

QUADPACK INDUSTRIES, S.A. and Subsidiaries

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

Consolidated Annual
Accounts

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

ASSETS

	Note	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, licences, trademarks and similar rights		32,428	16,525
Goodwill		4,661,348	5,758,153
Computer software		295,107	165,509
Other intangible assets		23,612	59,842
Tangible fixed assets	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
Long term investments in group and associated entities	7.2	203,697	238,093
Equity instruments		203,697	238,093
Other financial assets		-	-
Long-term financial investments	7.1	247,889	341,396
Loans to third parties		20,114	45,551
Other financial assets		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 other supplies		1,185,378	954,196
Work in progress		1,101,756	600,848
Finished goods		281,688	322,906
Advanced payments		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
Accounts receivable for sales and services from group companies and associates	22	1,829	-
Other receivables		1,611,335	492,237
Employees		303,608	6,671
Current tax assets	18	402,175	289,743
Public entities, other	18	1,507,523	1,527,875
Short-term financial investments in group companies and associates	22	107,006	124,196
Loans to companies		107,006	124,196
Short-term financial investments	7.1	1,787,992	897,363
Loans to companies		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 cash equivalent liquid assets		9,231,470	2,668,839
TOTAL ASSETS		62,807,334	53,026,289

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

NET EQUITY & LIABILITIES

		31.01.2019	31.01.2018
NET EQUITY		23,450,332	18,901,299
Capital and reserves	11	23,010,695	19,864,476
Capital		3,798,869	3,798,869
Share issuance premium		3,577,543	3,577,543
Reserves		12,644,439	10,605,782
Owned shares		(88,265)	(857,171)
Profit for the year attributable to the Parent Company		3,078,110	2,739,453
Valuation adjustments		(56,734)	(1,459,677)
Conversion differences	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 employee benefits		100,826	76,623
Other provisions		-	70,316
Long-term borrowings	9	8,040,502	6,610,650
Debt with financial institutions		5,277,755	3,682,475
Finance lease payables	6.1	2,762,746	1,745,500
Derivatives	16	-	668,127
Other financial liabilities		1	514,548
Long-term borrowings - Group companies and associates	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
Debt with financial institutions		4,019,997	6,092,396
Finance lease payables	6.1	516,173	240,020
Derivatives	16	282,691	1,311,077
Other financial liabilities		1,014	177,982
Short-term borrowings - Group companies and associates	22	130,000	179,360
Accounts payable - commercial and other	10	24,745,916	18,185,450
Suppliers		20,165,364	13,691,553
Suppliers, group companies and associates	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
Public entities, other	18	1,857,242	2,023,846
Advances from customers		281,815	403,368
Short-term accruals		657,500	387,241
TOTAL EQUITY AND LIABILITIES		62,807,334	53,026,289

