. | 1.133.040 | (226.608) | - | 906.432 |
| Quadpack Australia PTY Ltd. | 2.154.378 | (430.876) | - | 1.723.502 |
| Total | 6.123.988 | (988.417) | - | 5.135.571 |

At the end of the 2018-19 fiscal year, the Group Management carried out several impairment tests according to the attached detail:

Quadpack Plastics S.L.:

The hypotheses used for the calculation of discounted flows for the impairment test of Quadpack Plastics are the following:

- 1) Business growth based on a market analysis and in line with the growth of the parent company. It is estimated a growth of 39% in 2019 with a decreasing growth year after year reaching 2% in year 10 and perpetuity.
- 2) A profitability with increasing tendency to achieve the profitability found in competitors of the industry and product typology thanks to improvements in productivity, efficiency and increase in sales volume.
- 3) Working capital in line

QUADPACK INDUSTRIES, S.A. AND SUBSIDIARY UNDERTAKINGS

Consolidated report on the fiscal year ended 31 January 2019

with historical needs and 4) an investment in assets (Capex) sufficient to cover both growth and maintenance needs. The analysis period is 10 years, using the weighted average cost of capital (WACC) 9.7% of the parent company as the discount rate.

Quadpack UK (Collcap) Ltd:

The assumptions used to calculate the discounted cash flows for the impairment test of Quadpack UK (Collcap) are as follows:

- 1) Business growth based on: a market analysis, the historical performance of the portfolio of existing customers and the significant increase in sales of our second most important customer in this subsidiary (€ 9M of incremental sales in 2019 with projects of duration average life of 3-5 years). It is estimated a growth of 47% in 2019 with a decreasing growth year to year reaching 2% in year 10 and in perpetuity.
- 2) A slightly increasing profitability year after year due to the change of product mix / customers with superior margin.
- 3) Working capital in line with historical needs and
- 4) an investment in assets (Capex) sufficient to cover both growth and maintenance needs.

The analysis period is 10 years, using the weighted average cost of capital (WACC) 9.7% of the parent company as the discount rate.

Quadpack Australia Pty:

No impairment test needed due to good results and forecast.

5. Tangible assets

The balances and variations during the fiscal years of the gross and accumulated amortisation values are as follows:

| | Land and buildings | Technical facilities and other fixed assets | Advances and fixed assets in progress | Total |
|---------------------------------------|--------------------|---|---------------------------------------|-------------|
| <u>Gross values</u> | | | | |
| Balance as at 31.01.17 | 122.139 | 8.159.637 | 148.052 | 8.429.828 |
| Perimeter entries | - | - | - | - |
| Entries | 68.972 | 1.593.982 | 1.035.441 | 2.698.395 |
| Disposals, retirements, or reductions | (1,569) | (149,626) | - | (151,195) |
| Transfers | 25.964 | 95.872 | (148,052) | (26,216) |
| Exchange conversion differences | - | (43,256) | - | (43,256) |
| Balance as at 31.01.18 | 215.506 | 9.656.609 | 1.035.441 | 10.907.556 |
| Entries | 70.356 | 2.898.584 | 1.190.856 | 4.159.796 |
| Disposals, retirements, or reductions | (1,569) | (354.494) | - | (356.063) |
| Transfers | - | 627.949 | (704,965) | (77,016) |
| Exchange conversion differences | 3.970 | 2.318 | 6.552 | 12.840 |
| Balance as at 31.01.19 | 288.263 | 12.830.965 | 1.527.883 | 14.647.111 |
| <u>Cumulative depreciation</u> | | | | |
| Balance as at 31.01.17 | (60,413) | (4,266,337) | - | (4,326,750) |
| Depreciation allowance | (11,684) | (1,169,662) | - | (1,181,346) |
| Disposals, retirements, or reductions | 1.317 | 99.087 | - | 100.404 |
| Exchange conversion differences | - | 36.623 | - | 36.623 |
| Balance as at 31.01.18 | (70,780) | (5,300,289) | - | (5,371,069) |
| Transfers | - | 6.252 | - | 6.252 |
| Depreciation allowance | (22,543) | (1,220,872) | - | (1,243,415) |
| Disposals, retirements, or reductions | - | 144.399 | - | 144.399 |
| Balance as at 31.01.19 | (93,323) | (6,370,509) | - | (6,463,832) |
| Net book value as at 31.01.19 | 194.939 | 6.460.456 | 1.527.883 | 8.183.278 |
| Net book value as at 31.01.18 | 144.726 | 4.356.320 | 1.035.441 | 5.536.487 |

QUADPACK INDUSTRIES, S.A. AND SUBSIDIARY UNDERTAKINGS

Consolidated report on the fiscal year ended 31 January 2019

During the years 2018-19 and 2017-18, tangible fixed assets were disposed of with a net book value of 211,664 and 50,791 euros, respectively, giving a loss of 21,237 and 3,317 euros, respectively.

The Group has certain elements that are part of the tangible assets that are located outside Spanish territory. They are detailed below:

| Acct | Country | Saldo al 31.01.19 | | | Net value |
|--|----------------|-------------------|-------------------------|---------------------|--------------|
| | | Cost | Cumulative depreciation | Exchange conversion | |
| Plant, machinery and other property, plant and equipment | Reino Unido | 1.061.014 | (819.132) | (617) | 241.265 |
| | Francia | 442.878 | (334.316) | - | 108.562 |
| | Alemania | - | - | - | - |
| | Hong Kong | 108.177 | (40.760) | 5.901 | 73.318 |
| | Italia | 144.501 | (137.440) | - | 7.061 |
| | Australia | 190.566 | (128.068) | (3.405) | 59.093 |
| | China | 107.598 | (79.082) | 4.706 | 33.222 |
| | Korea del Sur | 12.344 | (14.412) | - | (2.068) |
| | Estados Unidos | 168.453 | (59.515) | - | 108.938 |
| | | | <u>2.235.531</u> | <u>(1.612.725)</u> | <u>6.585</u> |

| Acct | Country | Saldo al 31.01.18 | | | Net value |
|--|----------------|-------------------|-------------------------|---------------------|-----------------|
| | | Cost | Cumulative depreciation | Exchange conversion | |
| Plant, machinery and other property, plant and equipment | Reino Unido | 801.975 | (675.858) | (38.019) | 88.098 |
| | Francia | 424.140 | (297.466) | - | 126.674 |
| | Alemania | 2 | - | - | 2 |
| | Hong Kong | 117.051 | (32.044) | - | 85.007 |
| | Italia | 143.303 | (130.451) | - | 12.853 |
| | Australia | 190.809 | (101.096) | - | 89.712 |
| | China | 88.135 | (68.725) | (5.238) | 14.173 |
| | Korea del Sur | 15.575 | (15.339) | - | 236 |
| | Estados Unidos | 174.052 | (13.149) | - | 160.903 |
| | | | <u>1.955.042</u> | <u>(1.334.128)</u> | <u>(43.256)</u> |

The cost of fixed assets in use which are fully amortised is as follows:

| | Balance as at 31.01.2019 | Balance as at 31.01.2018 |
|---|--------------------------|--------------------------|
| Technical facilities, machinery and other tangible fixed assets | <u>2.495.074</u> | <u>870.264</u> |

The Group's policy is to formalize insurance policies to cover the possible risks to which the various elements of its property, plant and equipment are subject. At the close of the 2018-19 and 2017-18 years there is no deficit in coverage related to this risk.

QUADPACK INDUSTRIES, S.A. AND SUBSIDIARY UNDERTAKINGS

Consolidated report on the fiscal year ended 31 January 2019

6. Leases and other similar operations

6.1. Financial lease

The Group has minimum leasing payments contracted with the lessors (including, if appropriate, purchase options) which, according to the current contracts in force are as follows:

| | 2018-19 | | | | | | | |
|-----------------------------------|----------------------------|--------------------------|----------------------------|--------------------------|------------------------|-----------------------|---------------------|--|
| | Cost of the good of origin | Value of the call option | Contract Duration (months) | Periods elapsed (months) | Value of payments | | Pending Call Option | |
| | | | | | Paid in previous years | Paid in years 2018-17 | | |
| Machinery | 114.002 | 1.975 | 60 | 60 | 105.898 | 8.104 | - | |
| Machinery | 106.500 | 6.320 | 60 | 38 | 43.412 | 21.012 | 42.076 | |
| Machinery | 22.101 | | 72 | 20 | - | 2.797 | 19.304 | |
| Machinery | 31.659 | | 72 | 20 | - | 4.007 | 27.652 | |
| Machinery | 50.778 | | 72 | 20 | - | 6.426 | 44.352 | |
| Facilities | 87.997 | | 72 | 20 | - | 11.137 | 76.860 | |
| Machinery | 5.569 | | 72 | 18 | - | 528 | 5.041 | |
| Machinery | 3.900 | | 72 | 18 | - | 370 | 3.530 | |
| Facilities | 16.739 | | 72 | 18 | - | 1.587 | 15.152 | |
| Facilities | 17.705 | | 72 | 16 | - | 1.117 | 16.588 | |
| Machinery | 126.100 | | 72 | 15 | - | 5.965 | 120.135 | |
| Machinery | 335.000 | | 72 | 12 | - | - | 335.000 | |
| Machinery | 335.000 | | 72 | 12 | - | - | 335.000 | |
| Other facilities, tools Furniture | 78.867 | 1.142 | 60 | 51 | 50.198 | 16.217 | 12.450 | |
| Machinery | 45.000 | 893 | 60 | 45 | 24.344 | 8.852 | 11.804 | |
| Machinery | 133.080 | | 60 | 28 | 27.105 | 27.583 | 78.392 | |
| Machinery | 14.734 | | 72 | 15 | - | 697 | 14.037 | |
| Other facilities, tools Furniture | 288.000 | - | 72 | 39 | 72.863 | 42.805 | 172.331 | |
| Machinery | 169.500 | | 72 | 31 | 44.116 | 27.863 | 97.521 | |
| Machinery | 19.000 | | 60 | 59 | 14.116 | 4.156 | 728 | |
| Machinery | 106.925 | | 60 | 60 | 101.751 | 5.174 | (3) | |
| Machinery | 30.000 | | 60 | 60 | 26.533 | 3.467 | - | |
| Machinery | 11.181 | | 36 | 36 | 9.891 | 1.290 | (327) | |
| Machinery | 63.780 | | 72 | 19 | - | 7.058 | 56.722 | |
| Machinery | 6.325 | | 72 | 19 | - | 700 | 5.625 | |
| Machinery | 49.885 | | 72 | 18 | - | 4.729 | 45.156 | |
| Machinery | 8.500 | | 72 | 18 | - | 806 | 7.694 | |
| Machinery | 216.300 | | 72 | 17 | - | 17.075 | 199.225 | |
| Vehicle | 14.227 | | 60 | 53 | 9.987 | 3.138 | 1.101 | |
| Computer Equipment | 7.458 | | 24 | 24 | 4.862 | 2.028 | 567 | |
| Mould | 95.673 | | 48 | 48 | 93.738 | 1.935 | - | |
| Other facilities, tools Furniture | 16.059 | | 48 | 48 | 13.209 | 2.590 | 260 | |
| Machinery | 179.697 | | 96 | 3 | - | - | 179.697 | |
| Machinery | 169.700 | | 84 | 8 | - | - | 169.700 | |
| Machinery | 151.980 | | 72 | 5 | - | - | 151.980 | |
| Machinery | 110.000 | | 72 | 8 | - | - | 110.000 | |
| Machinery | 101.791 | | 72 | 8 | - | - | 101.791 | |
| Machinery | 67.000 | | 72 | 6 | - | - | 67.000 | |
| Machinery | 67.000 | | 72 | 6 | - | - | 67.000 | |
| Machinery | 50.778 | | 72 | 8 | - | - | 50.778 | |
| Machinery | 31.703 | | 72 | 8 | - | - | 31.703 | |
| Machinery | 17.820 | | 72 | 8 | - | - | 17.820 | |
| Machinery | 16.778 | | 72 | 8 | - | - | 16.778 | |
| Machinery | 155.870 | | 72 | 1 | - | - | 155.870 | |
| Machinery | 50.638 | | 72 | 1 | - | - | 50.638 | |
| Machinery | 50.638 | | 72 | 1 | - | - | 50.638 | |
| Machinery | 164.850 | | 72 | 1 | - | - | 164.850 | |
| Machinery | 31.703 | | 72 | 1 | - | - | 31.703 | |
| Machinery | 117.000 | | 72 | 1 | - | - | 117.000 | |
| | <u>4.193.320</u> | <u>10.733</u> | | | <u>672.854</u> | <u>241.213</u> | <u>3.278.919</u> | |

