QUADPACK

Spanish Company with registered address at Plaça Europa 9-11, 11th floor, 08908, L`Hospitalet de Llobregat, Barcelona, Spain

Share Capital: 4,203,926 euros

INFORMATION DOCUMENT

ADMISSION OF SHARES TO TRADING ON EURONEXT GROWTH PARIS BY WAY OF DIRECT ADMISSION (TRANSFER FROM EURONEXT ACCESS)

11 October 2019

The proposed transaction does not require a visa from the *Autorité des marchés financiers* ("**AMF**"). This document was therefore not endorsed by the AMF.

L'opération proposée ne nécessite pas de visa de l'AMF. Ce document n'a donc pas été soumis au visa de l'AMF.

Copies of this Information Document are available free of charge from Quadpack Industries SA and Invest Corporate Finance. This document is also available on Quadpack Industries SA website hereinafter the "Company".

(https://www.quadpack.com/)

*Des exemplaires de l'*Information Document *sont disponibles sans frais auprès de Quadpack Industrie SA et Invest Corporate Finance. Ce document est aussi disponible en version électronique sur le site de Quadpack Industrie SA ci-après la « Company ».*

(https://www.quadpack.com/)

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*In this Information Document, the Company and all its subsidiaries (presented in section 1.8 "Organizational Chart") are defined all together as the "***Group***".*

This Information Document contains information on the Group's prospects and development priorities. This information may be defined with use of the future tense, the conditional mood and terms of a forward-looking nature such as "consider", "envisage", "believe", "has as its purpose", "anticipate", "understand", "should", "aims", "estimates", "believes", "wishes", "could", or, if applicable, the negative form of these terms, or any other variant or similar terminology. Said information does not constitute historical data and cannot be interpreted as warranting that the facts and data set out will be vindicated. Said information is based on data, assumptions and estimates considered as reasonable by the Group. These may change or be amended given uncertainties associated with the economic, financial, competitive and regulatory environment.

In addition, the realization of various risks described in section 1.4 "Risks Disclosure", may have an impact on the activities, the position and financial results of the Group and its ability to achieve its objectives. The realization of some or all of these risks may have a negative effect on the business, situation or financial results of the Group. In addition, other risks, not yet identified or considered as insignificant for the Group, may produce the same negative effect.

This Information Document contains information on the Group's markets and its competitive positions, including information on the size of such markets. Some information in this Information Document is publicly available information which the Company considers to be reliable, but which may not have been verified by an independent expert. The Company cannot warrant that a third party using different methods to combine, analyze or calculate data on the various business segments would obtain the same results. The Company enters into no commitment and makes no warranty on the accuracy of such information. It is possible that the information may be erroneous or no longer up to date. The Group is not bound by a commitment to publish updates of this information, other than pursuant to any legal or regulatory obligations binding upon it.

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1. Information on the Company

1.1 Responsible person

1.1.1 Persons in charge of the Information Document

The person below assumes responsibility for the completeness and truthfulness of the data and information contained in the Information Document:

Mr. Timothy-John Eaves

Chief Executive Officer (CEO)

Tim.Eaves@quadpack.com

1.1.2 Persons in charge of the financial Information

The person below assumes responsibility for the completeness and truthfulness of the financial information:

Mr. Marc Guy-Henri Sahonet

Chief Financial Officer (CFO)

Marc.Sahonet@quadpack.com

1.1.3 Certification of the responsible person

I declare that, to the best of my knowledge, the information provided in the Information Document is accurate and that, to the best of my knowledge, the Information Document is not subject to any material omissions, and that all relevant information is included in the Information Document.

Mr. Timothy-John Eaves

Chief Executive Officer (CEO)

1.2 Legal statutory auditors

1.2.1 Primary statutory auditors

Grant Thornton S.L.P, with registered address at Paseo de la Castellana 81, 11ª, 28045, Madrid and Spanish VAT number (C.I.F) B-08914830, registered in the Madrid Companies Registry T.36.652, H.M-657,409, F.159 and the ROAC (Official Register Statutory Auditors) number S0231.

1.2.2 Substitute statutory auditors

Not applicable

1.2.3 Statutory auditors having resigned, having been dismissed or not renewed

Not applicable

1.3 Selected financial information

The tables below present the Company's main information on consolidated financial statements for the years ended January 31, 2019 (year 2018-19) and January 31, 2018 (year 2017-18), prepared in accordance with Spanish GAAP.

Synthetic consolidated income statement

In €	31/01/19	31/01/18	31/01/17
Net sales	104,659,844	90,741,255	70,092,437
Growth (%)	*15.3%*	*29.5%*	*n.d.*
EBITDA	8,638,644	6,830,947	7,102,806
As a % of net sales	*8.3%*	*7.5%*	*10.1%*
EBIT	5,843,802	4,931,031	5,565,064
As a % of net sales	*5.6%*	*5.4%*	*7.9%*
Net income	3,058,407	2,701,274	4,292,301
As a % of net sales	*2.9%*	*3.0%*	*6.1%*