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

	Note	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
Changes in inventories of finished goods and work in progress		959,663	144,055
Work carried out by the company for assets		15,508	-
Supplies		(62,424,706)	(54,785,219)
Merchandise used	20b	(57,248,311)	(50,150,955)
Raw materials and other consumables used	20b	(4,146,316)	(4,045,219)
Subcontracted work		(937,027)	(685,627)
Impairment of merchandise, raw materials and other supplies	14	(93,052)	96,582
Other operating income		46,097	3,656
Non-trading and other operating income		45,474	3,656
Operating grants taken to income		623	-
Employee costs		(15,066,826)	(10,752,150)
Salaries and wages		(12,255,021)	(8,334,855)
Employee benefits expense	20c	(2,811,805)	(2,417,295)
Provisions		-	-
Long-term financial investments		(19,931,712)	(18,574,452)
External services		(19,221,321)	(16,269,339)
Taxes		(393,301)	(267,939)
Losses, impairment and changes in trade provisions	8	(317,093)	(60,675)
Other normal operating costs		3	(1,976,499)
Amortization and depreciation	4, 5	(2,067,775)	(1,909,802)
Excess provisions		69,253	76,572
Impairment and gains/(losses) on disposal of fixed assets	5	(457,991)	(2,694)
Impairment and losses		(479,228)	(6,011)
Gains/(losses) on disposal and other		21,237	3,317
Other results		42,447	(10,190)
RESULTS FROM OPERATING ACTIVITIES		5,843,802	4,931,031
Financial income		20,298	13,505
From tradable investments and other financial instruments		20,298	13,505
Financial costs		(569,438)	(288,291)
Debts with group companies and associates		20,856	(16,527)
Debts with third parties		(590,294)	(271,764)
Differences on exchange	15	(880,652)	(646,496)
Gains/(losses) on disposal and other		(2,473)	(9,392)
Impairment and losses		(2,473)	(9,392)
Results from sales and others		-	-
NET FINANCE INCOME/(EXPENSE)		(1,432,265)	(930,674)
Participation in profits (losses) of equivalence Companies		-	-
RESULT BEFORE TAXES		4,411,537	4,000,357
Income tax expense		(1,353,130)	(1,299,083)
PROFIT/(LOSS) FROM CONTINUING OPERATIONS		3,058,407	2,701,274
Profit/(loss) from discontinued operations, net of income tax		-	-
CONSOLIDATED RESULT FOR THE YEAR	20d	3,058,407	2,701,274
Result attributed to the parent company	20d	3,078,110	2,739,454
Outcome attributed to external partners	12, 20d	(19,703)	(38,180)

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

A) PROFIT AND LOSS ACCOUNT - RESULT

	Note	2018-19	2017-18
Profit/(loss)		3,058,407	2,701,274
Income and expense recognised directly in equity			
For valuation of assets and liabilities			
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
Long-term financial investments									
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 result 2016-17	-	-	-	2,811,657	(2,811,657)	-	-	-	-
Operations with own shares (net value)	-	-	-	-	-	-	-	-	-
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 result 2017-18	-	-	-	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
(stated in euros)

	Note	2018-19	2017-18
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
Depreciation of fixed assets	4, 5	2,067,775	1,889,235
Valuation correction for impairment (+/-)	5, 8, 14	830,145	34,503
Movement on provisions (+/-)		(46,113)	449,359
Disposals of fixed assets (+/-)	5	37,991	(3,317)
Financial income (-)		(20,298)	(13,505)
Financial expenses (+)		569,437	288,291
Differences on exchange (+/-)		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)
Stock (+/-)		(129,593)	(1,599,277)
Long-term fi Debtors and other accounts receivable (+/-)		(547,078)	(7,123,089)
Other current assets (+/-)		63,287	468,515
Creditors and other accounts payable (+/-)		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
Receipts (payments) for corporation tax (+/-)		(1,694,138)	(691,016)
Other cash flows from 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)
Group and associated companies		-	(27,497)
Intangible fixed assets		(243,990)	(835,315)
Tangible fixed assets	5	(4,159,796)	(2,698,395)
Other financial assets		(890,629)	(124,342)
Collections on disposal of investments (+)		378,611	151,704
Group companies, net of cash in consolidated companies		-	92,386
Intangible fixed assets	4	614	-
Tangible fixed assets	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
Collections and payments from equity based instruments		524,282	-
Issue of equity instruments (+)		-	-
Disposal of own equity instruments (+) and from the parent company (-)		524,282	-
Collections and payments for financial liability instrument		(1,242,244)	3,356,159
Issuance		2,060,938	4,342,234
Borrowings from financial institutions (+)		2,060,938	4,342,234
Borrowings from group and associated entities (+)		-	-
Other payables (+)		-	-
Repayment and cancelation of:		(3,303,182)	(986,075)
Borrowings from financial institutions (-)		(3,001,600)	-
Borrowings from group and associated entities (-)		(301,582)	(801,672)
Other debts (-)		-	(184,403)
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
Movement effect on exchanges		(574,265)	(574,265)
NET INCREASE/REDUCTION IN CASH AND EQUIVALENTS		6,562,631	(5,028,621)
Opening cash and equivalent resources		2,668,839	7,697,460
Closing cash and equivalent resources		9,231,470	2,668,839