QUADPACK INDUSTRIES, S.A. AND SUBSIDIARY UNDERTAKINGS

Consolidated report on the fiscal year ended 31 January 2019

| | 2017-18 | | | | | | | |
|-----------------------------------|----------------------------|--------------------------|----------------------------|--------------------------|------------------------|-----------------------|---------------------|--|
| | Cost of the good of origin | Value of the call option | Contract Duration (months) | Periods elapsed (months) | Value of payments | | Pending Call Option | |
| | | | | | Paid in previous years | Paid in years 2018-17 | | |
| Machinery | 114.002 | 1.975 | 60 | 55 | 91.683 | 14.215 | 8.104 | |
| Machinery | 106.500 | 6.320 | 60 | 26 | 23.536 | 19.876 | 63.088 | |
| Machinery | 22.101 | | 72 | 8 | - | - | 22.101 | |
| Machinery | 31.659 | | 72 | 8 | - | - | 31.659 | |
| Machinery | 50.778 | | 72 | 8 | - | - | 50.778 | |
| Facilities | 87.997 | | 72 | 8 | - | - | 87.997 | |
| Machinery | 5.569 | | 72 | 6 | - | - | 5.569 | |
| Machinery | 3.900 | | 72 | 6 | - | - | 3.900 | |
| Facilities | 16.739 | | 72 | 6 | - | - | 16.739 | |
| Facilities | 17.705 | | 72 | 4 | - | - | 17.705 | |
| Machinery | 126.100 | | 72 | 3 | - | - | 126.100 | |
| Machinery | 335.000 | | 72 | 12 | - | - | 335.000 | |
| Machinery | 335.000 | | 72 | 12 | - | - | 335.000 | |
| Transport | 20.507 | - | 60 | 60 | 20.507 | - | - | |
| Other facilities, tools Furniture | 78.867 | 1.142 | 60 | 39 | 34.409 | 15.789 | 28.669 | |
| Machinery | 45.000 | 893 | 60 | 33 | 15.491 | 8.852 | 20.656 | |
| Machinery | 133.080 | | 60 | 16 | - | 27.105 | 105.975 | |
| Machinery | 14.734 | | 72 | 3 | - | - | 14.734 | |
| Other facilities, tools Furniture | 288.000 | - | 72 | 24 | 30.913 | 41.950 | 215.137 | |
| Machinery | 169.500 | | 72 | 19 | 16.269 | 27.847 | 125.384 | |
| Machinery | 19.000 | | 60 | 47 | 10.202 | 3.914 | 4.884 | |
| Machinery | 35.000 | | 60 | 60 | 32.711 | 2.289 | 0 | |
| Machinery | 106.925 | | 60 | 57 | 85.723 | 16.029 | 5.174 | |
| Machinery | 30.000 | | 60 | 51 | 22.205 | 4.328 | 3.467 | |
| Machinery | 31.875 | | 36 | 36 | 31.875 | - | - | |
| Machinery | 11.181 | | 36 | 32 | 9.252 | 640 | 1.290 | |
| Machinery | 63.780 | | 72 | 7 | - | - | 63.780 | |
| Machinery | 6.325 | | 72 | 7 | - | - | 6.325 | |
| Machinery | 49.885 | | 72 | 6 | - | - | 49.885 | |
| Machinery | 8.500 | | 72 | 6 | - | - | 8.500 | |
| Machinery | 216.300 | | 72 | 5 | - | - | 216.300 | |
| Machinery | 30.830 | 403 | 60 | 34 | 28.243 | 2.587 | (0) | |
| Vehicle | 14.227 | | 60 | 41 | 6.917 | 3.070 | 4.239 | |
| Computer Equipment | 40.953 | | 36 | 36 | 37.258 | 3.696 | (0) | |
| Vehicle | 28.877 | | 60 | 60 | 16.939 | 11.938 | 0 | |
| Computer Equipment | 7.458 | | 24 | 24 | 2.562 | 2.300 | 2.596 | |
| Mould | 95.673 | | 48 | 47 | 67.092 | 26.647 | 1.935 | |
| Other facilities, tools Furniture | 16.059 | | 48 | 42 | 7.589 | 5.620 | 2.850 | |
| | <u>2.815.587</u> | <u>10.733</u> | | | <u>591.375</u> | <u>238.691</u> | <u>1.985.520</u> | |

The cost value at which the finance lease assets were initially recognised was the present value of the minimum payments to be made when the contract was signed.

The reconciliation between the total amount of future minimum payments and their present value is as follows:

| Fiscal year | 31.01.2019 | | 31.01.2018 | |
|----------------|-------------------------|------------------|-------------------------|------------------|
| | Minimum future payments | Current value | Minimum future payments | Current value |
| Up to one year | 559.714 | 516.173 | 267.965 | 240.020 |
| One to five | 2.858.059 | 2.762.746 | 1.834.480 | 1.745.500 |
| More than five | - | - | - | - |
| | <u>3.417.773</u> | <u>3.278.919</u> | <u>2.102.445</u> | <u>1.985.520</u> |

QUADPACK INDUSTRIES, S.A. AND SUBSIDIARY UNDERTAKINGS

Consolidated report on the fiscal year ended 31 January 2019

6.2. Operating lease

The Group has entered into operating leases of various types, the most significant of which is the lease agreement entered into by the Parent relating to its offices in the "Torre INBISA" building in Plaza Europa, 9-11, L'Hospitalet de Llobregat (Barcelona). The contract is for ten years.

Also, the subsidiaries have other operating leases on different buildings, vehicles and other items, in the same way as the Parent. The leasing contracts for these assets have an average duration of between five and ten years.

The expenses arising from operating lease contracts, recorded under external services in the consolidated income statement, amounted to 1,617,825 Euros (1,265,239 Euros in 2017-18).

The Group has contracted minimum future operating lease payments with the lessees, which, according to the current contracts in force are as follows:

| Minimum Payments | Nominal value | |
|----------------------|------------------|------------------|
| | 2018-19 | 2017-18 |
| Less than one year | 1.362.957 | 1.120.672 |
| One to five years | 3.751.131 | 3.353.150 |
| More than five years | 960.579 | 1.691.714 |
| | <u>6.074.666</u> | <u>6.165.536</u> |

The minimum lease payments do not account for possible repercussions of Shared Expenses or future increases due to variations in the consumer price index (CPI) in Spain, or other reference indices for dependent companies located abroad.

The Group considers that it meets the conditions to state that it does not substantially assume the risks and rewards of ownership of the assets covered by the contracts to the extent that there are no clauses transferring ownership of the asset at the end of the respective lease terms and no purchase options are contemplated on the leased properties.

7. Financial investments

7.1. Long term and short term investments

Financial investments, except for the investments in group and associated companies that are detailed in note 7.2, are classified using the following categories:

| | Financial investments | |
|-----------------------------|---------------------------------|----------------|
| | Long term | |
| | Credits, derivatives and others | |
| | 31.01.2019 | 31.01.2018 |
| Loans and receivables | 20.114 | 45.551 |
| Bonds and deposits provided | 227.775 | 295.845 |
| | <u>247.889</u> | <u>341.396</u> |

QUADPACK INDUSTRIES, S.A. AND SUBSIDIARY UNDERTAKINGS

Consolidated report on the fiscal year ended 31 January 2019

| | Financial investments | |
|---------------------------|------------------------------------|----------------|
| | Short term | |
| | Credits, derivatives and others | |
| | 31.01.2019 | 31.01.2018 |
| Loans and receivables | 73.532 | 20.000 |
| Short-term deposits | 181.844 | 181.383 |
| Other financial assets | 1.297.949 | 667.397 |
| Derivatives (see Note 16) | 234.667 | 28.583 |
| | <u>1.787.992</u> | <u>897.363</u> |

The short-term deposits accrue market interests.

The other financial assets correspond to deposits for foreign currency exchange rate insurance that the Group has contracted for an aggregate amount of 645,130 Euros (365,398 Euros at 31 January 2018) and factoring guarantees amounting to 652,819 Euros (301,999 at 31 January 2018).

7.2. Long-term investments in group and associated companies

The ownership interests correspond to investments in companies that have been excluded from the consolidation perimeter because they are not significant.

The breakdown of the ownership interests excluded from the consolidation perimeter is as follows:

| | 31.01.19 | 31.01.18 |
|------------------------------|----------------|----------------|
| Quadpack Hong Kong Ltd | 25.897 | 30.229 |
| Quadpack Foundation | 30.000 | 60.000 |
| QP Net Technologies, S.L. | 147.680 | 147.680 |
| Longshawe Australia Pty Ltd. | 7 | 7 |
| Diva Cosmetics Ltd. | 113 | 113 |
| Total | <u>203.697</u> | <u>238.093</u> |

8. Commercial debtors and other accounts receivable

The detail of "Commercial debtors and other accounts receivable" in the balance sheet is as follows:

| Item | 31.01.19 | 31.01.18 |
|---|-------------------|-------------------|
| Customer receivables for sales and services | 22.077.772 | 23.245.298 |
| Group and associated company customers (see Note 22) | 1.829 | - |
| Miscellaneous debtors | 1.611.335 | 492.237 |
| Personnel | 303.606 | 6.671 |
| Current tax assets (Note 18) | 402.175 | 289.743 |
| Other loans with Public Administrations (see Note 18) | 1.507.523 | 1.527.875 |
| Total | <u>25.904.240</u> | <u>25.561.824</u> |

QUADPACK INDUSTRIES, S.A. AND SUBSIDIARY UNDERTAKINGS

Consolidated report on the fiscal year ended 31 January 2019

The balance of trade receivables for sales and services rendered is presented net of impairment losses. The activity in this correction during the year has been:

| | | |
|--|------------------|------------------|
| | 31.01.19 | 31.01.18 |
| Cumulative correction at start of year | (315,487) | (254,812) |
| Net valuation adjustments for the year | (317,093) | (60,675) |
| Outflows and applications | - | - |
| Cumulative correction at the year-end | <u>(630,580)</u> | <u>(315,487)</u> |

9. Long and short term debts

Long and short term debts are classified based on the following categories:

| | Long-term liabilities | | | | | | | |
|-----------------------------------|--------------------------------|------------------|------------------|------------------|------------------------|------------------|------------------|------------------|
| | Debts with credit institutions | | Financial lease | | Derivatives and others | | Total | |
| | 31.01.19 | 31.01.18 | 31.01.19 | 31.01.18 | 31.01.19 | 31.01.18 | 31.01.19 | 31.01.18 |
| <u>Categories:</u> | | | | | | | | |
| Debts and payables | 5.277.755 | 3.682.475 | 2.762.746 | 1.745.500 | 1 | 514.548 | 8.040.502 | 5.942.523 |
| Hedging derivatives (see Note 16) | - | - | - | - | - | 668.127 | - | 668.127 |
| | <u>5.277.755</u> | <u>3.682.475</u> | <u>2.762.746</u> | <u>1.745.500</u> | <u>1</u> | <u>1.182.675</u> | <u>8.040.502</u> | <u>6.610.650</u> |

| | Short-term liabilities | | | | | | | |
|-----------------------------------|------------------------------|------------------|-----------------|----------------|------------------------|------------------|------------------|------------------|
| | Debts to credit institutions | | Financial lease | | Derivatives and others | | Total | |
| | 31.01.19 | 31.01.18 | 31.01.19 | 31.01.18 | 31.01.19 | 31.01.18 | 31.01.19 | 31.01.18 |
| <u>Categories:</u> | | | | | | | | |
| Debts and payables | 4.019.997 | 6.092.396 | 516.173 | 240.020 | 1.014 | 177.982 | 4.537.184 | 6.510.398 |
| Hedging derivatives (see Note 16) | - | - | - | - | 282.691 | 1.311.077 | 282.691 | 1.311.077 |
| | <u>4.019.997</u> | <u>6.092.396</u> | <u>516.173</u> | <u>240.020</u> | <u>283.705</u> | <u>1.489.059</u> | <u>4.819.875</u> | <u>7.821.475</u> |

a) Classification by maturity

The breakdown of the long term maturity dates with financial institutions is as follows:

| | 2018-19 | | | | | |
|------------------------------|------------------|------------------|------------------|------------------|----------------|------------------|
| | 2020-21 | 2021-22 | 2022-23 | 2023-24 | Rest | Total |
| Debts: | | | | | | |
| Debts to credit institutions | 2.103.476 | 1.630.638 | 1.060.204 | 483.436 | - | 5.277.755 |
| Financial lease creditors | 688.558 | 668.377 | 635.062 | 542.494 | 228.255 | 2.762.746 |
| Other financial liabilities | 1 | - | - | - | - | 1 |
| | <u>2.792.035</u> | <u>2.299.015</u> | <u>1.695.266</u> | <u>1.025.930</u> | <u>228.255</u> | <u>8.040.502</u> |

| | 2017-18 | | | | | |
|------------------------------|------------------|------------------|------------------|----------------|----------------|------------------|
| | 2019-20 | 2020-21 | 2021-22 | 2022-23 | Rest | Total |
| Debts: | | | | | | |
| Debts to credit institutions | 1.289.076 | 1.214.744 | 819.276 | 242.609 | 116.771 | 3.682.476 |
| Financial lease creditors | 408.591 | 394.686 | 369.767 | 361.023 | 211.433 | 1.745.500 |
| Other financial liabilities | 271.516 | 121.516 | 121.517 | - | - | 514.548 |
| | <u>1.969.183</u> | <u>1.730.946</u> | <u>1.189.043</u> | <u>603.632</u> | <u>328.204</u> | <u>5.942.524</u> |

QUADPACK INDUSTRIES, S.A. AND SUBSIDIARY UNDERTAKINGS

Consolidated report on the fiscal year ended 31 January 2019

b) Other information

The breakdown of debts with financial institutions is as follows:

| Types of Transactions | Limit Granted | Drawn balance as at 31.01.19 | | |
|---------------------------|---------------|------------------------------|-----------------------|------------------|
| | | Short-term liabilities | Long-term liabilities | Available |
| Loan Policies | 7.370.221 | 2.092.466 | 5.277.755 | - |
| Credit Policies | 857.300 | - | - | 857.300 |
| Financial lease creditors | 3.278.919 | 516.173 | 2.762.746 | - |
| Factoring with resource | 750.000 | 180.094 | - | 569.906 |
| Customer Discount Policy | 7.581.800 | 1.747.437 | - | 5.834.363 |
| | | <u>4.536.170</u> | <u>8.040.501</u> | <u>7.261.569</u> |

| Types of Transactions | Limit Granted | Drawn balance as at 31.01.18 | | |
|---------------------------|---------------|------------------------------|-----------------------|------------------|
| | | Short-term liabilities | Long-term liabilities | Available |
| Loan Policies | 4.921.433 | 1.238.957 | 3.682.475 | - |
| Credit Policies | 556.876 | 18.657 | - | 538.219 |
| Financial lease creditors | 1.985.520 | 240.020 | 1.745.500 | - |
| Factoring with resource | 750.000 | 676.333 | - | 73.667 |
| Customer Discount Policy | 8.303.839 | 4.158.449 | - | 4.145.390 |
| | | <u>6.332.416</u> | <u>5.427.975</u> | <u>4.757.276</u> |

All the finance operations accrue market interests.

Quadpack Spain, S.L. has signed guarantees with Banc Sabadell for Quadpack Industries, S.A., for 5,835,000 euros, with the majority of the guarantees being financial in nature.

10. Commercial creditors and other accounts payable

The breakdown of the balance sheet section "Commercial creditors and other accounts payable" is as follows:

| Item | 31.01.19 | 31.01.18 |
|---|-------------------|-------------------|
| Suppliers | 20.165.364 | 13.691.553 |
| Group and associated company suppliers (see Note 22) | 233.840 | 139.840 |
| Miscellaneous creditors | 746.217 | 473.163 |
| Personnel (remunerations pending payment) | 789.691 | 502.869 |
| Current tax liabilities (Note 18) | 684.536 | 950.811 |
| Other debts with Public Administrations (see Note 18) | 1.857.242 | 2.023.846 |
| Customer Advances | 281.815 | 403.368 |
| | <u>24.758.705</u> | <u>18.185.450</u> |

QUADPACK INDUSTRIES, S.A. AND SUBSIDIARY UNDERTAKINGS

Consolidated report on the fiscal year ended 31 January 2019

For the purposes of the provisions established in the second additional provision of Act 31/2014, of 3 December which amends the Capital Companies Act and in accordance with the Resolution of 29 February 2016 of the Institute of Accounting and Auditing of Accounts, a breakdown is provided below with the average period of payment to suppliers, ratio of transactions paid, ratio of transactions pending payment, total payments made and total outstanding payments for the Spanish companies included in the consolidation perimeter:

| | 2018-19 | 2017-18 |
|--|------------|------------|
| In Days | | |
| Average period of payment to suppliers | 51 | 43 |
| Ratio of Paid Operations | 51 | 50 |
| Ratio of Pending Transactions | 51 | 15 |
| In euros | | |
| Total Payments Made | 26.559.111 | 17.958.364 |
| Total Outstanding Payments | 8.053.290 | 3.982.174 |

11. Capital and reserves

a) Share capital

At the end of the 2018-19 fiscal year, and at the close of the 2017-18 fiscal year, the share capital of the Parent Company amounts to 3,798,869 Euros, represented by 3,798,869 shares with a par value of 1 Euro each. All the shares are of the same class, they are totally subscribed and paid up and they confer the same rights to each of their holders.