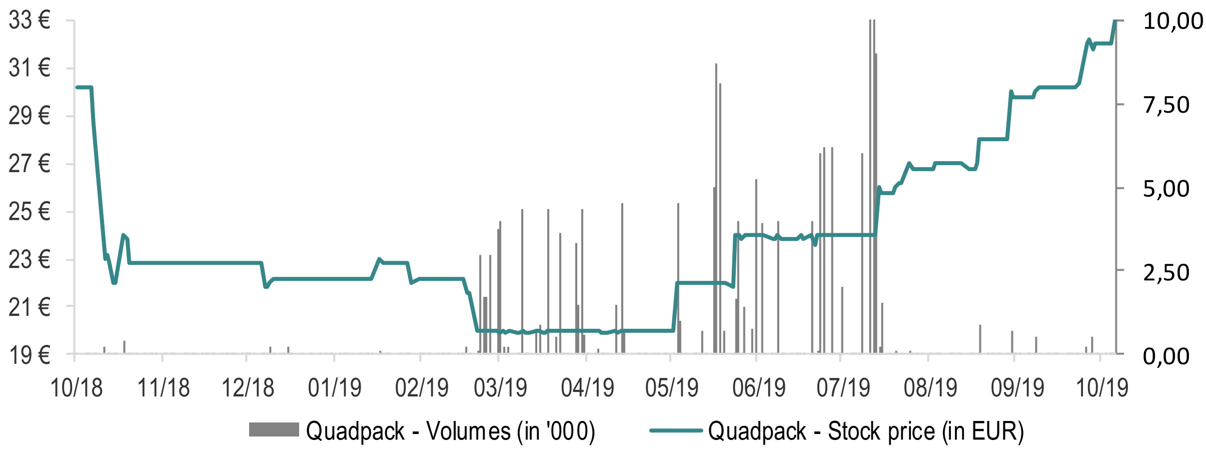
Synthetic consolidated balance sheet

In €	31/01/19	31/01/18	31/01/17
Intangible assets :	6 829 631	7 644 502	6 445 339
Of which goodwill	*4 661 348*	*5 758 153*	*5 756 661*
Of which net deferred tax	*1 817 136*	*1 644 473*	*572 287*
Tangible assets	8 183 278	5 536 487	4 103 078
Financial assets	451 586	579 489	470 006
Non-current assets (A)	**15 464 495**	**13 760 478**	**11 018 423**
Stocks	9 517 800	9 481 259	7 908 070
Accounts receivable - commercial and other	25 904 241	25 561 824	19 365 788
Short-term accruals and prepayments	461 897	525 184	993 699
Current assets (a)	35 883 938	35 568 267	28 267 557
Accounts payable - commercial and other	(24 745 916)	(18 185 450)	(18 894 089)
Current liabilities (b)	(24 745 916)	(18 185 450)	(18 894 089)
Working Capital Requirements (B)=(a)+(b)	**11 138 022**	**17 382 817**	**9 373 468**
As a % of net sales	*10,6%*	*19,2%*	*13,4%*
Total Assets used (A)+(B)	**26 602 517**	**31 143 295**	**20 391 892**
Long-term provisions (A)	**100 826**	**146 939**	**148 689**
Other long-term liabilities (B)	**529 949**	**786 729**	**787 101**
Other short-term liabilities (C)	**787 500**	**566 601**	**1 422 784**
Long-term borrowings	8 040 502	6 610 650	4 931 924
Short-term borrowings	4 819 875	7 821 475	3 485 307
Short-term investments	(1 894 997)	(1 021 559)	(1 459 485)
Cash and cash equivalent liquid assets	(9 231 470)	(2 668 839)	(7 697 460)
Net financial debt (net treasury) (D)	**1 733 910**	**10 741 727**	**(739 714)**
Net equity (E)	**23 450 333**	**18 901 299**	**18 773 031**
Of which minority interest	*529 575*	*588 549*	*726 679*
Total Capital empoyed (A)+(B)+(C)+(D)+(E)	**26 602 517**	**31 143 295**	**20 391 892**

Synthetic consolidated Cash-flow statement

In €	31/01/19	31/01/18	31/01/17
Net turnover	104 659 844	90 741 255	70 092 437
Cash flows from operating activities	**13 246 397**	**(2 926 670)**	**4 613 888**
Cash flows from investing activities	**(4 915 804)**	**(3 533 845)**	**(4 740 718)**
Cash flows from financing activities	**(1 767 962)**	**2 006 159**	**3 532 730**
Movement effect on exchanges	**-**	**(574 265)**	**437 104**
Net increase/reduction in cash and equivalents	6 562 631	(5 028 621)	3 843 004
Opening cash and equivalent resources	2 668 839	7 697 460	3 854 456
Closing cash and equivalent resources	9 231 469	2 668 839	7 697 460

Selected stock market information as at 10/10/2019



In €	Begining	Closing	High	Low	Volume traded (in '000)
oct-19	32,2	33	33	31,8	0,518
sept-19	28	32	32	28	1,421
août-19	26,8	28	28	26,8	0,937
juil-19	24	26,8	27	24	45,162
juin-19	24	24	24	23,2	30,312
mai-19	20	24	24	20	35,842
avr-19	20	20	20	19,9	16,734
mars-19	20	20	20	19,9	25,756
févr-19	22	20	22,2	20	6,91
janv-19	22,2	22,8	23	22,2	0,121
déc-18	22,8	22,2	22,8	21,8	0,517
nov-18	22,8	22,8	22,8	22,8	0,022
oct-18	30,2	22,8	30,2	21,8	0,696

1.4 Risks disclosures

Investors are invited to take into consideration all the information contained in the Information Document, including the risk factors described, before deciding to subscribe or acquire shares of the Company. The Company has reviewed risks that could have an adverse effect on the Group, its business, financial position, results, perspective or ability to achieve its objectives. The Group considers that at the date of the Information Document, there are no other significant risks other than those presented in section 1.4 "Risks disclosure" of this Information Document.

The attention of investors is however drawn to the fact that the list of risks and uncertainties described below is not exhaustive. Other risks or uncertainties that are unknown or whose realization is not considered, as the Information Document date, likely to have an adverse effect on the Group, its business, its financial position, its results or its perspective, may exist or become significant factors that could have an adverse effect on the Group, its business, financial position, results, development or perspective.

Risk Disclosures

Our company is present in different countries and regions all over the world. Consequently, we are continually exposed to an environment that is full of challenges and risks. Our ability to manage the risks that may arise in the global environment where we operate is vital for our business value creation. Accordingly, our strategy includes a Risk Management Process through which we can identify, measure, assess, prevent and/or mitigate risks associated to our business.

Level of Risk

Low Medium High

Change vs previous year

Decreasing Stable Increasing

Type	Risk	Definition	Level	Change	Mitigation
External Risk	Climate Change	Climate risk could have a serious impact on the way companies operate. As a result, there have been greater efforts to encourage and force companies to take steps to reduce their carbon footprints and greenhouse gas emissions.			• Quadpack is identifying and reducing our environmental footprint through efficient use of energy and materials and optimizing our supply chain.
External Risk	Taxes & Regulations	Taxes and changes in regulations in the regions where we operate could have an adverse effect on our business: • Governmental export and import controls and duties, tariffs or taxes • Changes in tax regulation and enforcement • Geopolitical shifts and political instability • Restrictions imposed on our operations			• Quadpack is mapping all regulatory risks and proposals of changes to regulations that directly affect our operation or financial condition and we are preparing contingency plans in case one comes into effect.
Market Risk	Consumer Preferences	Changes in the preferences of the consumers and consumer habits, could reduce the demand for some of our products.			• Quadpack offers a balance and diversify portfolio. • Constantly perform market research to understand market needs and market shifts. • Pilot different business models.
Market Risk	Competition	The competition could affect our business, financial performance and the results of our operations.			• Quadpack offers a balance and diversify portfolio. • We enhance customer service and offer innovative and differentiated products. • We identify, stimulate, and satisfy consumer preferences.