QUADPACK INDUSTRIES, S.A. AND SUBSIDIARIES

Consolidated report on the financial year ended 31 January 2019
(Translation of a report and accounts originally issued in Spanish and prepared
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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 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 of 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 portion of the shares to be listed in the Euronext stock exchange (Euronext Access).

The Euronext Access exchange is not a regulated market, 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 Euronext Access 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 most 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 financial year on 31 January.

QUADPACK INDUSTRIES, S.A. AND SUBSIDIARIES

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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%	2.503.903
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 SUBSIDIARIES

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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 SUBSIDIARIES

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c) Companies excluded from consolidation scope

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 subsidiaries have been excluded from the consolidation scope due to their minor relative importance.

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

Company name/Address	Activity	Share	Reserves	Result
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)
Longshawe Australia Pty Ltd.		-	-	-
Diva Cosmetics Ltd		115	-	-

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

Company name/Address	Activity	Share	Reserves	Result
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)
Longshawe Australia Pty Ltd.		7	20.146	(9.808)
Diva Cosmetics Ltd		115	-	-

d) Group changes

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

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

The first one was acquired on 24 November 2016 and subsequently 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 realized a capital increase of 100 ordinary shares to HKD 13,600 (1,537 euros) per share.

The companies Collcap Prime Limited and Quadpack Packaging Limited are currently in liquidation, and no significant impact is expected for the Group.

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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, in accordance with the General Accounting Plan approved by Royal 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 financial year with respect to the criteria applied in the preceding financial 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 life 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 based on the best information available at the end of the 2018-19 financial 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

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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 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 financial year, the figures for the previous year. Quantitative information from the previous financial 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 new inclusions to the consolidation scope 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 scope.

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 depreciated. 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 depreciated 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 share of the subsidiary and the value of the

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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 scope

The elimination of reciprocal debit and credit balances, expenses, income and results from intra-group transactions has been performed based on the provisions established in this regard by the 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., the most relevant Company in the Group, for its own annual accounts.

e) Exchange 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 the Royal Decree 1159/2010. The general exchange method consists mainly of:

- All asset items have been converted at the exchange rate in force on 31 January 2019.
- Regarding the liability and net equity items, except for the "Share 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 differences" of the accompanying consolidated balance sheet.

f) Intangible fixed assets

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

f.1) Industrial property

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

f.2) Computer software

This item 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 depreciated 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.

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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 depreciated applying a depreciation rate of 10%.

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.

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 financial year in which they are incurred.

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

	Coefficient
Machinery	12,5%
Facilities	15%
Moulding equipment	33%
Other facilities	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 financial 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.

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If the Group must 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 must 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.

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 financial year in which it is accrued, using the effective interest rate method. Contingent fees are acknowledged as an expense of the financial 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 financial 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.

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i) Stocks

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 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 based on 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 based on the difference between their carrying value and the present value of their estimated future cash flows at the closing of the financial 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.

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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 financial 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.

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 depreciated 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 depreciation of equity instruments are recognised directly in consolidated Net Equity, without in any case registering any result in the consolidated profit and loss statement.

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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.

Exchange rate differences arising from the valuation of foreign currency payables and receivables at the closing of the financial 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 depreciation 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.

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m) Tax on profits

The expenses or income for corporation tax are calculated based upon the amount 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 financial year, after having considered allowable tax deductions.

The expense or income for deferred taxes relates to the recognition or cancellation of the deferred tax assets and liabilities. 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.

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

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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 rendered 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 financial year, and any changes in their rating during the financial year are recorded in the income statement.