The following shareholders hold 10% or more of the shares:

| | <u>Percentage</u> |
|-------------------------------|-------------------|
| Eudald Holdings, S.L. | 60.08% |
| Anlomo Société Civile, S.A.S. | 12.88% |

b) Reserves

The breakdown is as follows:

| | 31.01.2019 | 31.01.2018 |
|---|-------------------|-------------------|
| Legal reserve of the Parent Company | 814.207 | 814.206 |
| Voluntary reserves of the Parent Company | 11.176.655 | 8.331.340 |
| Negative differences on first consolidation | (34.496) | (34.496) |
| Reserves in consolidated companies | 688.073 | 1.494.732 |
| | <u>12.644.439</u> | <u>10.605.782</u> |

Legal reserve of the Parent Company

Pursuant to the Consolidated Text of the Spanish Corporations Act, 10% of the profit for the fiscal year must be transferred to the legal reserve until it reaches at least 20% of the share capital. The legal reserve may be used to increase the share capital in the part of its balance that exceeds 10% of the already increased capital. Except for the aforementioned purpose, and provided that it does not exceed 20% of the share capital, this reserve may only be used to offset losses, provided that no other reserves are available and sufficient for this purpose. This reserve is fully allowed for.

QUADPACK INDUSTRIES, S.A. AND SUBSIDIARY UNDERTAKINGS

Consolidated report on the fiscal year ended 31 January 2019

Voluntary reserves of the Parent Company

These reserves include profits from previous years of the Group's Parent Company not distributed or used for other purposes.

On 17 July 2018, the Ordinary and Extraordinary General Meeting of Shareholders of the Group's Parent Company agreed to distribute dividends in the amount of 1,000,000 Euros, charged to the results of 2017-18. On 26 July 2017, the Ordinary and Extraordinary General Meeting of Shareholders of the Group's Parent Company agreed to distribute dividends in the amount of 1,250,000 Euros, charged to the results of 2016-17.

Differences on first consolidation

The breakdown by companies is as follows:

| | 31.01.2019 | 31.01.2018 |
|-------------------------|-----------------|-----------------|
| Quadpack Packaging Ltd. | (1,878) | (1,878) |
| Quadpack USA Inc. | (32,618) | (32,618) |
| | <u>(34,496)</u> | <u>(34,496)</u> |

Reserves in consolidated companies

The breakdown by companies is as follows:

| | 31.01.2019 | 31.01.2018 |
|---------------------------------------|----------------|------------------|
| Quadpack Spain, S.L. | (2.066.753) | (901.257) |
| Quadpack Italy, S.R.L. | 835.497 | 1.068.123 |
| Quadpack Germany, GmbH | 711.237 | 421.273 |
| Quadpack France | (218.115) | 102.771 |
| Quadpack Packaging Ltd. | (39.308) | (769.378) |
| Quadpack Limited | 643.021 | 414.454 |
| Quadpack Australia | 635.860 | 584.855 |
| Technotraf Wood Packaging, S.L. | 1.265.017 | 775.520 |
| Quadpack Impressions, S.L. | (48.982) | (116.006) |
| Quadpack Plastics, S.A. | (521.692) | 356.449 |
| Quadpack manufacturing Division, S.L. | (130.412) | (301.813) |
| Yonwoo Europe, SARL | 352 | (23.695) |
| Quadpack UK Ltd. | (1.904.318) | (1.757.145) |
| Quadpack Asia Pacific Ltd. | 252.382 | 171.349 |
| East Hill Ind.LLC | (190.702) | - |
| Quadpack USA INC. | 23.201 | - |
| Collcap Holdings Ltd. | 1.440.051 | 1.439.960 |
| Collcap Prime | 1.737 | 29.272 |
| | <u>688.073</u> | <u>1.494.732</u> |

QUADPACK INDUSTRIES, S.A. AND SUBSIDIARY UNDERTAKINGS

Consolidated report on the fiscal year ended 31 January 2019

Treasury shares

The treasury shares held by the Parent at 31 January 2019 and 2018 are as follows:

| Treasury shares | Number | Nominal value | Average purchase price | Total acquisition cost |
|---|---------------|---------------|------------------------|------------------------|
| At the closing of the 2016-17 fiscal year | 167.219 | 167.219 | 5,13 | 857.171 |
| Change in fiscal year | - | - | - | - |
| At the closing of the 2017-18 fiscal year | 167.219 | 167.219 | 5,13 | 857.171 |
| Change in fiscal year | (150,000) | (150,000) | 5,13 | (768,906) |
| At the closing of the 2018-19 fiscal year | <u>17.219</u> | <u>17.219</u> | <u>5,13</u> | <u>88.265</u> |

The balance of 88,265 euros corresponds to the shares that have not been executed at the end of the year.

On 21 July 2016, the General Shareholders' Meeting approved the direct acquisition of 167,219 treasury shares in the treasury stock, by acquiring these shares from one of the Parent Company shareholders pursuant to Article 146 of the Spanish Corporations Act, for the purpose of offering the acquired shares, as options to be purchased at a fixed and non-variable price, to part of the employees and certain Parent Company directors, for the implementation of the Stock Options Plan with a maximum term of five years to exercise the share options. The Plan is intended to reward employee loyalty, unite efforts on future strategic points, and improve overall compensation. The aforementioned Plan had a 5-year implementation term and was conditional on a series of result milestones and beneficiary permanence in the company.

During the previous years, the personnel expense derived from the existence of the plan was taken to the profit and loss account. This personnel expense is generated by the difference between the value of the share offered to the beneficiaries of the plan and the valuation of the company.

The impact of the accumulated total personnel expense to date has been 1,559,898 euros. In the fiscal year ended on 31.01.2019, most of the plan was executed, one year ahead of the original maturity date.

At the end of the year, only one beneficiary remains to execute the plan.

As a consequence of the execution of the stock options plan, loans have been granted to personnel with identical conditions of one-year maturity and an interest rate of 3%.

QUADPACK INDUSTRIES, S.A. AND SUBSIDIARY UNDERTAKINGS

Consolidated report on the fiscal year ended 31 January 2019

The detail of these loans is:

| Company | Share purchase loan | Tax payment loan | Total |
|------------------------------------|---------------------|------------------|----------------|
| Quadpack Industries S.A. | 6.276 | 11.124 | 17.400 |
| Quadpack Industries S.A. | 15.690 | 36.676 | 52.366 |
| Quadpack Industries S.A. | 45.763 | 127.216 | 172.979 |
| Quadpack UK Ltd | 11.387 | 13.816 | 25.203 |
| Quadpack UK Ltd | - | 4.786 | 4.786 |
| Quadpack Australia Pty | 9.370 | - | 9.370 |
| Quadpack Ltd | 3.140 | 3.774 | 6.914 |
| Quadpack USA | 11.442 | 8.621 | 20.064 |
| Quadpack Impressions S.L. | 3.530 | 3.069 | 6.599 |
| Quadpack Manufacturing Dision S.L. | 9.414 | 9.272 | 18.686 |
| Quadpack Manufacturing Dision S.L. | 9.414 | 9.806 | 19.220 |
| Quadpack Manufacturing Dision S.L. | - | 4.159 | 4.159 |
| | <u>125.426</u> | <u>232.319</u> | <u>357.745</u> |

12. Minority interests

The balances and activity discussed are:

| | |
|------------------------------------|-----------------|
| Balance as at 31.01.17 | 726.679 |
| Other activity | 50 |
| Dividend Distribution | (100.000) |
| Profit for the fiscal year 2017-18 | <u>(38.180)</u> |
| Balance as at 31.01.18 | <u>588.549</u> |
| Other activity | 10.729 |
| Dividend Distribution | (50.000) |
| Profit for the fiscal year 2018-19 | <u>(19.703)</u> |
| Balance as at 31.01.19 | <u>529.575</u> |

The breakdown by companies is as follows:

| | 2018-19 | | | | | | |
|------------------------------|-------------------------|---------------------------------------|----------------------------|--------------------|---------------------------------|----------------------------|-----------------|
| | Quadpack Plastics, S.L. | Quadpack Manufacturing Division, S.L. | Quadpack Impressions, S.L. | Yonwoo Europe, SAS | Technotraf Wood Packaging, S.L. | Quadpack Asia Pacific, Ltd | Total |
| Share in FFPP | (152.026) | 240.868 | (38.486) | 20.626 | 466.254 | 4.102 | 541.338 |
| Adjustments changes in value | - | - | - | 7.942 | - | - | 7.942 |
| Fiscal year results | <u>(164.950)</u> | <u>41.525</u> | <u>(139.777)</u> | <u>84.790</u> | <u>160.090</u> | <u>(1.383)</u> | <u>(19.705)</u> |
| | <u>(316.976)</u> | <u>282.393</u> | <u>(178.262)</u> | <u>113.358</u> | <u>626.344</u> | <u>2.719</u> | <u>529.575</u> |

2017-18

QUADPACK INDUSTRIES, S.A. AND SUBSIDIARY UNDERTAKINGS

Consolidated report on the fiscal year ended 31 January 2019

| | Quadpack Plastics, S.L. | Quadpack Manufacturing Division, S.L. | Quadpack Impressions, S.L. | Yonwoo Europe, SAS | Technotraf Wood Packaging, S.L. | Quadpack Asia Pacific, Ltd | Total |
|---------------------------------|----------------------------|---|----------------------------------|--------------------------|--|----------------------------------|-----------------|
| Share in FFPP | 10.801 | 169.653 | 88.310 | 14.034 | 343.931 | - | 626.729 |
| Adjustments changes in value | - | - | - | - | - | - | - |
| Fiscal year results | <u>(144,078)</u> | <u>62,191</u> | <u>(128,983)</u> | <u>2,969</u> | <u>169,721</u> | - | <u>(38,180)</u> |
| | <u>(133,277)</u> | <u>231,844</u> | <u>(40,673)</u> | <u>17,003</u> | <u>513,652</u> | = | <u>588,549</u> |

13. Exchange conversion differences

The breakdown by companies is as follows:

| | 31.01.2019 | 31.01.2018 |
|-------------------------------|-----------------|-----------------|
| Quadpack Packaging Ltd. | 41.329 | 41.380 |
| Quadpack UK Ltd. | 47.882 | (100.844) |
| Collcap Prime Ltd. | 167.814 | 210.774 |
| Collcap Holding Ltd. | - | (29.594) |
| Quadpack Ltd. | (135.731) | (104.422) |
| Quadpack Australia Pty Ltd. | (103.111) | (68.618) |
| Quadpack USA Inc | (27.201) | 5.369 |
| East Hill Industries Inc | 5.825 | 8.039 |
| Quadpack Asia Pacific Limited | <u>(33.012)</u> | <u>(54.133)</u> |
| | <u>(33.205)</u> | <u>(92.049)</u> |

14. Inventories

Its breakdown is as follows:

| Breakdown: | 31.01.2019 | 31.01.2018 |
|--|------------------|------------------|
| Trading of packaging and containers for perfumery and cosmetics division. | | |
| Commercial | 6.712.263 | 7.329.213 |
| Products in progress | - | (90,642) |
| Finished Products | - | - |
| Advances | 232.854 | 316.845 |
| Subtotal | <u>6.945.118</u> | <u>7.555.416</u> |
| Manufacture of wooden containers division | | |
| Raw materials and other procurement | 820.685 | 1.277.193 |
| Products in progress | 766.038 | - |
| Finished Products | 169.472 | - |
| Advances | 2.090 | 15.243 |
| Subtotal | <u>1.758.285</u> | <u>1.292.436</u> |
| Manufacture of wooden containers division | | |
| Raw materials and other procurement | 298.606 | 529.814 |
| Products in progress | 328.879 | (36,312) |
| Finished Products | 112.216 | 108.878 |
| Advances | 1.771 | 7.657 |
| Subtotal | <u>741.473</u> | <u>610.037</u> |
| Package Decoration division | | |
| Raw materials and other procurement | 66.087 | 16.320 |
| Products in progress | 6.838 | 7.049 |
| Finished Products | - | - |
| Advances | - | - |
| Subtotal | <u>72.925</u> | <u>23.369</u> |
| Total | <u>9.517.800</u> | <u>9.481.259</u> |

T

QUADPACK INDUSTRIES, S.A. AND SUBSIDIARY UNDERTAKINGS

Consolidated report on the fiscal year ended 31 January 2019

he Group's inventories are presented net of impairment losses. The detail of the impairment losses for the year is as follows:

| | | |
|--|------------------|-----------------|
| | 31.01.2019 | 31.01.2018 |
| Cumulative correction at start of year | (25,050) | (104,147) |
| Net valuation adjustments for the year | (93,052) | 96.582 |
| Outflows and applications | - | (16,485) |
| Cumulative correction at the year-end | <u>(118,102)</u> | <u>(25,050)</u> |

15. Foreign currency

The breakdown of the assets and liabilities denominated in foreign currencies is as follows:

| | Fiscal year 2018-19 | | | | | | |
|-------------------------|---------------------|-----------|---------|------------|-----------|--------|-----|
| Assets | USD | GBP | RMB | KRW | HDK | AUD | JPY |
| Customers | 4.220.270 | 3.566.895 | 10.299 | 19.575 | 1.095.390 | - | - |
| Corporate Credits | 122.507 | - | - | - | - | - | - |
| Other Assets | 2.775.667 | - | - | - | - | - | - |
| Liabilities | USD | GBP | RMB | KRW | HDK | AUD | JPY |
| Suppliers and creditors | 5.405.359 | 1.217.904 | 234.383 | 11.627.888 | 7.531 | 66.034 | 604 |
| Loans to companies | 2.289.981 | - | - | - | - | - | - |
| Other Liabilities | 115.858 | - | - | - | - | - | - |

| | Fiscal year 2017-18 | | | | | | |
|---|---------------------|-----------|---------|-----------|---------|-----------|-----|
| Assets | USD | GBP | RMB | KRW | HDK | AUD | JPY |
| Customers and other receivables | 16.549.786 | 5.962.312 | 34.539 | - | 110.035 | 3.023.027 | - |
| Liabilities | USD | GBP | RMB | KRW | HDK | AUD | JPY |
| Suppliers and creditors or other accounts payable | 3.033.194 | 6.539.930 | 455.898 | 1.240.480 | 49.531 | 3.023.027 | - |