Legal & Compli-ance Risk	Governance	We classify 3 different types of risks • Risk of conflicts of interest: There is a risk that there will be situations when interests of the Management and the Company or shareholders will differ. • Risk of material non-public information (inside trading). Information is material if its disclosure would impact the price of the shares of the Quadpack. Insider trading becomes a risk when a company's employees or representatives give out material non-public information to external people. • Risk of major shareholders: The major shareholders control and will continue to control the company. There are no guarantees that the position of these shareholders will always coincide with the opinion and interests of the Management or minor shareholders.			Risk of conflicts of interest /material non-public information • Quadpack has mapped and make full disclosure of all matters that could reasonably cause a conflict of interest. • Implement will implement education programs for employees in which they learn how to avoid partaking in insider trading or sharing material non-public information. • Quadpack is planning to implement a whistle-blower program. Risk of major shareholders • Quadpack ensures transparency of all decisions to all shareholders. • Quadpack facilities access to all corporate documents to all shareholders. • Quadpack has implemented shareholders agreement.
Legal & Complia nce Risk	Legal & Compliance	Unfavourable results of legal proceedings could adversely impact our business.			• Comply with applicable laws and regulations.
Financial Risk	Stock Market fluctuations	Quadpack cannot assure that the marketability of the shares will improve or remain consistent. When shares will be listed on regulated market, they may experience significant price fluctuations in response to developments that are unrelated to the operating performance of the company. Also, fluctuations in the actual or projected performance results of the company or other significant changes and factors could influence the share price volatility in the future.			• Quadpack is limiting the number of float shares to the recommended level. • Quadpack has created an investor relations and corporate communication departments to monitor shares performance and communicate on relevant events. • Creation of internal reporting department to monitor and control company performance.

Financial Risk	Funding. interest rate and currency volatility	Risk related to the cost and availability of funding for the company businesses as well as the depreciation/appreciation (sell or buy) of the local currency in the countries where we operate in relation to the Euro could affect our financial situation and results.			• The company negotiates funding needs in a timely manner ensuring appropriate cash flow projections and a low leverage ratio. • The company monitors events that could affect the exchange rate and interest rate. • The company uses hedging strategies to cover exposure.
Business Risk	Supplier dependency	Our business significantly depends on our relationship with one strategic supplier, and changes in this relationship may adversely affect us.			• Comply with our exclusivity agreement. • Work together and promote effective interaction between our strategic supplier to maximize growth and profitability and create value for both of us. • Diversify our portfolio and business models.
Business Risk	Client Dependency	Quadpack has long established relationships with a few key customers, with the top 10 accounting for 44% of revenue in 2018. The loss of any one of these customers could adversely affect the company results in the short term.			• Quadpack geographical reach, product range and the joint investment often required to develop a product, means that many customers would have difficulty in moving their business to an alternative supplier in the short term. • Quadpack remains responsive to customer demands, delivering high-quality products, providing excellent customer service and developing innovative products.
Business Risk	Business interruption and the loss of essential supplies (wood, plastic)	Businesses face the potential risk of operations being affected by disruption due to loss of supply, failures with technology, industrial disputes and physical damage arising from fire, flood or other natural disaster. The loss of essential services or supplies could have a significant impact on Quadpack´s ability to service its customers.			• Quadpack has established protocols and procedures to ensure business continuity in the event of a major incident.

Business Risk	Raw materials price and availability	• Increases in prices of raw materials could affect our production costs. • Insufficient availability of raw materials could limit the production. (plastic and wood). • New regulations could affect the supply of raw materials (plastic and wood).			• Implement measures to hedge the negative impact of the price on our margins, through financial instruments. • Proactively address supply risks in our value chain. • Strategically adjust our portfolio to minimize the impact of certain risks of operation.
Business Risk	Brand Reputation & Social Media	• Risk of bad Corporate/Brand Reputation due to internal or external actions. • Negative or inaccurate information in social media that can affect our reputation. • Damage to the reputation of Quadpack brand, without having the opportunity to correct it.			• Effective protection of the brand. • Proactive and reactive external communication.
Business Risk	Inorganic growth	• The impossibility of integrating acquisitions or achieve the expected synergies could have adverse effects in our operations. • Not finding new acquisitions prospects on time could limit our growth or Increase leverage to unsustainable levels. • Not discovered certain liabilities or other matters related to the target company. Integration or restructuring costs could be higher than expected. • Negative publicity and failure to communicate effectively.			• Quadpack ensures appropriate resources are in place to manage the due diligence and integration of each acquisition. Any required restructuring activities and benefits arising are closely monitored through integration programmes.
Business Risk	Talent Retention/ Acquisition and succession plan	Increasingly, businesses are recognizing that facilitating seamless leadership transitions for key positions is a critical factor in sustaining the success of their organizations. Proactive succession planning efforts reduce the risk of hiring and promotion mistakes, loss of institutional knowledge, and the negative impact of turnover in key roles.			• Constant analysis of turnover at all levels of the workforce across the enterprise. • Constant review the talented people in terms of the positions they hold today and the positions they might hold in the future. • Identification of the key aspects that lead to optimal talent retention: better screening, preemployment assessment, hiring, onboarding, and employee lifecycle performance management.

					• Creation of formal programs to address both employee retention and leadership succession.
Business Risk	Innovation	• Failure to keep with product innovation or risk of pursuing an incorrect innovation strategy. • Success and timing of product launches, and new product developments could affect our business. • Failure to protect intellectual property rights.			• Creation of new department dedicated to constantly looking for innovation at the most optimal way. • Continuously looking for new technologies, processes and materials to develop new products. • Implement controls and procedures to control and protect intellectual property.
Business Risk	Cybersecurity and data protection	Interruptions in service, misuse of data or security breaches could affect our business. • Financial Loss • Interruption of operations • Unauthorized disclosure of confidential information. • Data privacy • Data communication risks			• Identify and prevent cyber-attacks. • Provide training to protect information. • Create a security management plan. • Preparing the certification ISO/IEC 27001 Information security management.

Risk related to our Shares

Although the Company has applied for admission of its Shares to trading on Euronext Growth, the Company cannot assure investors that a liquid trading market will develop for its Shares or, if such a market develops, that it will persist. If a liquid trading market does not develop, the liquidity and price of the Shares may be adversely affected.