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 expenses

These are recognised on an accrual basis. Accounting recognition takes place when the real flow of goods and services that they represent occurs, irrespective of the timing of the related monetary or financial flow. This income is 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 service rendered on the date of the balance sheet, if 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.

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- Investing activities: activities having to do with the acquisition, 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 of 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 scope. Note 20d shows information about the contribution made by each company included in the consolidation scope to the consolidated results and note 24 shows the most important segmented information.

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4. Intangible fixed assets

The balances and variations during the financial years of the gross and accumulated depreciation values are as follows:

	Concessions	Industrial property	Goodwill	Computer software	Other intangible fixed assets	Total
<u>Gross values</u>						
Balance at 31.01.17	649	25.954	6.123.988	614.523	290.343	7.055.457
Additions	-	-	644.049	131.424	59.842	835.315
Balance at 31.01.18	649	25.954	6.768.037	745.947	350.185	7.890.772
Transfers	-	-	-	75.955	1.061	77.016
Additions	-	16.960	-	200.099	26.931	243.990
Withdrawals	-	-	-	-	(59.842)	(59.842)
Balance at 31.01.19	649	42.914	6.768.037	1.022.001	318.335	8.151.936
<u>Accumulated depreciation</u>						
Balance at 31.01.17	(649)	(9.317)	(376.018)	(514.769)	-	(900.753)
Depreciation allowance	-	(888)	(642.557)	(64.444)	-	(707.889)
Balance 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 at 31.01.19	(649)	(11.261)	(2.115.380)	(727.583)	(4.381)	(2.859.254)
<u>Valuation adjustments</u>						
Balance at 31.01.17	-	-	-	-	(281.652)	(281.652)
Exchange differences	-	776	8.691	(1.225)	(8.691)	(449)
Balance at 31.01.18	-	776	8.691	(1.225)	(290.343)	(282.101)
Exchange differences	-	-	-	1.915	-	1.915
Balance 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

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

	31.01.2019				
	Gross Value	Accumulated depreciation	Impairment	Exchange differences	Net Value
Concessions	649	(649)	-	-	-
Industrial property	10.581	(9.478)	-	776	1879
Computer software	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	Accumulated depreciation	Impairment	Exchange differences	Net Value
Concessions	649	(649)	-	-	-
Industrial property	10.581	(8.886)	-	-	1.695
Computer software	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 depreciated is as follows:

	Balance at 31.01.2019	Balance at 31.01.2018
Concessions	649	649
Industrial property	3.010	-
Computer software	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 in an amount of 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. It is totally impaired since the year ended 31 January 2018.

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

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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 balance of goodwill on consolidation 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 financial year, the Group Management carried out several impairment tests according to the attached breakdown:

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

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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) enough 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 financial years of the gross and accumulated depreciation 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 at 31.01.17	122.139	8.159.637	148.052	8.429.828
Scope additions	-	-	-	-
Additions	68.972	1.593.982	1.035.441	2.698.395
Withdrawals	(1,569)	(149,626)	-	(151,195)
Transfers	25.964	95.872	(148,052)	(26,216)
Exchange differences	-	(43,256)	-	(43,256)
Balance at 31.01.18	215.506	9.656.609	1.035.441	10.907.556
Additions	70.356	2.898.584	1.190.856	4.159.796
Withdrawals	(1,569)	(354.494)	-	(356.063)
Transfers	-	627.949	(704,965)	(77,016)
Exchange differences	3.970	2.318	6.552	12.840
Balance at 31.01.19	288.263	12.830.965	1.527.883	14.647.111
<u>Accumulated depreciation</u>				
Balance at 31.01.17	(60,413)	(4,266,337)	-	(4,326,750)
Depreciation allowance	(11,684)	(1,169,662)	-	(1,181,346)
Withdrawals	1.317	99.087	-	100.404
Exchange differences	-	36.623	-	36.623
Balance 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)
Withdrawals	-	144.399	-	144.399
Balance 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