The amounts that correspond to sales and purchases, as well as services rendered and received, denominated in Euros, is as follows:

| | Fiscal year 2018-19 | | | | | | | | |
|-------------------|---------------------|------------|-----------|------------|---------|-----------|-----|-------|-------|
| | USD | GBP | RMB | KRW | HDK | AUD | AED | SEK | JPY |
| Sales | 15.692.499 | 10.034.612 | - | 34.996 | - | 7.134.262 | - | - | - |
| Purchases | 19.733.165 | 6.635.536 | 1.161.653 | 21.215.477 | 22.217 | 37.860 | 172 | - | - |
| Services provided | 2.699.662 | 1.152.956 | - | 6.519 | - | 155.249 | - | 2.004 | - |
| Services received | 4.588.743 | 2.766.944 | 439.517 | 90.173 | 407.678 | 533.925 | 39 | 3.925 | 4.012 |

QUADPACK INDUSTRIES, S.A. AND SUBSIDIARY UNDERTAKINGS

Consolidated report on the fiscal year ended 31 January 2019

| | Fiscal year 2017-18 | | | | | | | | |
|-------------------|---------------------|------------|-----------|-----------|-------|-----------|-----|-----|-----|
| | USD | GBP | RMB | KRW | HDK | AUD | AED | SEK | JPY |
| Sales | 3.996.723 | 14.936.089 | 19.364 | - | - | 3.773.603 | - | - | - |
| Purchases | 24.315.946 | 2.191.089 | 1.187.534 | 1.907.137 | - | 2.208.023 | - | - | - |
| Services provided | 21.591 | 1.078.080 | 754 | 186 | - | 43.322 | - | - | - |
| Services received | 279.248 | 2.503.520 | 204.132 | 65.238 | 2.068 | 381.933 | - | - | - |

The amount of the exchange rate differences recognised in the result of the year, by financial instrument type, is as follows:

| | Transactions settled in the year | |
|--|---|---|
| | 2018-19 Fiscal Year (Expenditure)/Income | 2017-18 Fiscal Year (Expenditure)/Income |
| Assets | | |
| Commercial debtors and other accounts receivable | <u>67.805</u> | <u>(419.996)</u> |
| Liabilities | | |
| Commercial creditors and other accounts payable | <u>(948.458)</u> | <u>(226.500)</u> |

16. Hedging operations with derivative financial instruments

The Group uses derivative financial instruments to cover the risks associated with its activities, operations and future cash flows. As part of these transactions, the Group has arranged financial hedging instruments to hedge the exposure to changes in cash flows arising from the exchange rates of the Korean Won against the Euro and the US Dollar against the Euro and the Australian Dollar.

The Group has complied with the requirements detailed in note 31) concerning the valuation standards to be able to classify the financial instruments detailed hereunder as hedging instruments. They have been specifically and formally designated as such, and the coverage they provide has been verified to be effective.

QUADPACK INDUSTRIES, S.A. AND SUBSIDIARY UNDERTAKINGS

Consolidated report on the fiscal year ended 31 January 2019

Fiscal year 2018-19

| Item | Classification | Insured EUR/USD exchange rate | Amount subscribed in USD | Maturity | Assets Fair Value | Liabilities Fair Value |
|--------------------|-----------------------|-------------------------------------|--------------------------------|------------|----------------------|---------------------------|
| Exchange Rate Swap | Exchange Rate Hedging | 1,1612 | 130.500 | 08/11/2019 | - | (1.407) |
| Exchange Rate Swap | Exchange Rate Hedging | 1,1632 | 800.000 | 08/11/2019 | - | (7.437) |
| Exchange Rate Swap | Exchange Rate Hedging | 1,1769 | 1.168.361 | 18/10/2019 | 2.586 | - |
| Exchange Rate Swap | Exchange Rate Hedging | 1,1772 | 146.613 | 18/10/2019 | 356 | - |
| Exchange Rate Swap | Exchange Rate Hedging | 1,1841 | 193.351 | 05/08/2019 | 2.436 | - |
| Exchange Rate Swap | Exchange Rate Hedging | 1,1844 | 112.565 | 17/06/2019 | 1.810 | - |
| Exchange Rate Swap | Exchange Rate Hedging | 1,1874 | 800.000 | 03/01/2020 | 3.459 | - |
| Exchange Rate Swap | Exchange Rate Hedging | 1,2055 | 260.657 | 17/05/2019 | 8.626 | - |
| Exchange Rate Swap | Exchange Rate Hedging | 1,2128 | 85.470 | 16/09/2019 | 2.536 | - |
| Exchange Rate Swap | Exchange Rate Hedging | 1,2269 | 98.465 | 06/05/2019 | 4.758 | - |
| Exchange Rate Swap | Exchange Rate Hedging | 1,1850 | 1.212.323 | 05/09/2019 | 8.027 | - |
| Exchange Rate Swap | Exchange Rate Hedging | 1,1762 | 12.695 | 14/02/2019 | 255 | - |
| Exchange Rate Swap | Exchange Rate Hedging | 1,1631 | 518.940 | 08/11/2019 | - | (5.681) |
| Exchange Rate Swap | Exchange Rate Hedging | 1,1770 | 551.422 | 18/10/2019 | 478 | - |
| Exchange Rate Swap | Exchange Rate Hedging | 1,1875 | 800.000 | 03/01/2020 | 1.535 | - |
| Exchange Rate Swap | Exchange Rate Hedging | 1,1925 | 59.520 | 21/05/2019 | 1.359 | - |
| Exchange Rate Swap | Exchange Rate Hedging | 1,1862 | 81.519 | 02/08/2019 | 1.077 | - |
| Exchange Rate Swap | Exchange Rate Hedging | 1,2072 | 17.649 | 23/08/2019 | 465 | - |
| Exchange Rate Swap | Exchange Rate Hedging | 1,2009 | 74.966 | 20/09/2019 | 1.490 | - |
| Exchange Rate Swap | Exchange Rate Hedging | 1,1629 | 49.203 | 08/11/2019 | - | (546) |
| Exchange Rate Swap | Exchange Rate Hedging | 1,1724 | 71.740 | 18/10/2019 | - | (177) |
| Exchange Rate Swap | Exchange Rate Hedging | 1,2526 | 82.939 | 23/04/2019 | 5.395 | - |
| Exchange Rate Swap | Exchange Rate Hedging | 1,1910 | 45.593 | 29/07/2019 | 771 | - |
| Exchange Rate Swap | Exchange Rate Hedging | 1,1799 | 222.255 | 05/08/2019 | 1.887 | - |
| Exchange Rate Swap | Exchange Rate Hedging | 1,1629 | 30.398 | 08/11/2019 | - | (337) |
| Exchange Rate Swap | Exchange Rate Hedging | 1,1882 | 272.512 | 03/01/2020 | 658 | - |
| Exchange Rate Swap | Exchange Rate Hedging | 1,1971 | 100.985 | 10/06/2019 | 2.484 | - |
| Exchange Rate Swap | Exchange Rate Hedging | 1,1742 | 2.500.000 | 18/07/2019 | 16.691 | - |
| | | | | | 69.138 | (15.585) |

| Item | Classification | Maturity | Assets Fair Value | Liabilities Fair Value |
|------|----------------|----------|----------------------|---------------------------|
|------|----------------|----------|----------------------|---------------------------|

QUADPACK INDUSTRIES, S.A. AND SUBSIDIARY UNDERTAKINGS

Consolidated report on the fiscal year ended 31 January 2019

| | | Insured AUD.KRW exchange rate | Amount subscribed in KRW | | | |
|--------------------|-----------------------|-------------------------------------|--------------------------------|------------|---|---------|
| Exchange Rate Swap | Exchange Rate Hedging | 798,6000 | 174.742.000 | 07/02/2019 | - | (1.706) |
| Exchange Rate Swap | Exchange Rate Hedging | 803,9400 | 119.178.000 | 25/02/2019 | - | (535) |
| Exchange Rate Swap | Exchange Rate Hedging | 803,4397 | 11.832.000 | 25/03/2019 | - | (62) |
| Exchange Rate Swap | Exchange Rate Hedging | 802,8600 | 69.732.000 | 23/04/2019 | - | (428) |
| | | | | | - | (2.732) |

| Item | Classification | Insured AUD.USD exchange rate | Amount subscribed in USD | Maturity | Assets Fair Value | Liabilities Fair Value |
|--------------------|-----------------------|-------------------------------------|--------------------------------|------------|----------------------|---------------------------|
| Exchange Rate Swap | Exchange Rate Hedging | 0,7271 | 185.000 | 28/10/2019 | - | (441) |
| Exchange Rate Swap | Exchange Rate Hedging | 0,7253 | 280.000 | 28/10/2019 | - | (1.271) |
| Exchange Rate Swap | Exchange Rate Hedging | 0,7234 | 185.000 | 08/11/2019 | - | (1.285) |
| | | | | | - | (2.997) |

| Item | Classification | Insured EUR.CNY exchange rate | Amount subscribed in CNY | Maturity | Assets Fair Value | Liabilities Fair Value |
|--------------------|-----------------------|-------------------------------------|--------------------------------|------------|----------------------|---------------------------|
| Exchange Rate Swap | Exchange Rate Hedging | 8,2484 | 1.847.365 | 25/10/2019 | 11.696 | - |
| | | | | | 11.696 | - |

| Item | Classification | Insured EUR.KRW exchange rate | Amount subscribed in KRW | Maturity | Assets Fair Value | Liabilities Fair Value |
|--------------------|-----------------------|-------------------------------------|--------------------------------|------------|----------------------|---------------------------|
| Exchange Rate Swap | Exchange Rate Hedging | 1.299,7400 | 2.671.742.760 | 28/02/2019 | 27.712 | - |
| Exchange Rate Swap | Exchange Rate Hedging | 1.321,5800 | 312.956.000 | 25/03/2019 | 6.672 | - |
| Exchange Rate Swap | Exchange Rate Hedging | 1.323,4800 | 617.541.000 | 23/04/2019 | 12.588 | - |
| Exchange Rate Swap | Exchange Rate Hedging | 1.326,7800 | 2.529.505.440 | 08/02/2019 | 69.213 | - |
| Exchange Rate Swap | Exchange Rate Hedging | 1.319,7900 | 129.396.000 | 25/02/2019 | 2.880 | - |
| Exchange Rate Swap | Exchange Rate Hedging | 1.308,6000 | 158.307.550 | 19/02/2019 | 2.817 | - |
| Exchange Rate Swap | Exchange Rate Hedging | 1.319,5698 | 34.571.000 | 25/02/2019 | 826 | - |
| Exchange Rate Swap | Exchange Rate Hedging | 1.321,1900 | 145.714.000 | 25/03/2019 | 3.455 | - |
| Exchange Rate Swap | Exchange Rate Hedging | 1.323,1900 | 220.013.000 | 23/04/2019 | 5.211 | - |
| Exchange Rate Swap | Exchange Rate Hedging | 1.319,5402 | 30.316.000 | 25/02/2019 | 670 | - |
| Exchange Rate Swap | Exchange Rate Hedging | 1.321,3800 | 72.028.000 | 25/03/2019 | 1.527 | - |
| Exchange Rate Swap | Exchange Rate Hedging | 1.323,4296 | 15.811.000 | 30/04/2019 | 314 | - |
| Exchange Rate Swap | Exchange Rate Hedging | 1.284,5900 | 155.886.000 | 15/03/2019 | 16 | - |
| Exchange Rate Swap | Exchange Rate Hedging | 1.320,5700 | 167.070.000 | 25/03/2019 | 3.465 | - |
| Exchange Rate Swap | Exchange Rate Hedging | 1.322,4699 | 133.126.000 | 23/04/2019 | 2.637 | - |
| Exchange Rate Swap | Exchange Rate Hedging | 1.318,8799 | 135.737.000 | 25/02/2019 | 2.950 | - |

QUADPACK INDUSTRIES, S.A. AND SUBSIDIARY UNDERTAKINGS

Consolidated report on the fiscal year ended 31 January 2019

| | | | | | | | 142.956 | - |
|--------------------|-----------------------|-------------------------------|--------------------------|------------|-------------------|------------------------|-------------------|------------------------|
| | | | | | | | 142.956 | - |
| Item | Classification | Insured USD.EUR exchange rate | Amount subscribed in EUR | Maturity | Assets Fair Value | Liabilities Fair Value | | |
| Exchange Rate Swap | Exchange Rate Hedging | 0,8123 | 2.030.641 | 23/04/2019 | - | (130.336) | | |
| Exchange Rate Swap | Exchange Rate Hedging | 0,8121 | 2.030.141 | 23/04/2019 | - | (129.082) | | |
| | | | | | | | - | (259.418) |
| Item | Classification | Insured GBP.KRW exchange rate | Amount subscribed in KRW | Maturity | Assets Fair Value | Liabilities Fair Value | | |
| Exchange Rate Swap | Exchange Rate Hedging | 1.489,7488 | 8.548.000 | 25/02/2019 | 122 | - | | |
| Exchange Rate Swap | Exchange Rate Hedging | 1.490,0997 | 13.184.000 | 25/03/2019 | 175 | - | | |
| Exchange Rate Swap | Exchange Rate Hedging | 1.459,1100 | 168.651.045 | 05/03/2019 | - | (374) | | |
| Exchange Rate Swap | Exchange Rate Hedging | 1.490,7101 | 54.831.000 | 23/04/2019 | 679 | - | | |
| | | | | | 975 | (374) | | |
| Item | Classification | Insured GBP.USD exchange rate | Amount subscribed in USD | Maturity | Assets Fair Value | Liabilities Fair Value | | |
| Exchange Rate Swap | Exchange Rate Hedging | 1,3640 | 66.304 | 16/05/2019 | 1.874 | - | | |
| Exchange Rate Swap | Exchange Rate Hedging | 1,3450 | 59.341 | 20/06/2019 | 887 | - | | |
| Exchange Rate Swap | Exchange Rate Hedging | 1,3205 | 79.996 | 29/07/2019 | - | (204) | | |
| Exchange Rate Swap | Exchange Rate Hedging | 1,3394 | 71.009 | 20/09/2019 | 531 | - | | |
| Exchange Rate Swap | Exchange Rate Hedging | 1,2961 | 57.641 | 27/11/2019 | - | (1.381) | | |
| Exchange Rate Swap | Exchange Rate Hedging | 1,3384 | 1.300.000 | 01/11/2019 | 6.609 | - | | |
| | | | | | 9.902 | (1.586) | | |
| | | | | | | | Assets Fair Value | Liabilities Fair Value |
| | | | | Total | 234.667 | (282.691) | | |