The issuance of additional Shares may affect the market price of the Shares and could dilute the interests of existing shareholders

The Group may seek to raise financing to fund future acquisitions and other growth opportunities. The Company may, for these and other purposes, issue additional equity or convertible equity securities. As of the date of the Information Document, the board of directors of the Company has the authority to issue Shares or grant rights to subscribe for Shares and to limit or exclude the subscription rights of existing shareholders pertaining to such Shares. As a result, shareholders may suffer dilution in their percentage ownership or the market price of the Shares may be adversely affected.

1.5 Information about the Group

1.5.1 History and development

1.5.1.1 Company's name

The Company's name is QUADPACK INDUSTRIES, S.A

1.5.1.2 Business register and registration number

The Company is registered in the Spanish Company's Registry of Barcelona (*Registro Mercantil de Barcelona*)

The identification number of the Company is A-65361388

The Legal Entity Identifier (LEI) of the Company is 659800AWMKX48AVNDG16

1.5.1.3 Date of incorporation and duration

The Company was established on July 22, 2010 as a Limited Liability Company and transformed into a Company Limited by Shares on November 5th, 2015.

Pursuant to article 4 of the Article of Association, the Company was incorporated for an indefinite time.

1.5.1.4 Headquarter, legal form and reference legislation

Headquarter:

The Headquarters are located in Barcelona, Plaça Europa 9-11, Floor 11th, 08908, L'Hospitalet de Llobregat, Spain.

Legal form:

Limited Liability per Shares (*Sociedad Anónima*).

Applicable legislation:

Spanish Corporations Law (*Real Decreto Legislativo 1/2010, de 2 de julio, por el que se aprueba el texto refundido de la Ley de Sociedades de Capital*).

1.5.1.5 History of the Group

Quadpack started its journey back in 2003 as an Agency/Distributor established in the form of a joint venture between three European packaging companies: Belcos Packaging Services S.L based in Spain, Lenglart Packaging based in France and Gadbrook Packaging Ltd based in the UK, supplying packaging solutions to the cosmetics industry.

The company was highly decentralised at this point, with sales and sourcing offices throughout Europe and in Australia, the United States and Asia, and worked with qualified and regular industrial partners. At this time, Quadpack sold products purchased essentially from Asian suppliers to small- and medium-sized clients focusing on the masstige market. These products were virtually all packaging solutions destined for skincare products.

Each country had its own management and sales strategy. The company opened the Shanghai office in 2004. The Australian and German subsidiaries were founded in 2007 and the Italian and Korean offices were opened in 2009.

On July 22, 2010, Quadpack set up a centralised organization by founding Anlomo Spain S.L a Limited Liability company based in Barcelona with the purpose of controlling and managing the activity of the owned subsidiaries; providing support services to the management of the owned companies; and providing business consulting services notably on the marketing level creating the Quadpack Group.

On October 13, 2015, Anlomo Spain S.L changed its name into "Quadpack Industries, S.A" and turned into a Limited Company by Shares and becoming the Parent Company of Quadpack Group.

In 2011 Quadpack Group created the joint venture "Yonwoo Europe S.a.S" with the Korean entity Yonwoo Co. Ltd., a leading airless packaging manufacturer, to expand Yonwoo's presence in the European Market

Between 2013 and 2014, Quadpack Group became an hybrid manufacturer by acquiring several factories within the packaging sector offering new own-ranges of packaging solutions. In 2014-2015 Quadpack Group created Quadpack's Manufactruing Division in Catalonia with three new factories specialised in manufacturing packaging products and providing specialist decoration services.

In 2016 UK packaging provider Collcap Group merged into Quadpack Group becoming a leading presence in Europe for the manufacture and supply of packaging solutions to the beauty industry. Collcap Group had a presence in Hong Kong having a good level of familiarity with the logistics chain in China whereof enabled Quadpack to organise the management of activities in China.

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

In 2017 Quadpack Group achieves its ambition to be in the Top 20 of european packaging suppliers passing the 100 million euros sales barrier in 2018.

In July 2019 Quadpack Group has purchased German entity Inotech Cosmetics Gmbh, which has granted a Licensing Agreement by German entity INOTECH Kunststofftechnik GmbH covering Inotech's patents bi-injection blow-molding technology including its patented bag-in-bottle airless system. By signing this agreement, the Licensor INOTECH Kunststofftechnik GmbH grants Inotech Cosmetics Gmbh and entitles Quadpack Group to make use of the intellectual property rights of the Licensor by manufacturing, offering and placing on the market licensed products to further advance innovative beauty packaging solutions.

INOTECH Kunststofftechnik GmbH main business is in the automotive and industrial component sector applied to cosmetic packaging. The alliance with Quadpack Groups allows INOTECH Kunststofftechnik GmbH to be able to successfully market their products.

Additionally, in August 2019 Quadpack Group acquires the 51% of the share capital of German packaging company Louvrette GmbH design x packaging, a renowned manufacturer of skin-care packaging and a major manufacturer of thick-walled jars.

These last operations bring Quadpack Group to enter the top 10 of cosmetic packaging companies in Europe. Quadpack Group is now a global manufacturer and provider of enhanced packaging solutions for beauty brand owners and contract fillers.

1.5.2 Investments

The following tables present an overview of certain of the Group's non-current assets at net book value as of January 31, 2019 and January 31, 2018:

Intangible fixed assets:

As at 31/01/2019 and 31/01/2018, intangible fixed assets were as follows:

In €k	31/01/19	31/01/18	31/01/17
Concessions	-	-	-
Industrial property	32 428	16 525	16 637
Goodwill	4 661 348	5 758 153	5 756 661
Computer software	295 107	165 509	99 754
Other intangible fixed assets	23 612	59 842	-
Total	**5 012 495**	**6 000 029**	**5 873 052**

As at 31/01/2019 the Intangible fixed assets are mainly composed of Goodwill detailed below (in net value):

- Goodwill on consolidation : €4.103k;

In €k	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	(759,910)	373,130
Quadpack Australia PTY Ltd.	2,154,378	(646,312)	1,508,066
Total	**6,123,988**	**(2,020,813)**	**4,103,175**

- Goodwill from the acquisition of East Hill Industries Inc business in 2018: €558k

Goodwill (in €k)	
Gross value	644 049
Accumulated depreciation/impairment	(85 872)
Goodwill from East Hill acquisition	**558 177**
Total Net value	4 103 175
Goodwill	**4 661 352**

Decrease in net value is the result of annual depreciation (10%) and some impairment tests.