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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, producing 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 the Spanish territory. They are detailed below:

Acct	Country	Balance at 31.01.19			Net value
		Cost	Accumulated depreciation	Exchange	
Plant, machinery and other tangible fixed assets	United Kingdom	1.061.014	(819.132)	(617)	241.265
	France	442.878	(334.316)	-	108.562
	Germany	-	-	-	-
	Hong Kong	108.177	(40.760)	5.901	73.318
	Italy	144.501	(137.440)	-	7.061
	Australia	190.566	(128.068)	(3.405)	59.093
	China	107.598	(79.082)	4.706	33.222
	South Korea	12.344	(14.412)	-	(2.068)
	USA	168.453	(59.515)	-	108.938
		<u>2.235.531</u>	<u>(1.612.725)</u>	<u>6.585</u>	<u>629.391</u>

Acct	Country	Balance at 31.01.18			Net value
		Cost	Accumulated depreciation	Exchange	
Plant, machinery and other tangible fixed assets	United Kingdom	801.975	(675.858)	(38.019)	88.098
	France	424.140	(297.466)	-	126.674
	Germany	2	-	-	2
	Hong Kong	117.051	(32.044)	-	85.007
	Italy	143.303	(130.451)	-	12.853
	Australia	190.809	(101.096)	-	89.712
	China	88.135	(68.725)	(5.238)	14.173
	South Korea	15.575	(15.339)	-	236
	USA	174.052	(13.149)	-	160.903
		<u>1.955.042</u>	<u>(1.334.128)</u>	<u>(43.256)</u>	<u>577.658</u>

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

	Balance at 31.01.2019	Balance 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 tangible fixed assets are subject. At the close of the 2018-19 and 2017-18 years there is no deficit in coverage related to such risk.

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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>

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	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:

Financial 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>

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6.2. Operating lease

The Group has entered into operating leases of various types, the most significant of which is the lease agreement entered 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:

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

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	Short term Financial investments	
	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 scope because they are not significant.

The breakdown of the ownership interests excluded from the consolidation scope 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 breakdown 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 credits with Public Administrations (see Note 18)	1.507.523	1.527.875
Total	<u>25.904.240</u>	<u>25.561.824</u>

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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
Accumulated correction at start of year	(315,487)	(254,812)
Net valuation adjustments for the year	(317,093)	(60,675)
Outflows and applications	-	-
Accumulated 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					Total
	2020-21	2021-22	2022-23	2023-24	Rest	
<u>Debts:</u>						
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				Total	
	2019-20	2020-21	2021-22	2022-23		
<u>Debts:</u>						
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>

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b) Other information

The breakdown of debts with financial institutions is as follows:

Types of Transactions	Limit granted	Drawn balance 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 recourse	750.000	180.094	-	569.906
Customer Discount policies	7.581.800	1.747.437	-	5.834.363
		4.536.170	8.040.501	7.261.569

Types of Transactions	Limit granted	Drawn balance 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 recourse	750.000	676.333	-	73.667
Customer Discount policies	8.303.839	4.158.449	-	4.145.390
		6.332.416	5.427.975	4.757.276

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 most of the guarantees being of financial 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>

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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 scope:

	2018-19	2017-18
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. Share capital and reserves

a) Share capital

At the end of the 2018-19 financial year, and at the close of the 2017-18 financial 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:

	Percentage
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 financial 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 said 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.

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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>

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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 financial year	167.219	167.219	5,13	857.171
Change in financial year	-	-	-	-
At the closing of the 2017-18 financial year	167.219	167.219	5,13	857.171
Change in financial year	(150,000)	(150,000)	5,13	(768,906)
At the closing of the 2018-19 financial 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 attributed or sold 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. 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 financial 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.

Because 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%.