The breakdown of the cash flow hedges in 2017-18 is as follows:

QUADPACK INDUSTRIES, S.A. AND SUBSIDIARY UNDERTAKINGS

Consolidated report on the fiscal year ended 31 January 2019

| Fiscal Year 2017-18 | | | | | | |
|---------------------|-----------------------|----------------------------------|-----------------------------|------------|----------------------|---------------------------|
| Item | Classification | Insured EUR/USD exchange rate | Subscribed amount in USD | Maturity | Assets Fair Value | Liabilities Fair Value |
| Exchange Rate Swap | Exchange Rate Hedging | 1,1250 | 3,325,000 | 20.04.2018 | - | (303,620) |
| Exchange Rate Swap | Exchange Rate Hedging | 1,1304 | 2,370 | 31.12.2018 | - | (240,781) |
| Exchange Rate Swap | Exchange Rate Hedging | 1,1555 | 1,390 | 28.02.2018 | - | (89) |
| Exchange Rate Swap | Exchange Rate Hedging | 1,1600 | 1,161,940 | 06.29.2018 | - | (78,633) |
| Exchange Rate Swap | Exchange Rate Hedging | 1,1931 | 124,555 | 31.07.2018 | - | (5,687) |
| Exchange Rate Swap | Exchange Rate Hedging | 1,2140 | 2,000,000 | 30/08/2018 | - | (65,836) |
| Exchange Rate Swap | Exchange Rate Hedging | 1,1835 | 2,000,000 | 02.07.2019 | - | (246,008) |
| Exchange Rate Swap | Exchange Rate Hedging | 1,1300 | 2,000,000 | 16.05.2019 | - | (220,628) |
| Exchange Rate Swap | Exchange Rate Hedging | 1,1742 | 2,500,000 | 18.07.2019 | - | (201,491) |
| Exchange Rate Swap | Exchange Rate Hedging | 1,1574 | 450,000 | 21.05.2018 | - | (30,284) |
| Exchange Rate Swap | Exchange Rate Hedging | 1,1500 | 704,937 | 14.02.2018 | - | (47,585) |
| Exchange Rate Swap | Exchange Rate Hedging | 1,1010 | 2,000,000 | 29.03.2018 | - | (217,100) |
| Exchange Rate Swap | Exchange Rate Hedging | 1,1595 | 1,750,000 | 10.09.2018 | - | (126,716) |
| Exchange Rate Swap | Exchange Rate Hedging | 1,2582 | 5,000,000 | 17.01.2019 | - | (61,663) |
| Exchange Rate Swap | Exchange Rate Hedging | 1,2536 | 5,000,000 | 11.01.2019 | - | (74,422) |
| Exchange Rate Swap | Exchange Rate Hedging | 1,1854 | 259,966 | 31.10.2018 | - | (14,686) |
| Exchange Rate Swap | Exchange Rate Hedging | 1,1250 | 111,333 | 20.04.2018 | 11,502 | |
| Exchange Rate Swap | Exchange Rate Hedging | 1,1250 | 165,333 | 20.04.2018 | 17,081 | |
| | | | | | 28,583 | (1,935,229) |

| Item | Classification | Insured AUD/USD exchange rate | Amount subscribed in US dollars | Maturity | Assets Fair Value | Liabilities Fair Value |
|--------------------|-----------------------|----------------------------------|------------------------------------|------------|----------------------|---------------------------|
| Exchange Rate Swap | Exchange Rate Hedging | 0.7500 | 150,000 | 23.02.2018 | - | (7,333) |
| Exchange Rate Swap | Exchange Rate Hedging | 0.7960 | 150,000 | 26.03.2018 | - | (7,314) |
| Exchange Rate Swap | Exchange Rate Hedging | 0.8010 | 150,000 | 25.04.2018 | - | (7,322) |
| Exchange Rate Swap | Exchange Rate Hedging | 0.8010 | 150,000 | 25.05.2018 | - | (7,325) |
| Exchange Rate Swap | Exchange Rate Hedging | 0.8010 | 150,000 | 25.06.2018 | - | (7,332) |
| Exchange Rate Swap | Exchange Rate Hedging | 0.8010 | 150,000 | 25.07.2018 | - | (7,349) |
| | | | | | - | (43,975) |
| Total | | | | | 28,583 | (1,979,204) |

The recognised income and expense statement, which is part of the consolidated Statement of Changes in Net Equity, includes the amounts recognised during the year in consolidated net equity and in the consolidated profit and loss statement in relation to the above hedging transactions.

17. Information on the nature and level of risk associated with financial instruments

QUADPACK INDUSTRIES, S.A. AND SUBSIDIARY UNDERTAKINGS

Consolidated report on the fiscal year ended 31 January 2019

Qualitative information

The management of the Group's financial risks is centralised in the Parent Company's Financial Management Department, which has established the necessary mechanisms to control the exposure to variations in the interest rates and exchange rates, as well as risks generated by liquidity and credit.

a) Credit Risk

In general, the Group holds its cash and equivalent liquid assets in financial institutions that have high credit ratings.

It should also be noted that there is no significant concentration of credit risk with third parties.

b) Liquidity Risk

In order to ensure liquidity and be able to settle all of the payment obligations arising from its activity, the Group has the cash shown on its balance sheet, as well as the lines of credit and financing facilities that are detailed in the Financial Liabilities note (see note 9).

c) Market risk (including interest rate, exchange rate, and other price risks):

Due to its operations it is exposed to exchange rate and interest rate risks. To mitigate the exchange rate risk, the Group's policy is to take out financial instruments (exchange insurance) to reduce the exchange differences for foreign currency transactions (see note 16).

18. Tax situation

The breakdown of the accounts relating to Public Administrations is as follows:

| Acct | 2018-19 | | | |
|------------------------------------|------------------|------------------|-----------------|------------------|
| | Debit balances | | Credit balances | |
| | Non-current | Current | Non-current | Current |
| Deferred tax assets | 2.149.570 | - | - | - |
| Deferred tax liabilities | - | - | 332.434 | - |
| Current tax assets | - | 402.175 | - | - |
| Current tax liabilities | - | - | - | 684.536 |
| Value added tax | - | 1.503.016 | - | 1.246.228 |
| Personal income tax on individuals | - | - | - | 168.415 |
| Social Security Organisations | - | 3.977 | - | 442.519 |
| Other | - | 531 | - | 80 |
| | <u>2.149.570</u> | <u>1.909.698</u> | <u>332.434</u> | <u>2.541.778</u> |

| Acct | 2017-18 | | | |
|------------------------------------|------------------|------------------|-----------------|------------------|
| | Debit balances | | Credit balances | |
| | Non-current | Current | Non-current | Current |
| Deferred tax assets | 1.651.619 | - | - | - |
| Deferred tax liabilities | - | - | 7.146 | - |
| Current tax assets | - | 289.743 | - | - |
| Current tax liabilities | - | - | - | 950.811 |
| Value added tax | - | 1.527.875 | - | 1.467.306 |
| Personal income tax on individuals | - | - | - | 99.943 |
| Social Security Organisations | - | - | - | 329.427 |
| Other | - | - | - | 127.171 |
| | <u>1.651.619</u> | <u>1.817.618</u> | <u>7.146</u> | <u>2.974.657</u> |

Each of the Group's companies submits tax returns individually. The reconciliation of the sum of taxable amounts of

QUADPACK INDUSTRIES, S.A. AND SUBSIDIARY UNDERTAKINGS

Consolidated report on the fiscal year ended 31 January 2019

the consolidation perimeter with the taxable amount of the consolidation perimeter is as follows:

| | 2018-19 | | | | |
|---------------------------------------|-------------------------|-------------|--------------------------------|----------|------------------|
| | Profit and loss account | | Directly Imputed to net assets | | Total |
| | Increase | Decrease | Increase | Decrease | |
| Consolidated profit for the year | 3.058.407 | - | - | - | 3.058.407 |
| Tax on profits | 1.353.130 | - | - | - | 1.353.130 |
| Consolidated profit before tax | 4.411.537 | - | - | - | 4.411.537 |
| Permanent Differences | | | | | |
| - of individual companies | 325.202 | (5.771.106) | - | - | (5.445.904) |
| - of consolidation adjustments | 5.256.726 | - | - | - | 5.256.726 |
| Temporary Differences | | | | | |
| - of individual companies | | | | | |
| . Originated in the fiscal year | 447.347 | (1.294.578) | - | - | (847.231) |
| . Originated in previous fiscal years | - | (662.275) | - | - | (662.276) |
| - of consolidation adjustments | (676.804) | - | - | - | (676.804) |
| Taxable income | | | | | <u>2.063.432</u> |

| | 2017-18 | | | | |
|---------------------------------------|-------------------------|--------------|--------------------------------|-------------|----------------|
| | Profit and loss account | | Directly Imputed to net assets | | Total |
| | Increase | Decrease | Increase | Decrease | |
| Consolidated profit for the year | 2.701.274 | - | - | (2,244,957) | 456.317 |
| Tax on profits | 1.299.083 | - | - | - | 1.299.083 |
| Consolidated profit before tax | 4.000.357 | - | - | (2,244,957) | 1,755.400 |
| Permanent Differences | | | | | |
| - of individual companies | 177.371 | (3,463,512) | - | - | (3,286,141) |
| - of consolidation adjustments | - | - | - | - | - |
| Temporary Differences | | | | | |
| - of individual companies | | | | | |
| . Originated in the fiscal year | 1.269.619 | (1,2418,597) | 2.244.957 | - | 2.095.979 |
| . Originated in previous fiscal years | - | - | - | - | - |
| - of consolidation adjustments | - | - | - | - | - |
| Taxable income | | | | | <u>565.238</u> |

The breakdown of recorded deferred tax assets is as follows:

| | 31.01.2019 | 31.01.2018 |
|---|------------------|------------------|
| Deductible Temporary Differences | 97.714 | - |
| Derivative Temporary Differences | 69.526 | 496.758 |
| Amortisation Temporary Difference | 79.045 | 42.916 |
| Stock Depreciation Temporary Difference | 13.858 | 1.604 |
| Tax loss temporary differences | 1.867.866 | 946.951 |
| Bonuses / deductions pending to apply | 21.560 | - |
| Stock Options Plan Temporary Difference | - | 163.390 |
| | <u>2.149.570</u> | <u>1.651.619</u> |

The breakdown of the tax losses is as follows:

QUADPACK INDUSTRIES, S.A. AND SUBSIDIARY UNDERTAKINGS

Consolidated report on the fiscal year ended 31 January 2019

31.01.2019

| | Quadpack Industries, S.A. | Technotraf Wood packaging S.L. | Quadpack Impressions S.L. | Quadpack Plastics S.A | Quadpack Manufacturing Division S.L. | Total |
|---------|---------------------------------|---|---------------------------------|--------------------------|--|-----------|
| 2014-15 | - | - | - | - | 6.075 | 6.075 |
| 2015-16 | 189.639 | - | - | 254.412 | 7.784 | 451.835 |
| 2016-17 | 21.970 | - | - | 100.984 | 20.703 | 143.657 |
| 2017-18 | 154.504 | - | 97.715 | 196.965 | 9.660 | 458.844 |
| 2018-19 | 292.383 | 18.457 | 140.927 | 305.666 | 50.022 | 807.455 |
| | 658.496 | 18.457 | 238.642 | 858.028 | 94.244 | 1.867.866 |

31.01.2018

| | Quadpack Industries, S.A. | Technotraf Wood packaging S.L. | Quadpack Impressions S.L. | Quadpack Plastics S.A | Quadpack Manufacturing Division S.L. | Total |
|---------|---------------------------------|---|---------------------------------|--------------------------|--|---------|
| 2014-15 | - | - | - | - | 6.075 | 6.075 |
| 2015-16 | 189.639 | - | - | 254.412 | 7.784 | 451.835 |
| 2016-17 | 21.970 | - | - | 100.984 | 20.703 | 143.657 |
| 2017-18 | 25.502 | - | 113.257 | 196.965 | 9.660 | 345.384 |
| | 237.111 | - | 113.257 | 552.362 | 44.222 | 946.951 |

The breakdown of recorded deferred tax liabilities is as follows:

| | 31.01.2019 | 31.01.2018 |
|-----------------------------------|----------------|--------------|
| Taxable Temporary Differences | 12.231 | 7.146 |
| Derivative Temporary Differences | 57,703 | - |
| Amortisation Temporary Difference | 262.500 | - |
| | <u>332.434</u> | <u>7.146</u> |

The deferred tax assets mentioned above have been recorded in the consolidated balance sheet because the Directors of the Parent Company consider that, bearing in mind the best estimate of the Group's future results, including certain tax planning decisions, it is likely that these assets will be recovered.

Financial years pending verification and inspection

Under current legislation, taxes cannot be considered as finally settled until the tax statements that were submitted have been inspected by the tax authorities or the statute of limitations applicable in each country has expired.

At the end of the 2018-19 period, the Group's companies have all the taxes to which they are subject open to inspection for the years for which the statute of limitation has not expired. The Directors of the Parent Company consider that the aforementioned taxes have been correctly settled for the Group's companies. Therefore, even if discrepancies were to arise between the interpretation of the current tax regulations and the manner in which the companies have applied the tax regulation to the operations, the directors consider that any potential liabilities would not have a significant impact upon the attached consolidated annual accounts. There are currently no group companies under tax inspection.

19. Provisions and contingencies

QUADPACK INDUSTRIES, S.A. AND SUBSIDIARY UNDERTAKINGS

Consolidated report on the fiscal year ended 31 January 2019

The balance of "Long-Term Provisions" includes a balance of EUR 100,826 relating to long-term provisions with employees (EUR 146,939 in 2017-18 relating to a provision for guarantees by Technotraf Wood Packaging, S.L. and long-term provisions for obligations with employees).