Tangible fixed assets:

Net value of tangible fixed assets:

In €k	31/01/19	31/01/18	31/01/17
Land & Buildings	194 939	144 726	61 726
Technical facilities and other fixed assets	6 460 456	4 356 320	3 893 300
Advances and fixed assets in progress	1 527 883	1 035 441	148 052
Total	**8 183 278**	**5 536 487**	**4 103 078**

The table here below shows the investments made in tangible fixed assets during the two last fiscal years, at cost:

- Year 2018-19: €4.2m
- Year 2017-18: €2.7m
-

In €k	Land & Buildings	Technical facilities and other fixed assets	Advances and fixed assets in progress	Total
Balance as at 31.01.17	**122 139**	**8 159 637**	**148 052**	**8 429 828**
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)	
Exchange conversion differences	-	(43 256)	-	(43 256)
Balance as 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 conversion differences	3 970	2 318	6 552	12 840
Balance as at 31.01.19	**288 263**	**12 830 966**	**1 527 884**	**14 647 113**

Tangible fixed assets are mainly composed of technical facilities and other fixed assets : approx. €4,5m have been invested in these items over the past two years mainly in the manufacturing division.

The company has formalized insurance policies to cover risks linked to tangible fixed assets.

1.6 Business description

1.6.1 Overview of the Company's business

Quadpack Industries is an international manufacturer and provider of enhanced packaging solutions for beauty brands. With offices and production facilities in Europe (the UK, France, Germany, Spain and Italy), the US and Asia Pacific, as well as a strategic network of manufacturing partners, Quadpack develops bespoke and customised packs for skincare, make-up and fragrance products and has dedicated divisions for each sector.
Quadpack's business is based around four core activities: designing, developing, sourcing and manufacturing packaging solutions for beauty products.

Design
Quadpack's department of Design and Advanced Technologies is dedicated to creating new packaging concepts, both for the company's own Q-Line portfolio and directly for clients (bespoke). As part of this work, it tracks trends from a multitude of sectors, from interior design to automotive, and distils these into blue-sky ideas as a basis for inspiration for new packaging formats. VIP clients are given trend previews and are invited to develop these into trend-setting, market-leading solutions.

Development
A team of experienced packaging engineers develops personalised packs for clients, from Quadpack's portfolios. Standard products are transformed into unique solutions through mixing and matching components and clever application of decoration techniques. A modular catalogue and curated supply chain ensure an unparalleled time to market, much appreciated by Quadpack's clients.

Sourcing
Quadpack nurtures a global network of third-party manufacturers. Selected products offered by these official partners populate Quadpack's Q-Selection portfolio, to ensure that clients' needs are met and anticipated. All Q-Selection products are homologated to western standards prior to commercialisation. Quality control is carried out both at the point of manufacture and at the group's test laboratories in Barcelona and Shanghai.
Quadpack's global sourcing team includes an unprecedented 30+-strong team on the ground in Asia ensure the smooth fulfilment of orders issued to Asian partners.
Quadpack addresses the needs of its multinational AAA-rated clients through Yonwoo Europe, a joint venture between Quadpack Industries and Yonwoo Korea. Headquartered in Paris, France, Yonwoo Europe's packaging engineers develop luxury packaging concepts for premium beauty companies, with an emphasis on innovative delivery systems and formula protection. With clients including Clarins, Lancôme (L'Oréal), Dior (LVMH), Pierre Fabre and Coty, Yonwoo Europe enables brands to be first to market with new, original packaging concepts, through direct access to R&D and manufacture.

Manufacture
Quadpack's Manufacturing Division in Catalonia, Spain, produces wooden packaging components, decoration services and a full range of cosmetic jars. It includes the Quadpack Wood factory, the decoration facilities of Quadpack Impressions and the Quadpack Plastics injection-moulding plant. Regular investment ensures that the facilities use the latest, state-of-the-art equipment and processes. Quadpack's CSR strategy ensures that ethical and environmental policies are in force, while Quadpack Wood's FSC and PEFC certifications mean that its raw materials come from sustainable sources.

Additionally, with the recent acquisition of German packaging company Louvrette GmbH design x packaging, a renowned manufacturer of skin-care packaging and a major manufacturer of thick-walled jars, Quapack has positioned itself as a leader jar manufacturer in Europe.

History
Quadpack's activities began in 2002 (before the formal founding of the company) in the form of a joint venture between three European packaging companies, Belcos Packaging in Spain, Lenglart Packaging in France and Gadbrook Packaging in the UK.

The company was formally founded in 2003 to supply packaging solutions to the cosmetics industry. The company was highly decentralised at this point, with sales and sourcing offices throughout Europe and in Australia, the United States and Asia, and worked with qualified and regular industrial partners. At this time, Quadpack sold products purchased essentially from Asian suppliers to small- and medium-sized clients (B or C) focusing on the masstige market. These products were virtually all packaging solutions destined for skincare products.

At its beginning, Quadpack primarily distributed innovative solutions in the airless segment (systems made up of a bottle with either a piston or a flexible pouch associated with a dosing pump, with the pouch collapsing with each dose delivered) produced by the Korean company Yonwoo, one of the principal suppliers in this area in Europe. Quadpack obtained an exclusive distribution agreement for Yonwoo products in Europe starting in 2007. These products represented some 80% of group sales at this point.

Prior to 2010, each country had its own management and sales strategy. The Shanghai office was opened in 2004. The Australian and German subsidiaries were founded in 2007 and the Italian and Korean offices were opened in 2009.
In 2010, Quadpack merged its different structures and set up a centralised organization, notably on the marketing level.
While the group continued to engage in simple distribution, it also began to recruit packaging engineers. The clients could begin to request specific and exclusive products.
Quadpack began to have control over its products and gained recognition with its clients as a partner proposing a value-added offer.

However, Quadpack equally wanted to gain technological control over its products in order to continue to better satisfy demand from its clients by proposing specifically adapted products and reducing delivery times. At this point, the company established a dedicated design department, to conduct R&D, develop its own-brand product range and assist in bespoke developments.

This shift limited the group's dependence on manufacturers. Quadpack began to make industrial and commercial acquisitions and develop through joint ventures.

Quadpack offered guarantees of quality, image and safety that enabled it to increasingly attract major players in the cosmetics industry, particularly those that frequently change their collections (make-up). The major cosmetics packaging players effectively lack the flexibility needed to meet this type of demand.
Through its original strategy, Quadpack could address all the client categories and offer an original positioning as an agile, medium-sized supplier of cosmetic products packaging.