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The breakdown 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 Division S.L.	9.414	9.272	18.686
Quadpack Manufacturing Division S.L.	9.414	9.806	19.220
Quadpack Manufacturing Division 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 at 31.01.17	726.679
Other activity	50
Distribution of dividends	(100.000)
Profit for the financial year 2017-18	<u>(38.180)</u>
Balance at 31.01.18	<u>588.549</u>
Other activity	10.729
Distribution of dividends	(50.000)
Profit for the financial year 2018-19	<u>(19.703)</u>
Balance 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
Financial 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>

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	2017-18						
	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 FPPP	10.801	169.653	88.310	14.034	343.931	-	626.729
Adjustments changes in value	-	-	-	-	-	-	-
Financial year results	(144,078)	62.191	(128,983)	2.969	169.721	-	(38,180)
	<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 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. Stocks

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 plastic 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>

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The Group's stocks are presented net of impairment losses. The breakdown of the impairment losses for the year is as follows:

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

15. Foreign currencies

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

	Financial 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	-	-	-	-	-	-

	Financial 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:

	Financial 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 rendered	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

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	Financial 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 rendered	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 Financial Year (Expenses)/Income	2017-18 Financial Year (Expenses)/Income
Assets		
Commercial debtors and other accounts receivable	<u>67.805</u>	<u>(419.996)</u>

	Transactions settled in the year	
	2018-19 Financial Year (Expenses)/Income	2017-18 Financial Year (Expenses)/Income
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 3l) 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.

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Financial 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)

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Item	Classification	Insured AUD.KRW exchange rate	Amount subscribed in KRW	Maturity	Assets Fair Value	Liabilities Fair Value
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	-

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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	-
					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)

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

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	
					<u>28,583</u>	<u>(1,935,229)</u>
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					<u>28,583</u>	<u>(1,979,204)</u>

The recognised income and expenses 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.

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

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:

Account	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>

Account	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>

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Each of the Group's companies submits tax returns individually. The reconciliation of the taxable amounts of the consolidation scope with the taxable amount of the consolidation scope is as follows:

	2018-19				
	Profit and loss account		Directly charged 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 financial year	447.347	(1.294.578)	-	-	(847.231)
. Originated in previous financial 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 charged 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 financial year	1,269.619	(1,2418,597)	2,244.957	-	2,095.979
. Originated in previous financial 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
Depreciation temporary difference	79.045	42.916
Stocks 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>

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The breakdown of the negative tax basis is as follows:

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	-
Depreciation Lost profits earnings difference	262.500	-
	332.434	7.146

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 the tax authorities' possible intervention period 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 the tax authorities' possible intervention period has not expired. The Directors of the Parent Company consider that said 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 way 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.

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19. Provisions and contingencies

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:

<u>Activities</u>	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 plastic containers division	938.183	1.304.790
Package Decoration division	767.651	817.383
Services rendered	4.123.839	2.869.975
	<u>104.659.844</u>	<u>90.741.255</u>

The analysis by geographical market is as follows:

<u>Geographic markets</u>	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 goods, 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 breakdown 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>

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c) Social Security contributions

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 Company 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 facilities of Technotraf Wood Packaging, S.L., Quadpack Manufacturing Division, S.L. and Quadpack Impressions, S.L. 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 premises, cleaning expenses, industrial equipment and machinery and lost profits.

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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 premises, 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 premises	(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 equipment and machinery	(518.969)	-	(478.685)	285.849	300.000
Net 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 tangible fixed assets 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 facilities 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 facilities and machinery	411.537	(27.962)	383,575
	-	-	-
	<u>411.537</u>	<u>(27.962)</u>	<u>383.575</u>

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Led light system has also been installed in offices and factories receiving subsidy for it. Likewise, the Group 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 Société 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 Lengart. (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			
Item	Income	Expenses	
Services rendered	-	(387,065)	
Wages and salaries	-	(549,999)	
Interest	-	(11,408)	
Rentals	-	(590,966)	
Dividends	-	(1,000,000)	
		=	<u>(2,539,438)</u>