20. Income and expenses

a) Net business turnover

The analysis of the net turnover is as follows:

| Activities | 2018-19 | 2017-18 |
|---|--------------------|-------------------|
| Trading of packaging and containers for perfumery and cosmetics division. | 94.363.424 | 80.095.854 |
| Manufacture of wooden containers division | 4.466.747 | 5.653.253 |
| Manufacture of wooden containers division | 938.183 | 1.304.790 |
| Package Decoration division | 767.651 | 817.383 |
| Services Provided | 4.123.839 | 2.869.975 |
| | <u>104.659.844</u> | <u>90.741.255</u> |

The analysis by geographical market is as follows:

| Geographic markets | 2018-19 | 2017-18 |
|--------------------|--------------------|-------------------|
| Spain | 20.748.017 | 16.695.367 |
| Other EU countries | 59.031.241 | 62.376.057 |
| Rest of the World | 24.880.586 | 11.669.831 |
| | <u>104.659.844</u> | <u>90.741.255</u> |

b) Use of merchandise, raw materials and other consumables

The breakdown is as follows:

| | 2018-19 | 2017-18 |
|-----------------|-------------------|-------------------|
| Purchases | 62.122.274 | 54.432.203 |
| Stock Variation | (727,646) | (236,029) |
| | <u>61.394.628</u> | <u>54.196.174</u> |

The detail of the purchases made by the Group according to their origin is as follows:

| | 2018-19 | 2017-18 |
|------------------------------|-------------------|-------------------|
| Domestic | 2.510.909 | 1.280.888 |
| Intra-community acquisitions | 3.128.990 | 3.839.145 |
| Imports | 55.434.611 | 49.312.170 |
| | <u>61.074.510</u> | <u>54.432.203</u> |

c) Social Security Contributions

QUADPACK INDUSTRIES, S.A. AND SUBSIDIARY UNDERTAKINGS

Consolidated report on the fiscal year ended 31 January 2019

The breakdown is as follows:

| | 2018-19 | 2017-18 |
|--|------------------|------------------|
| Social security payable by the company | 2.716.731 | 2.193.777 |
| Other social security contributions | 95.074 | 223.518 |
| | <u>2.811.805</u> | <u>2.417.295</u> |

d) Breakdown of consolidated results

The contribution of the group companies to the consolidated results attributable to the Parent is as follows:

| | 2018-19 | 2017-18 |
|---------------------------------------|------------------|------------------|
| Quadpack Industries, S.A. | (997.397) | (1.215.308) |
| Quadpack Spain, S.L. | 2.003.816 | 1.834.504 |
| Quadpack Italy, S.R.L. | 403.111 | 267.815 |
| Quadpack Germany, GmbH | 136.213 | 289.964 |
| Quadpack France | 723.318 | 607.918 |
| Collcap Holding LTD | - | 91 |
| Quadpack Packaging LTD | (94.437) | 454.578 |
| Quadpack Limited | 22.658 | 136.221 |
| Quadpack Australia | 708.957 | 590.928 |
| Technotraf Wood Packaging, S.L. | 640.360 | 672.494 |
| Quadpack Impressions, S.L. | (177.897) | (166.558) |
| Quadpack Plastics, S.A. | (659.780) | (576.310) |
| Quadpack Manufacturing Division, S.L. | (567.205) | (126.103) |
| Yonwoo Europe, SARL | 763.114 | 2.484 |
| Quadpack UK LTD | 63.371 | 74.436 |
| Quadpack Asia Pacific Ltd. | (136.955) | 81.016 |
| East Hill Ind.LLC | 254.675 | (178.501) |
| Quadpack USA INC. | (7.812) | (10.213) |
| | <u>3.078.110</u> | <u>2.739.454</u> |

e) Other results:

Two relevant items are distinguished in the section on other results, a donation of 35,430 from Quadpack Industries S.A. and an amount referring to the extraordinary flooding of the Torello factories that is detailed below: In the month of October 2018, heavy rains occurred in the industrial estate where the offices of the Company are located, a fact that resulted in a strong flood of the flow of the river Ter as it passes through it.

Although these facilities are partially surrounded by a retaining wall built more than 60 years ago after another major flood, which in principle, covers the risk of flooding in cases of heavy rainfall, there is the circumstance that inside the industrial estate there is a waterfall, electricity generator, which has an artificial channel that divides the site into two, a channel that has its respective gates that allow or prevent the passage of water from the river Ter inside.

However, these gates were not closed, so the water from the river overflowed said channel and later flooded the Company's facilities, as well as the companies of the Quadpack Manufacturing Division, S.L. and Quadpack Impressions, S.L., which are located in the same location, causing severe damage to machinery, furniture, industrial equipment, stocks and packaging material, causing the industrial activity to be paralyzed for practically three months.

Initially, these companies began the procedures for claiming damages with their insurance company, although later the case was referred to the Insurance Compensation Consortium, on the understanding that it was an event included in the risk insurance regulations. extraordinary of said entity. The request for the damages suffered was classified in several files; stock, damage to the continent, cleaning expenses, industrial trousseau and lost profits.

QUADPACK INDUSTRIES, S.A. AND SUBSIDIARY UNDERTAKINGS

Consolidated report on the fiscal year ended 31 January 2019

In this sense, at the date of the formulation of these annual accounts, the certificate of the expert from the Insurance Compensation Consortium has been obtained accepting damages in the chapters of the continent, cleaning expenses, stock and loss of profits for a combined value of 1,123 thousand of euros. Of these, the Company has collected as a deposit on account of future amounts to receive a total of 500 thousand euros in the month of December 2018 and in the months of February and March 2019, amounting to a total of 350 thousand additional euros, so that at the date of preparation of these annual accounts, the Company has received 850 thousand euros of compensation. It has recorded an income of 1,550 thousand euros as the minimum total amount it considers will be collected from all the files.

In addition, the Company estimates that in the following months the cases of Industrial Adjunct and Loss of Profit may be favourably closed, in which it requests the amounts of 519 thousand euros and 1,082 thousand euros, respectively.

Below, an illustrative table is included as a summary:

| Categories | Amount of damages and lost profits requested by the Company | Amount accepted by the merit of the Insurance Compensation Consortium | Amount registered in the extraordinary expenses heading | Revenue forecast accounted for in the extraordinary income caption | Collections from the Insurance Compensation Consortium |
|-------------------------|---|---|---|--|--|
| Cleaning costs | (176.919) | (176.919) | (156.051) | 135.313 | 50.000 |
| Damage to the continent | (129.971) | (129.971) | (128.072) | 59.199 | 100.000 |
| Impairment of stocks | (716.277) | (716.277) | (700.245) | 419.639 | 300.000 |
| Lost profit | (1.081.849) | (100.000) | - | 650.000 | 100.000 |
| industrial trousseau | (518.969) | - | (478.685) | 285.849 | 300.000 |
| New result | <u>(2.623.985)</u> | <u>(1.123.167)</u> | <u>(1.463.053)</u> | <u>1.550.000</u> | <u>850.000</u> |

The impact recorded in the Other results section due to the flood corresponds to costs of 1,455 million and compensation income of 1,550 million euros.

21. Environmental information

The Group's property, plant and equipment includes the following significant elements aimed at minimising environmental impact and protecting and improving the environment at 31 January 2019 and 2018:

| Description | 31.01.2019 | | |
|---------------------------------------|----------------|-------------------------------------|----------------|
| | Gross Value | Accumulated depreciation/impairment | Net Value |
| Technical installations and machinery | 499.800 | (78.850) | 420.950 |
| Other fixtures, tools and furniture | 14.034 | (464) | 13.570 |
| | <u>513.834</u> | <u>(79,314)</u> | <u>434.520</u> |
| Description | 31.01.2018 | | |
| | Gross Value | Accumulated depreciation/impairment | Net Value |
| Technical installations and machinery | 411.537 | (27.962) | 383,575 |
| | - | - | - |
| | <u>411.537</u> | <u>(27.962)</u> | <u>383.575</u> |

Led light system has also been installed in offices and factories receiving subsidy for it. Likewise, the Group

QUADPACK INDUSTRIES, S.A. AND SUBSIDIARY UNDERTAKINGS

Consolidated report on the fiscal year ended 31 January 2019

has not accrued provisions to cover risks and costs for environmental actions, since it is estimated that there are no contingencies related to environmental protection and improvement.

22. Operations with related parties

During the year, the Group has conducted operations with the following related parties:

Eudald Holdings, S.L. (shareholder)
 Anlomo Soci  t   Civil, S.A.S. (shareholder)
 European Outsourcing Group, S.L. (shareholder)
 Estate Management, S.L. (other related parties)
 Alba Andrea Division, S.L. (shareholder)
 Zuncasol Solar 2007, S.L. (other related parties)
 Philippe Lenglar. (shareholder)
 Quadpack Net Technologies S.L. (other related parties)
 Advanced World, S.L. (other related parties)
 McDermott commercial Property Ltd. (other related parties)
 Trustees of the Collcap Pension Scheme. (other related parties)

The breakdown of the operations conducted with related parties in 2018-19 and 2017-18 is as follows:

| 2018-19 | | | |
|--------------------|---------|--------------------|--|
| Acct | Revenue | Expenses | |
| Services Provided | - | (387,065) | |
| Wages and salaries | - | (549,999) | |
| Interest | - | (11,408) | |
| Rentals | - | (590,966) | |
| Dividends | - | (1,000,000) | |
| | = | <u>(2,539,438)</u> | |

| 2017-18 | | | |
|--------------------|---------------|--------------------|--|
| Acct | Revenue | Expenses | |
| Services Provided | 17.020 | (308,754) | |
| Wages and salaries | 81.216 | (634,562) | |
| Interest | - | (16,527) | |
| Rentals | - | (587,914) | |
| Dividends | - | (1,250,000) | |
| | <u>98.236</u> | <u>(2,797,757)</u> | |

The breakdown of the balances with related parties to 31 January 2019 and 2018 is as follows:

| 31 January 2019 | | |
|------------------------|----------------|------------------|
| | Debit balances | Credit balances |
| Commercial Debtors | 1.829 | - |
| Short-term credits | 107.005 | - |
| Long-term liabilities | - | (529,949) |
| Commercial Creditors | - | (233,840) |
| Short-term liabilities | - | (130,000) |
| | <u>108.835</u> | <u>(893,789)</u> |

QUADPACK INDUSTRIES, S.A. AND SUBSIDIARY UNDERTAKINGS

Consolidated report on the fiscal year ended 31 January 2019

| 31 January 2018 | | |
|------------------------|----------------|--------------------|
| | Debit balances | Credit balances |
| Commercial Debtors | - | - |
| Short-term credits | 124.196 | - |
| Long-term liabilities | - | (782.171) |
| Commercial Creditors | - | (179.360) |
| Short-term liabilities | - | (139.840) |
| | <u>124.196</u> | <u>(1.101.371)</u> |

The long and short term debts correspond to balances for loans and credits, which have been formalised through contracts and in which the interests are indexed to the Euribor.

23. Other information

The average number of people employed during the year distributed by categories, as well as the breakdown according to gender at year-end, was as follows:

| Professional category | 2018-19 | | | | |
|--------------------------------------|---|------------|------------|--|--|
| | Number of People Employed at the closing of the fiscal year | | | Average Number of people employed during fiscal year | Average Number of people with disabilities > 33% |
| | Women | Men | Total | | |
| Address | 5 | 15 | 20 | 20 | - |
| Administration | 23 | 7 | 30 | 30 | - |
| Commercial, salespeople and the like | 65 | 24 | 89 | 89 | - |
| Operators and Technicians | 89 | 92 | 181 | 181 | - |
| | <u>182</u> | <u>138</u> | <u>320</u> | <u>320</u> | = |

| Professional category | 2017-18 | | | | |
|--------------------------------------|---|------------|------------|--|--|
| | Number of People Employed at the closing of the fiscal year | | | Average Number of people employed during fiscal year | Average Number of people with disabilities > 33% |
| | Women | Men | Total | | |
| Address | 5 | 15 | 20 | 20 | - |
| Administration | 20 | 6 | 26 | 26 | - |
| Commercial, salespeople and the like | 53 | 20 | 73 | 73 | - |
| Operators and Technicians | 79 | 78 | 157 | 157 | - |
| | <u>157</u> | <u>119</u> | <u>276</u> | <u>276</u> | = |

The Group does not have any employee of Senior Management. The Senior Management duties are performed by the members of the Board of Directors.

QUADPACK INDUSTRIES, S.A. AND SUBSIDIARY UNDERTAKINGS

Consolidated report on the fiscal year ended 31 January 2019

The breakdown of the remuneration received in 2018-19 and 2017-18 by the members of the Board of Directors of the Parent and of the Group, by item, is as follows:

| | <u>2018-19</u> | <u>2017-18</u> |
|---|------------------|------------------|
| Salaries, allowances and other remuneration | 107.230 | 192.418 |
| Other consultancy | 828.641 | 543.848 |
| Life insurance premiums | | |
| Premiums paid to current members of the managing body | 12.288 | 10.233 |
| Payments based on equity instruments | 335.463 | 200.712 |
| Dividends | 928.118 | 999.207 |
| | <u>2.211.741</u> | <u>1.946.418</u> |

At 31 January 2019 and 2018 there were no advances or loans granted to the Group's directors.

The Group has paid civil liability insurance premiums on the Directors of the Parent Company for damages caused in the year in their care amounting to 7,872 euros (7.642 euros in the previous year).

The remuneration of Board of Directors members for their attendance of Board Meetings has amounted to EUR 107,252 in the 2018-19 fiscal year (EUR 80,000 in the preceding year).

In accordance with the provisions of article 229 of the Consolidated Text of the Capital Companies Law, it has been detected that the Company's directors. These operations have been examined and validated according to current regulations.

The fees accrued by the Group's auditors during the financial years 2018-19 and 2017-18 for account auditing work amounted to EUR 235,649 and 208,548, respectively.

The fees accrued for other services during the years 2018-19 and 2017-18 by the auditing firm amounted to EUR 14,320 and 14,350, respectively.

24. Financial information by segments

The Group is organised internally by operating segments that generally coincide with the activity of the different companies. The various products and services are operatively managed separately, because they require different technology and market strategies, although the financial management of the Group is common to all its companies.

To 31 January 2018 and 2017 the assignment and allocation criteria used to determine and provide information on each of the segments is consistent with the Group's business lines and are as follows:

- Trading of packaging and containers for perfumery and cosmetics.
- Manufacture of wooden containers
- Manufacture of plastic containers
- Decoration for containers
- Provision of services

The criteria followed for establishing inter-company transfer prices follow the application of the normal market value.