Creation of Yonwoo Europe in 2011 for the major clients
In 2011, a joint venture (Yonwoo Europe) was set up between the Korean company Yonwoo, a specialist in airless products, and Quadpack. The goal of this joint venture was to sell the airless system to the major players in the European cosmetic industry. Quadpack holds 90% of this joint venture and Yonwoo 10%. Yonwoo Europe has an exclusive distribution contract for the Yonwoo products in Europe.

Technotraf: first industrial acquisition for the development of bespoke products
The acquisition of Technotraf Wood Packaging in 2013 constituted an important step in the transformation of Quadpack by offering it an initial industrial experience and enabling it to extend its offer in the fragrance segment. Recognised for its creativity, today Quadpack Wood (Technotraf) is the world leader in its sector and sells its products to the principal fragrance and cosmetics brands.
Founded in 1986 in Torelló (Catalonia), Technotraf has been a pioneer in the use of wood in packaging solutions in the beauty sector.
Equipped with digital wood lathes and milling machines, the 10,000m2 production site produces standard and bespoke caps for perfume bottles and jars, as well as wooden bottles, gift boxes and compacts.
Technotraf has 140 employees and can manufacture up to 22 million units per year.
This first acquisition in the industrial area gave Quadpack a presence in a unique niche market and accelerated the development of bespoke products for its clients. This has enabled the company to better address demand from larger clients and penetrate the fragrance market.

Krampak: greater added value thanks to printing decoration

The second industrial acquisition was of Krampak (renamed Quadpack Impressions) in February 2014. This company specialises in finishing and decoration services. The Technotraf and Krampak installations were combined in 2014 to boost efficiency. Quadpack Impressions occupies 1,550 m2 and employs 25 people. The company can achieve 100 million impressions per year.

Rinaplast for the production of plastic jars for skincare products

In February 2016, Quadpack acquired Rinaplast (renamed Quadpack Plastics), a company specialising in the production of plastic jars for cosmetics.

Rinaplast was founded in 1995. The company occupies 3,000m2 in a suburb of Barcelona (Castellbisbal). It has 12 plastic injection machines and 15 decorating lines.

While Quadpack does not produce the moulds itself, the plant includes a mould maintenance workshop.

Quadpack Plastics currently has 30 employees and can produce 50 million jars per year.

Merger with Collcap to bolster the group's presence in the UK and Asia Pacific

In November 2016, Quadpack merged with Collcap, a UK company that was essentially a distributor of packaging for cosmetics products, without industrial activities. Quadpack and Collcap shared suppliers but Collcap specialised more in tubes. It had a greater presence in the warehouse distribution area and supplied products to B and C clients seeking rapid delivery of the goods.

In geographical terms, Collcap had a strong presence in the UK.

Collcap also had a presence in Hong Kong. This base has enabled Quadpack to organise the management of activities in China, with Collcap having a good level of familiarity with the logistics chain in China. Hong Kong will additionally serve as the spearhead for business development in Asia.

Collcap also had good relationships with the UK clientele, thereby offering Quadpack an entry point for these clients, notably Boots.

Acquisition of 100% of the Australian subsidiary

This subsidiary was initially only 25% owned, with the remaining 75% held by the two managers. Quadpack took over 100% control in February 2016.

Quadpack Australia has six employees and is developing in the 'full service' area, i.e. the proposed product is already filled. This type of offer is being tested in Australia, a market featuring little competition, and could be expanded to other regions as part of Quadpack's strategy for accelerating its growth.

Entry point into the United States

In October 2017, Quadpack acquired an ongoing business in the United States named East Hill whose principal activity was that of a warehouse distributor specialised in logistics rather than personalisation. Decoration, which previously had been subcontracted, has been brought in-house in 2019.

This deal is opening the US market for Quadpack, which will continue to develop bespoke products here under the Quadpack brand name, while entering the mass and masstige segments through the newly acquired company.

One of the major developments focused in the US market is e-commerce, with clients above all seeking rapid delivery of products, especially if they are standard. If products are not immediately available, clients turn to another supplier. Quadpack currently has 21 people in the United States. The e-commerce concept could be tested in other markets in order to be able to meet demand from certain clients.

German engineering excellence matched with creativity "made in Barcelona"

In July 2019 Quadpack Group has purchased German entity Inotech Cosmetics Gmbh, which has granted a Licensing Agreement by German entity INOTECH Kunststofftechnik GmbH covering Inotech's patents bi-injection blow-molding technology including its patented bag-in-bottle airless system. By signing this agreement, the Licensor INOTECH Kunststofftechnik GmbH grants Inotech Cosmetics Gmbh and entitles Quadpack Group to make use of the intellectual property rights of the Licensor by manufacturing, offering and placing on the market licensed products to further advance innovative beauty packaging solutions.

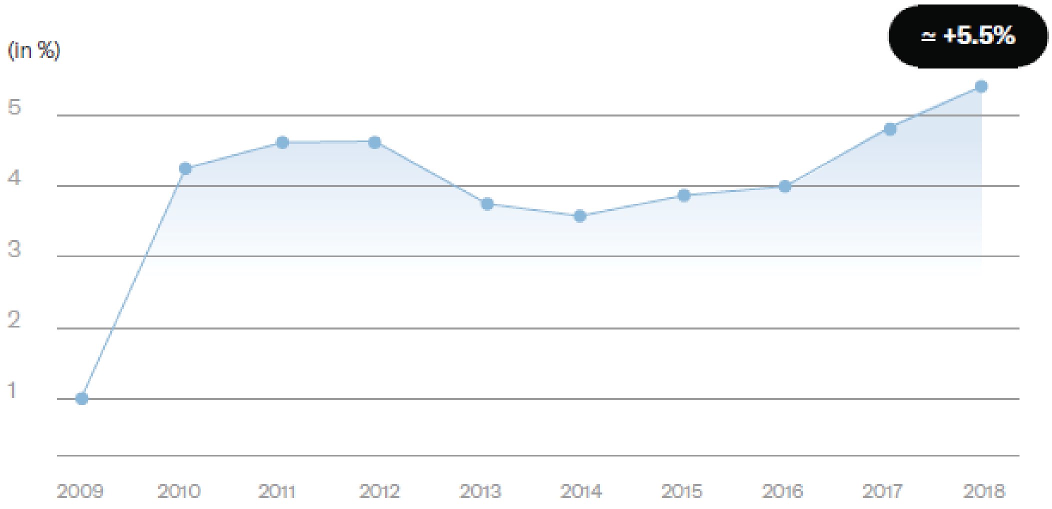
INOTECH Kunststofftechnik GmbH main business is in the automotive and industrial component sector applied to cosmetic packaging. The alliance with Quadpack Groups allows INOTECH Kunststofftechnik GmbH to be able to successfully market their products.