2017-18			
Item	Income	Expenses	
Services rendered	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>

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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 financial year			Average number of people employed during financial year	Average number of people with disabilities > 33%
	Women	Men	Total		
Management	5	15	20	20	-
Administration	23	7	30	30	-
Commercial, salespeople and others	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 financial year			Average number of people employed during financial year	Average number of people with disabilities > 33%
	Women	Men	Total		
Management	5	15	20	20	-
Administration	20	6	26	26	-
Commercial, salespeople and others	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 SUBSIDIARIES

Consolidated report on the financial year ended 31 January 2019
(Translation of a report and accounts originally issued in Spanish and prepared
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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:

	2018-19	2017-18
Salaries, allowances and other remuneration	107.230	192.418
Consultancy fees	828.641	543.848
Life insurance premiums	12.288	10.233
Premiums paid to current members of the Board of Directors		
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 to cover the risk of damages caused by the Directors of the Parent Company in the exercise of their mandate 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 financial 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 are in conflict of interest in certain transactions. These operations have been examined and validated according to the current regulations.

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

The fees accrued for other services rendered during the years 2018-19 and 2017-18 by the audit 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.

As at 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
- Rendering of services

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

QUADPACK INDUSTRIES, S.A. AND SUBSIDIARIES

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(Translation of a report and accounts originally issued in Spanish and prepared in accordance with Spanish generally accepted accounting principles. In the event of a discrepancy, the Spanish-language version prevails.)

The distribution of sales made in the 2018-19 and 2017-18 financial years by geographical markets and by segments, not taking into account 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 the intra-group transactions for the 2017-18 and 2016-17 at 6,635,590 and 6.564.088 Euros, respectively.

QUADPACK INDUSTRIES, S.A. AND SUBSIDIARIES

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(Translation of a report and accounts originally issued in Spanish and prepared in accordance with Spanish generally accepted accounting principles. In the event of a discrepancy, the Spanish-language version prevails.)

The breakdown of the financial statements segmented for the 2017-18 and 2016-17 financial 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>Rendering of services</u>	<u>Total</u>
Net 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 rendered	6,166,385	108,840	220,550	20,301	16,279,925	22,796,001
Changes in stocks of finished products and products in progress	(232)	828,882	131,224	(211)	-	959,663
Works 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)
Depreciation of fixed assets	(21,742,099)	(220,921)	(314,974)	(81,822)	(501,089)	(1,390,971)
Provisions reversal		69,253	-	-	-	69,253
Loss, impairment 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

QUADPACK INDUSTRIES, S.A. AND SUBSIDIARIES

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2017-18

Items	Marketing of packaging	Manufacturing of packaging of wood	Manufacturing of packaging of plastic	Decorating of packaging	Rendering of services	Total
Net 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 rendered	2,506,950	168,047	34,997	5,689	13,208,457	15,924,139
Changes in stocks 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)
Depreciation 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, impairment 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 financial instruments	(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	35,992,73	4,389,079	3,669,347	1,101,773	25,082,780	70,235,717

25. Subsequent events

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 BOARD OF DIRECTORS

The Directors of QUADPACK INDUSTRIES, S.A. have prepared the consolidated annual accounts of QUADPACK INDUSTRIES, S.A. and SUBSIDIARIES (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 SUBSIDIARIES

Financial year Ended on 31 January 2019

The financial year ended 31 January 2019 has been carried out as planned by the Parent, except for 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 scope 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 EURONEXT Access, 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 scope.

PREPARATION OF THE CONSOLIDATED MANAGEMENT REPORT BY THE BOARD OF DIRECTORS

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

Likewise, they declare that they have signed said 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 Lengart

Mr Timothy John Eaves

Mr. John McDermott

Mr. Marc Sahonet