QUADPACK INDUSTRIES, S.A. AND SUBSIDIARY UNDERTAKINGS

Consolidated report on the fiscal year ended 31 January 2019

The distribution of sales made in the 2018-19 and 2017-18 fiscal years by geographical markets and by segments, bearing in mind the consolidation adjustments, is as follows:

| Geographic Market | 2018-19 | | | | Total |
|-------------------|----------------------|----------------------------------|-----------------------------------|---------------------------|--------------------|
| | Trading of Packaging | Manufacture of wooden containers | Manufacture of plastic containers | Decoration for containers | |
| Spain | 18.360.541 | 2.263.885 | 1.201.921 | 907.494 | 22.733.841 |
| Europe | 51.854.674 | 7.134.290 | 775.135 | 8.587 | 59.772.687 |
| Exports | 24.399.258 | 247.121 | 18.690 | - | 24.665.068 |
| | <u>94.614.473</u> | <u>9.645.296</u> | <u>1.995.746</u> | <u>916.081</u> | <u>107.171.595</u> |

| Geographic Market | 2017-18 | | | | Total |
|-------------------|----------------------|----------------------------------|-----------------------------------|---------------------------|-------------------|
| | Trading of Packaging | Manufacture of wooden containers | Manufacture of plastic containers | Decoration for containers | |
| Spain | 14.458.543 | 1.554.968 | 1.117.250 | 971.737 | 18.102.498 |
| Exports | 67.252.410 | 7.965.698 | 1.106.385 | 8.378 | 76.332.871 |
| | <u>81.710.953</u> | <u>9.520.666</u> | <u>2.223.635</u> | <u>980.115</u> | <u>94.435.369</u> |

The above table reflects the information of the distribution of sales before the elimination of transactions between group companies for the 2017-18 and 2016-17 at 6,635,590 and 6.564.088 Euros, respectively.

QUADPACK INDUSTRIES, S.A. AND SUBSIDIARY UNDERTAKINGS

Consolidated report on the fiscal year ended 31 January 2019

The breakdown of the financial statements segmented for the 2017-18 and 2016-17 fiscal years, which do not include consolidation adjustments, is summarised below:

2018-19

| <u>Items</u> | <u>Trading of Packaging</u> | <u>Manufacture of wooden containers</u> | <u>Manufacture of plastic containers</u> | <u>Decoration for containers</u> | <u>Service Delivery</u> | <u>Total</u> |
|--|-----------------------------|---|--|----------------------------------|-------------------------|-------------------|
| Net business turnover | 100,780,858 | 9,754,135 | 2,216,296 | 936,382 | 16,279,925 | 129,967,595 |
| - Sales | 94,614,473 | 9,645,296 | 1,995,746 | 916,081 | - | 107,171,595 |
| - Services Provided | 6,166,385 | 108,840 | 220,550 | 20,301 | 16,279,925 | 22,796,001 |
| Changes in inventories of finished products and products in progress | (232) | 828,882 | 131,224 | (211) | - | 959,663 |
| Work carried out by the company on its assets | - | 15,508 | - | - | - | 15,508 |
| Other Income | 1,437 | 3,486 | - | - | 41,173 | 46,097 |
| Procurements | (63,990,182) | (3,919,604) | (998,989) | (151,521) | - | (69,060,297) |
| Personnel expenses | (6,789,963) | (1,482,070) | (765,903) | (465,740) | (5,563,149) | (15,066,826) |
| External Services | (21,742,099) | (4,001,527) | (1,348,295) | (769,948) | (5,485,280) | (33,347,149) |
| Amortization of fixed assets | (21,742,099) | (220,921) | (314,974) | (81,822) | (501,089) | (1,390,971) |
| Provision surpluses | | 69,253 | - | - | - | 69,253 |
| Loss, deterioration and variation of provisions | | (39,114) | 14,310 | (3,377) | (9,810) | (37,991) |
| Other results | 21,972 | 70,828 | 3,725 | (845) | (45,783) | 42,447 |
| Operating Results | 8,009,625 | 1,078,855 | (1,070,055) | (537,082) | 4,715,987 | 12,197,330 |
| Financial income | 125,803 | 31,079 | - | 31 | 206,015 | 362,928 |
| Financial expenses | (438,699) | (44,922) | (72,176) | (16,549) | (339,722) | (912,067) |
| Exchange rate differences | (736,075) | 105 | 10,087 | (2,716) | (152,053) | (880,652) |
| Impairment and gains or losses on disposal of financial instruments | (2,473) | - | - | - | (0) | (2,473) |
| Results Before Taxes | 6,958,181 | 1,065,117 | (1,132,144) | (556,316) | 4,430,227 | 10,765,066 |
| Segment Assets | 48,733,559 | 10,205,205 | 1,456,929 | 3,728,121 | 44,798,776 | 108,922,590 |
| Segment Liabilities | 34,206,726 | 7,073,483 | 1,862,071 | 5,313,000 | 23,651,185 | 72,106,464 |

2017-18

QUADPACK INDUSTRIES, S.A. AND SUBSIDIARY UNDERTAKINGS

Consolidated report on the fiscal year ended 31 January 2019

| <u>Items</u> | <u>Marketing of packaging</u> | <u>Manufacturing of packaging of wood</u> | <u>Manufacturing of packaging of plastic</u> | <u>Decorating of packaging</u> | <u>Service of services</u> | <u>Total</u> |
|---|-------------------------------|---|--|--------------------------------|----------------------------|------------------|
| Net business turnover | 84,217,903 | 9,688,712 | 2,258,631 | 985.804 | 13,208,457 | 110,359,507 |
| - Sales | 81,710,95 | 9,520,666 | 2,223,635 | 980,115 | 0 | 94,435,369 |
| - Services Provided | 2,506,950 | 168.047 | 34,997 | 5.689 | 13,208,457 | 15,924,139 |
| Changes in inventories of finished products and Work carried out by the company on its assets | - | 189,787 | 46,242 | - | - | 236,029 |
| Other Income | - | 3.656 | - | - | - | 3.656 |
| Procurements | (56,512,63 | (3,609,770) | (1,006,312) | (219,471) | (1,116) | (61,349,307) |
| Personnel expenses | (5,679,086 | (1,103,772) | (755,177) | (373,567) | (3,992,499) | (11.904.101) |
| External Services | (16,154,24 | (3,884,632) | (823,782) | (707,649) | (5.105.247) | (26,675,552) |
| Amortization of fixed assets | (198,310) | (164.311) | (450.169) | (70,874) | (392,271) | (1,275,935) |
| Provision surpluses | 71,520 | 5.052 | - | - | - | 76,572 |
| Loss, deterioration and variation of provisions | 673 | 150 | (4,265) | (252) | 1,001 | (2,693) |
| Other results | 78,746 | 22,973 | (128,321) | 3,576 | 12,835 | (10,190) |
| Operating Results | 5,824,565 | 1,147,847 | (863,152) | (382,433) | 3,731,159 | 9,457,985 |
| Financial income | 98,643 | 16,013 | - | - | 117,053 | 231,709 |
| Financial expenses | (172,671) | (36,184) | (54,192) | (8,443) | (244,181) | (515,672) |
| Variation in the fair value of financial instruments | - | - | - | - | - | - |
| Exchange rate differences | (103,885) | (685) | (50) | 17 | (540,861) | (645,463) |
| Impairment and gains or losses on disposal of | (1,290) | - | 41 | - | 313.016 | 311,766 |
| Results Before Taxes | 5,645,362 | 1,126,990 | (917,353) | (390,859) | 3,376,186 | 8,840,326 |
| Segment Assets | 55,980,16 | 1,867,045 | 1,818,756 | 1,009,333 | 41,146,022 | 101,821,321 |
| Segment Liabilities | 6 | 4,389,079 | 3,669,347 | 1,101,773 | 25,082,780 | 70,235,717 |

25. Events after reporting period

At the date of preparation of these consolidated annual accounts, no significant events have occurred since 31 January 2019 that imply the need to modify or extend the information included therein.

PREPARATION OF THE CONSOLIDATED ANNUAL ACCOUNTS BY THE MANAGEMENT BODY

The Directors of QUADPACK INDUSTRIES, S.A. have prepared the consolidated annual accounts of QUADPACK INDUSTRIES, S.A. and SUBSIDIARY UNDERTAKINGS (consolidated balance sheet, consolidated profit and loss statement, consolidated statement of changes in net equity, consolidated statement of cash flows and consolidated report) for the year ended on 31 January 2019.

Likewise, they declare that they have signed the aforementioned documents in their own handwriting, by signing this page which is attached to the report, which is set out on pages 1 to 48.

Barcelona, 30th April 2019

Mr. Philippe Lenglard

Mr Timothy John Eaves

Mr. John McDermott

Mr. Marc Sahonet

**Consolidated Management
Report**

CONSOLIDATED MANAGEMENT REPORT

QUADPACK INDUSTRIES, S.A. AND SUBSIDIARY UNDERTAKINGS

Fiscal year Ended on 31 January 2019

The fiscal year ended 31 January 2019 has been carried out as planned by the Parent, with the exception of the extraordinary flooding suffered in the month of October 2018 in two of our factories. The net turnover of the companies that make up the consolidation perimeter has reached 104,659,844 Euros, exceeding management's expectations, which represents an increase of 15% compared to the previous year, where it was 90,741,255 Euros. A more moderate increase is expected for the following year, reaching a turnover of 120,000,000 Euros.

Operating profit for the year ended 31 January 2019 amounted to 5,843,800 euros compared to last year's profit of 4,931,031 euros, a decrease of 19%.

For next year the group hopes to continue the cost control and consolidation policy in the increasingly competitive European market while maintaining turnover at the levels indicated in the first paragraph.

The investment in resources to improve management will improve the group's profitability and, based on the market's conditions we expect that next year, we will improve the Group's consolidated result after taxes.

The stock market value of the shares of QUADPACK INDUSTRIES in the free market, which at the end of January 2019 reached a unit value of 23.80 Euros, with the company reaching a market capitalisation of around 90 million Euros, is also worth mentioning.

On July 21, 2016, the General Shareholders' Meeting approved the direct acquisition of 167,219 treasury shares through the acquisition of such shares from one of the Company's shareholders in accordance with the provisions of articles 146 of the Companies Law. of Capital and in order that the acquired shares were offered (as options to be purchased at a fixed price and not variable) to a part of the workers and some managers of the company, for the implementation of the Options Plan on Stocks ("Stock Options Plan") with a maximum term for the exercise of the options of the five-year shares.

The Company has anticipated the execution of this option, for which 150,000 own shares have been delivered to the beneficiaries of the plan. This delivery has been made for a total amount of 524,283 euros. The impact of the total personnel expense accumulated to date has been 1,559,898 euros, with its counterpart being equity accounts.

The total number of shares offered as of January 31, 2019 is 42,604 which will be delivered in the 2019-20 financial year.

The Company has not carried out research and development activities.

At year-end 2018-19, the Group had an average payment term to suppliers of 51 days (43 days in 2017-18) for the Spanish companies included in the consolidation perimeter.

PREPARATION OF THE CONSOLIDATED MANAGEMENT REPORT BY THE MANAGEMENT BODY

The Directors of QUADPACK INDUSTRIES, S.A. have prepared the consolidated management report of QUADPACK INDUSTRIES, S.A. and SUBSIDIARY UNDERTAKINGS for the fiscal year ended on 31 January 2019.

Likewise, they declare that they have signed the aforementioned document in their own handwriting, by signing this page which is attached thereto, which is set out on page number 1.

Barcelona, 30th April 2019

Mr. Philippe Lenglar

Mr Timothy John Eaves

Mr. John McDermott

Mr. Marc Sahonet

QUADPACK INDUSTRIES, S.A. & DEPENDENT COMPANIES
BALANCE SHEET CONSOLIDATED
YEAR ENDED 31 JANUARY 2019
(expressed in euros)

ASSETS

| | Nota | 31.01.2019 | 31.01.2018 |
|---|------------|-------------------|-------------------|
| Non-current assets | | 15,796,929 | 13,767,624 |
| Intangible fixed assets | 4 | 5,012,495 | 6,000,029 |
| Patents, licenses, trade marks and similar | | 32,428 | 16,525 |
| Goodwill | | 4,661,348 | 5,758,153 |
| Computer programmes | | 295,107 | 165,509 |
| Other intangible fixed assets | | 23,612 | 59,842 |
| Inmovilizado material | 5 | 8,183,278 | 5,536,487 |
| Land and buildings | | 194,939 | 144,726 |
| Plant, machinery and others | | 6,460,456 | 4,356,320 |
| Assets in course and advance payments | | 1,527,883 | 1,035,441 |
| Investments in property and real estate | 7.2 | 203,697 | 238,093 |
| Land | | 203,697 | 238,093 |
| Equity based instruments group long term | | - | - |
| Long-term investments | 7.1 | 247,889 | 341,396 |
| Loans to companies long term | | 20,114 | 45,551 |
| Other financial assets long term | | 227,775 | 295,845 |
| Deferred tax assets | 18 | 2,149,570 | 1,651,619 |
| Current assets | | 47,010,405 | 39,258,665 |
| Stocks | 14 | 9,517,800 | 9,481,259 |
| Goods for resale | | 6,712,263 | 7,263,563 |
| Raw materials and consumables | | 1,185,378 | 954,196 |
| Work in progress and partially finished goods | | 1,101,756 | 600,848 |
| Finished goods | | 281,688 | 322,906 |
| Payments on account | | 236,715 | 339,746 |
| Accounts receivable - commercial and other | 8 | 25,904,241 | 25,561,824 |
| Accounts receivable for sales and services | | 22,077,772 | 23,245,298 |
| Trade debtors - group and associated entities | 22 | 1,829 | - |
| Sundry debtors | | 1,611,335 | 492,237 |
| Employees | | 303,608 | 6,671 |
| Current tax assets | 18 | 402,175 | 289,743 |
| Debtor for taxes, Social Security and Government bodies | 18 | 1,507,523 | 1,527,875 |
| Short-term investments in group an associated entities | 22 | 107,006 | 124,196 |
| Loans to group companies short term | | 107,006 | 124,196 |
| Short-term investments | 7.1 | 1,787,992 | 897,363 |
| Loans to third parties | | 73,532 | 20,000 |
| Other financial assets | | 1,479,793 | 848,780 |
| Derivatives | 16 | 234,667 | 28,583 |
| Short-term accruals and prepayments | | 461,897 | 525,184 |
| Cash and equivalent liquid assets | | 9,231,470 | 2,668,839 |
| TOTAL ASSETS | | 62,807,334 | 53,026,289 |