Additionally, in August 2019 Quadpack Group acquired the 51% of the share capital of German packaging company Louvrette GmbH design x packaging, a renowned manufacturer of skin-care packaging and a major manufacturer of thick-walled jars.

Founded in 1964, Louvrette originally produced pressed powder compacts for many top brands but a lot of this business moved to Asia at the end of the last century. In 2006, the founder's son, Fabian Erlhöfer took over the management of the business and orchestrated a massive transformation. At the height of the recession, he bravely invested in new products and new technology enabling the company to leapfrog the competition. More recently Louvrette has invested in a brand-new factory and is leading developments in sustainable packaging.

These two last operations bring Quadpack Group to enter the top 10 of cosmetic packaging companies in Europe. Quadpack Group is now a global manufacturer and provider of enhanced packaging solutions for beauty brand owners and contract fillers.

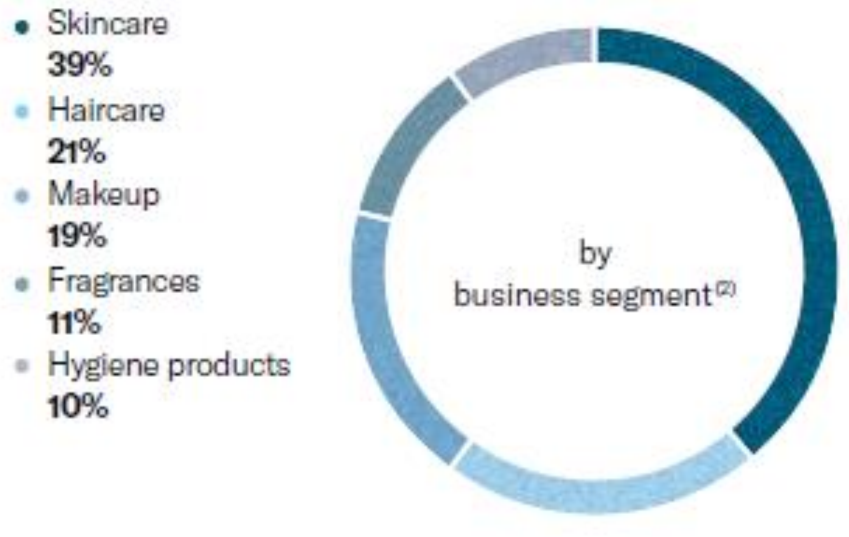
1.6.2 Significant markets



(L'Oreal 2018)

According to L'Oréal the global beauty market continues to grow steadily, with a CAGR of +5.5%, an estimation of 207Billion €. The future estimated growth is about 4%. This market has grown between +3-5%/year over the last 20 years, except in 2008 and 2009 due to the economic crisis.
The cosmetics market is a resilient market showing steady growth, boosted by the development of e-commerce, which is accounting for 1/3 of overall growth.
The consumers seek quality and new products and will pay a premium for technology and new trends and ideas.
There are markets on which cosmetics consumption is 10x to 20x lower than in the mature countries. Ten million persons per year worldwide reach enough level of wealth to join the middle class that can afford to buy cosmetics. A change in consumer preferences in favor of organic beauty products, particularly in the United States and Europe, is contributing to market growth. Growing demand for natural plant-based products and organic beauty products is creating new opportunities for innovation and the creation of products responding to the new consumer preferences.

Breakdown of the world cosmetics by product



(L'Oréal 2018)

Beauty products are generally split into 4 main categories: Skincare (39%: 82bn€), Haircare (21%: 44bn€), Colour Cosmetics/Make-up (17%: 36bn€) and Fragrance/Perfumery (12%: 25bn€), these 4 categories reach nearly the **90% of the BPC market**[2].
Since 2014 Make-up has been the category that was **growing more than the average** (5-6% YoY).
In **2018** it has been the **Skincare** category that **has grown more than the average**, a 9%, boosted by the expansion of the upper middle classes all over the world and especially in Asia, featuring the highest demand for skincare and accounting for over half of the skincare market in 2018 (55%)[2,8].

Geographical breakdown of the world cosmetics market

(L'Oréal 2018)

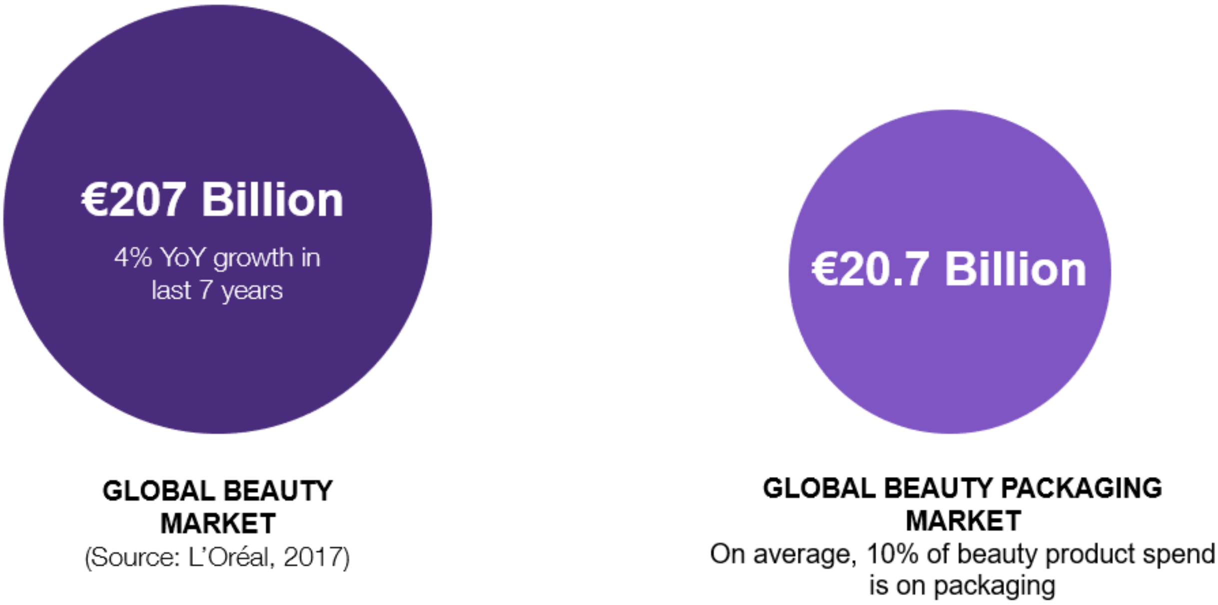
By region in 2017, growth was driven by Latin America (+8%), Eastern Europe (+7%) and, to a lesser extent, the Asia Pacific zone (+4.5%) and North America (+4%). The Middle East / Africa zone (+1.5%) and Western Europe (+1%) showed weaker growth.
In 2017, the Asia Pacific zone drove growth (+7-8%) ahead of Latin America (+5-6%), Eastern Europe (+4-5%) and North America (+3-4%). Western Europe rose only +1-2% while the Middle East / Africa zone fell between 0% and -1%.
The cosmetic sector is concentrated and is dominated by a few players. The ten leading players represent nearly half the market and the four European leaders by themselves represent 32%. These are the AAA clients that Quadpack is beginning to address.