QUADPACK INDUSTRIES, S.A. Y SOCIEDADES DEPENDIENTES
BALANCE CONSOLIDADO CORRESPONDIENTE AL EJERCICIO
TERMINADO EL 31 DE ENERO DE 2019
(expresado en euros)

NET EQUITY AND LIABILITIES

| | | 31.01.2019 | 31.01.2018 |
|--|------------|-------------------|--------------------|
| Net equity | | 23,450,332 | 18,901,299 |
| Shareholders' funds | 11 | 23,010,695 | 19,864,476 |
| Capital | | 3,798,869 | 3,798,869 |
| Share issue premium | | 3,577,543 | 3,577,543 |
| Reserves | | 12,644,439 | 10,605,782 |
| Own shares, treasury stock and similar | | (88,265) | (857,171) |
| Result for the year | | 3,078,110 | 2,739,453 |
| Valuation adjustments | | (56,734) | (1,459,677) |
| Exchange rate conversions | 13 | (33,205) | (92,049) |
| External partners | 12 | 529,575 | 588,549 |
| Non-current liabilities | | 9,003,711 | 7,551,464 |
| Long-term provisions | 19 | 100,826 | 146,939 |
| Long-term commitments with employees | | 100,826 | 76,623 |
| Other provisions | | - | 70,316 |
| Long-term borrowings | 9 | 8,040,502 | 6,610,650 |
| Borrowings from financial institutions long term | | 5,277,755 | 3,682,475 |
| Finance lease borrowings long term | 6.1 | 2,762,746 | 1,745,500 |
| Derivatives long term (liabilities) | 16 | - | 668,127 |
| Other financial liabilities long term | | 1 | 514,548 |
| Long-term debts with group and associated entities | 22 | 529,949 | 782,171 |
| Deferred tax liabilities | 18 | 332,434 | 7,146 |
| Long-term accruals | | - | 4,558 |
| Current liabilities | | 30,353,291 | 26,573,526 |
| Short-term borrowings | 9 | 4,819,875 | 7,821,475 |
| Borrowings from financial institutions | | 4,019,997 | 6,092,396 |
| Finance lease borrowings | 6.1 | 516,173 | 240,020 |
| Derivatives (liabilities) | 16 | 282,691 | 1,311,077 |
| Other financial liabilities | | 1,014 | 177,982 |
| Short-term debts with group and associated entities | 22 | 130,000 | 179,360 |
| Accounts payable - commercial and other | 10 | 24,745,916 | 18,185,450 |
| Suppliers | | 20,165,364 | 13,691,553 |
| Trade creditors, group and associated entities | 22 | 233,840 | 139,840 |
| Sundry creditors | | 746,217 | 473,163 |
| Employees (payroll creditor) | | 776,902 | 502,869 |
| Current tax liabilities | 18 | 684,536 | 950,811 |
| Taxes, Social Security and Government Bodies | 18 | 1,857,242 | 2,023,846 |
| Advances received from customers | | 281,815 | 403,368 |
| Short-term accruals | | 657,500 | 387,241 |
| TOTAL NET EQUITY AND LIABILITIES | | 62,807,334 | 53,026,289 |

QUADPACK INDUSTRIES, S.A. & DEPENDENT COMPANIES
INCOME STATEMENT CONSOLIDATED
YEAR ENDED 31 JANUARY 2019
(expressed in euros)

| | Nota | 2018-19 | 2017-18 |
|---|----------------|---------------------|---------------------|
| Continuing Operations: | | | |
| Net turnover | 20a | 104,659,844 | 90,741,255 |
| Sales | 24 | 100,536,005 | 87,871,280 |
| Services Rendered | | 4,123,839 | 2,869,975 |
| Variation on stocks of finished goods and work-in-progress | | 959,663 | 144,055 |
| Own work capitalised | | 15,508 | - |
| Supplies | | (62,424,706) | (54,785,219) |
| Consumption of goods for resale | 20b | (57,248,311) | (50,150,955) |
| Consumption of raw materials and other consumables | 20b | (4,146,316) | (4,045,219) |
| Subcontracting and similar | | (937,027) | (685,627) |
| Impairment of raw materials, goods for resale and supplies | 14 | (93,052) | 96,582 |
| Other operating income | | 46,097 | 3,656 |
| Ancillary income and other income from normal operations | | 45,474 | 3,656 |
| Operating subsidies transferred to income | | 623 | - |
| Employee costs | | (15,066,826) | (10,752,150) |
| Salaries, wages and similar | | (12,255,021) | (8,334,855) |
| Social Security and similar costs | 20c | (2,811,805) | (2,417,295) |
| Provisions | | - | - |
| Other operating costs | | (19,931,712) | (18,574,452) |
| External services | | (19,221,321) | (16,269,339) |
| Taxes | | (393,301) | (267,939) |
| Losses, impairment and movement on provisions for commercial operations | 8 | (317,093) | (60,675) |
| Other normal operating costs | | 3 | (1,976,499) |
| Depreciation of fixed assets | 4, 5 | (2,067,775) | (1,909,802) |
| Transfer of grants for non-financial assets and others | | - | - |
| Excess provisions | | 69,253 | 76,572 |
| Impairment and results on sale of fixed assets | 5 | (457,991) | (2,694) |
| Impairment and losses | | (479,228) | (6,011) |
| Results on sale and others | | 21,237 | 3,317 |
| Other profits and losses | | 42,447 | (10,190) |
| Operating Result | | 5,843,802 | 4,931,031 |
| Financial income | | 20,298 | 13,505 |
| From tradable investments and other financial instruments | | 20,298 | 13,505 |
| From tradable investments and other financial instruments - Group and associated entities | | 433 | - |
| From tradable investments and other financial instruments - third parties | | 19,865 | 13,505 |
| Financial costs | | (569,438) | (288,291) |
| Investment portfolio and others | | 20,856 | (16,527) |
| Transfer to results for the year concerning financial assets held for sale | | (590,294) | (271,764) |
| Differences on Exchange | 15 | (880,652) | (646,496) |
| Impairment and results on sale of financial assets | | (2,473) | (9,392) |
| Impairment and losses - financial | | (2,473) | (9,392) |
| Results on sale and others - financial | | - | - |
| Financial Result | | (1,432,265) | (930,674) |
| RESULT BEFORE TAX | | 4,411,537 | 4,000,357 |
| Corporation Tax | | (1,353,130) | (1,299,083) |
| RESULT FOR THE YEAR FROM CONTINUING OPERATIONS | | 3,058,407 | 2,701,274 |
| Results after-tax from discontinued operations | | - | - |
| RESULT FOR THE YEAR (+A.4+19) | 20d | 3,058,407 | 2,701,274 |
| Result for primary company | 20d | 3,078,110 | 2,739,454 |
| Result for external partners | 12, 20d | (19,703) | (38,180) |

QUADPACK INDUSTRIES, S.A. & DEPENDENT COMPANIES
STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 JANUARY 2019 (expressed in euros)

A) STATEMENT OF RECOGNIZED INCOME AND EXPENSES

| | Note | 2018-19 | 2017-18 |
|---|------|------------------|--------------------|
| Profit/(loss) | | 3,058,407 | 2,701,274 |
| Income and expense recognised directly in equity | | | |
| Cash flow hedges | | (65,053) | (1,950,621) |
| exchange difference | | | (52,312) |
| Tax effect | | 16,263 | 490,944 |
| Total income and expense recognised directly in equity (I+II+III+IV+V) | | (48,790) | (1,459,677) |
| Amounts transferred to the income statement | | | |
| Cash flow hedges | | 1,950,621 | (294,336) |
| exchange difference | | 58,844 | |
| Tax effect | | (490,944) | 73,584 |
| Total amounts transferred to the income statement | | 1,518,521 | (220,752) |
| TOTAL RECOGNISED INCOME AND EXPENSE | | 4,528,138 | 1,020,845 |

B) STATEMENT OF TOTAL CHANGES IN EQUITY CONSOLIDATED

| | Capital | Share premium | (Own shares and equity holdings) | Reserves and results of previous years | Profit for the year attributable to the Parent | Valuation adjustments | Conversion differences | External Partners | Total |
|--|------------------|------------------|----------------------------------|--|--|-----------------------|------------------------|-------------------|-------------------|
| BALANCE AS OF JANUARY 31, 2017 | 3,798,869 | 3,577,543 | (857,171) | 7,284,439 | 4,061,657 | 220,752 | (39,737) | 726,679 | 18,773,031 |
| Total recognised income and expense | - | - | - | - | 2,739,453 | (1,680,429) | (52,312) | (38,180) | 968,532 |
| Distribution of income for the year 2015-16 | - | - | - | 2,811,657 | (2,811,657) | - | - | - | - |
| Transactions with own shares and equity holdings (net) | - | - | - | - | - | - | - | - | - |
| Capital increases | - | - | - | - | - | - | - | - | - |
| (-) Distribution of dividends | - | - | - | - | (1,250,000) | - | - | (100,000) | (1,350,000) |
| Other Movements | - | - | - | - | - | - | - | - | - |
| Variations in the consolidation perimeter | - | - | - | (32,618) | - | - | - | - | (32,618) |
| Other | - | - | - | 542,304 | - | - | - | 50 | 542,354 |
| BALANCE AS AT JANUARY 31, 2018 | 3,798,869 | 3,577,543 | (857,171) | 10,605,782 | 2,739,453 | (1,459,677) | (92,049) | 588,549 | 18,901,299 |
| Total recognised income and expense | - | - | - | - | 3,078,110 | 1,410,886 | 58,844 | (19,703) | 4,528,137 |
| Distribution of income for the year 2018-19 | - | - | - | 2,739,453 | (2,739,453) | - | - | - | - |
| Transactions with own shares and equity holdings (net) | - | - | 768,906 | (244,624) | - | - | - | - | 524,282 |
| Transactions with own shares and equity holdings (net) | - | - | - | 543,828 | - | - | - | 2,787 | 546,615 |
| Capital increases | - | - | - | - | - | - | - | - | - |
| (-) Distribution of dividends | - | - | - | (1,000,000) | - | - | - | - | (1,000,000) |
| Other Movements | - | - | - | - | - | (7,943) | - | (42,058) | (50,001) |
| Variations in the consolidation perimeter | - | - | - | - | - | - | - | - | - |
| BALANCE AS AT JANUARY 31, 2019 | 3,798,869 | 3,577,543 | (88,265) | 12,644,439 | 3,078,110 | (56,734) | (33,205) | 529,575 | 23,450,332 |

QUADPACK INDUSTRIES, S.A. & DEPENDENT COMPANIES
STATEMENT OF CASH FLOWS CONSOLIDATED
YEAR ENDED 31 JANUARY 2019
(expressed in euros)

| | Nota | <u>2018-19</u> | <u>2017-18</u> |
|--|----------|--------------------|--------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | 13,246,397 | (2,926,670) |
| Profit/(loss) for the period before tax | | 4,411,537 | 4,000,357 |
| Adjustments for: | | 4,866,204 | 3,291,062 |
| Amortisation and depreciation (+) | 4, 5 | 2,067,775 | 1,889,235 |
| Valuation allowances for impairment losses (+/-) | 5, 8, 14 | 830,145 | 34,503 |
| Change in provisions (+/-) | | (46,113) | 449,359 |
| Proceeds from disposals of fixed assets (+/-) | 5 | 37,991 | (3,317) |
| Finance income (-) | | (20,298) | (13,505) |
| Finance expenses (+) | | 569,437 | 288,291 |
| Exchange gains/losses (+/-) | | 880,652 | 646,496 |
| Change in fair value of financial instruments (+/-) | | 546,615 | - |
| Changes in operating assets and liabilities | | 6,211,933 | (9,252,287) |
| Inventories (+/-) | | (129,593) | (1,599,277) |
| Trade and other receivables (+/-) | | (547,078) | (7,123,089) |
| Other current assets (+/-) | | 63,287 | 468,515 |
| Trade and other payables (+/-) | | 6,536,794 | (897,064) |
| Other current liabilities (+/-) | | 288,523 | (101,372) |
| Other cash flows from operating activities | | (2,243,277) | (965,802) |
| Interest paid (-) | | (569,437) | (288,291) |
| Interest received (+) | | 20,298 | 13,505 |
| Income tax received (paid) (+/-) | | (1,694,138) | (691,016) |
| Cash flows from/used in operating activities | | 13,246,397 | (2,926,670) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | (4,915,804) | (3,533,845) |
| Payments for investments (-) | | (5,294,415) | (3,685,549) |
| a) Group companies and associates | | - | (27,497) |
| Intangible assets | | (243,990) | (835,315) |
| Property, plant and equipment | 5 | (4,159,796) | (2,698,395) |
| Other financial assets | | (890,629) | (124,342) |
| Proceeds from sale of investments (+) | | 378,611 | 151,704 |
| Group companies | | - | 92,386 |
| Intangible assets | 4 | 614 | - |
| Property, plant and equipment | 5 | 232,903 | 54,108 |
| Other financial assets | | 145,094 | - |
| Business Unit | | - | 5,210 |
| Cash flows from/used in investing activities (7-6) | | (4,915,804) | (3,533,845) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | (1,767,962) | 2,006,159 |
| 9. Proceeds from and payments for equity instruments | | 524,282 | - |
| d) Enajenación de instrumentos de patrimonio propio y de la sociedad dominante (+) | | 524,282 | - |
| Proceeds from and payments for financial liability instruments | | (1,242,244) | 3,356,159 |
| Issue | | 2,060,938 | 4,342,234 |
| 1. Obligaciones y otros valores negociables (+) | | - | - |
| Debt with financial institutions (+) | | 2,060,938 | 4,342,234 |
| Group companies and associates (+) | | - | - |
| Other payables (+) | | - | - |
| Redemption and repayment of | | (3,303,182) | (986,075) |
| Debt with financial institutions (-) | | (3,001,600) | - |
| Group companies and associates (-) | | (301,582) | (801,672) |
| Dividends and interest on other equity instruments paid | | (1,050,000) | (1,350,000) |
| Dividends (-) | | (1,050,000) | (1,350,000) |
| Cash flows from/used in financing activities | | (1,767,962) | 2,006,159 |
| Effect of exchange rate fluctuations | | (574,265) | (574,265) |
| NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS | | 6,562,631 | (5,028,621) |
| Cash and cash equivalents at beginning of period | | 2,668,839 | 3,854,456 |
| Cash and cash equivalents at end of period | | 9,231,470 | 2,668,839 |