Principal players in the cosmetics sector

Main worldwide players in sales (in billions of USD)

L'ORÉAL	28.6
Unilever	20.5
Procter & Gamble	15.4
Estée Lauder	11.4
Shiseido	7.7
Coty	5.4

Packaging plays an important role in the beauty industry



Packaging plays an important role in the relationship between the cosmetics product and the targeted consumers. It is useful for protecting the content against the outside environment and extending its shelf life. Packaging also serves to prevent the contamination of the content and the proliferation of microbes. Packaging must be compatible with the content and formulations.

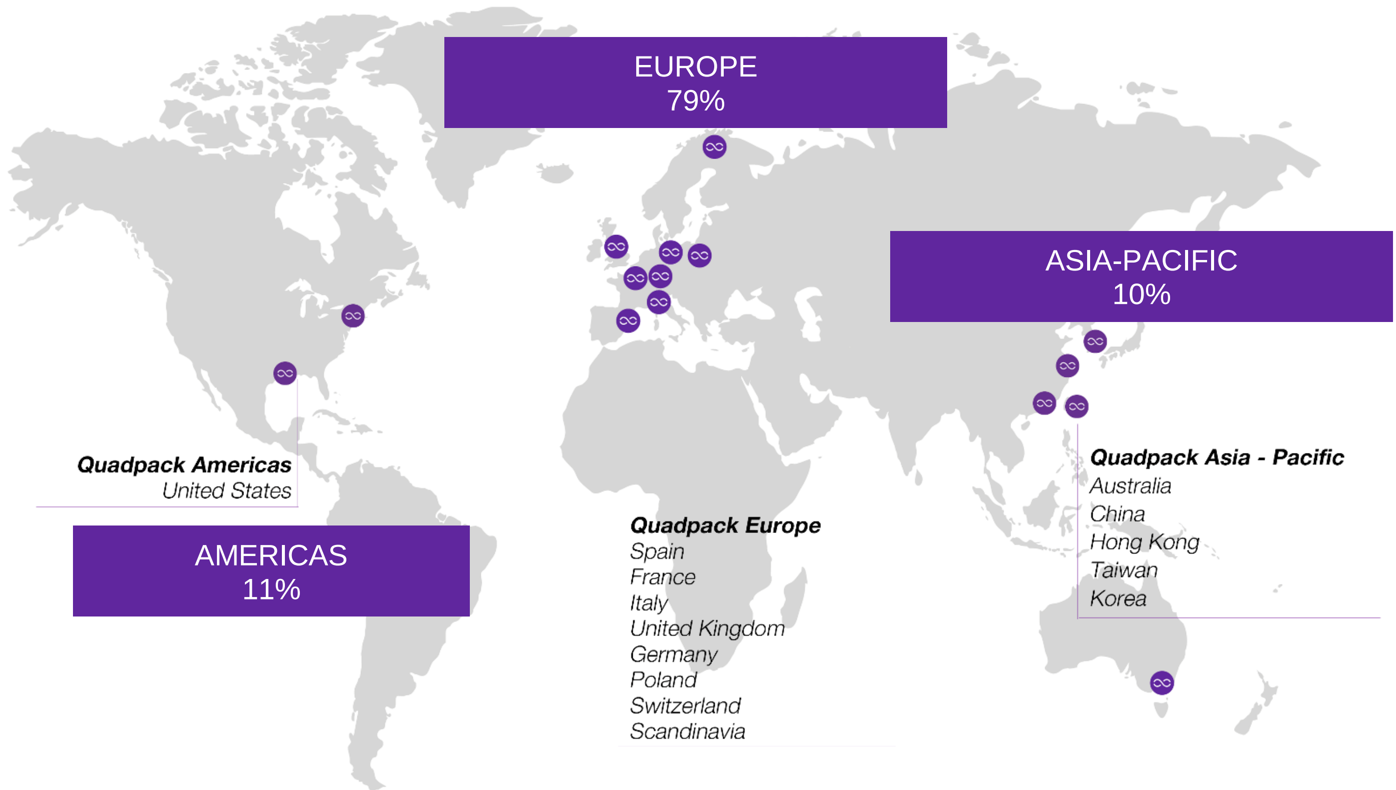
The cosmetics industry is highly consumer-oriented in terms of perceived value and esthetic appeal. Consequently, product packaging has an impact on sales. This packaging is essentially made of plastic, glass and metal and sometimes paper and wood. Plastic dominates cosmetics packaging, representing between 50% and 55% of the market, even if glass has a dominant share in perfumes.

By region, Americas represents 34% of the market while the Asia Pacific zone (33%) should show rapid growth. Europe, where Quadpack still records 87% of its sales, represents slightly over 33% of the market.

1.6.3 Business organisation, segments, products, sales and customers

(a) Geographical Breakdown

Quadpack has a global sales structure with commercial locations in all the largest beauty markets in **Europe**, **America** and the **Asia-Pacific** region. Quadpack has a strong presence in Europe and is expanding rapidly in America and Asia.



Quadpack is seeking to accelerate its international development. Each region has its specific characteristics and it is necessary to rely on local employees. The group will consequently make use of its different international operations:

- Its office in Hong Kong from the merger with Collcap will serve as the spearhead of a new division in the Asia Pacific zone. This region is seeing strong growth, with the cosmetics market showing 7-8% annual growth. Clients seek upscale quality and prestige. Quadpack can in this case make use of its wood products and the fact that its products are produced in Europe. Quadpack has recently expanded its offices in South Korea due to the high interest found on this market.
- In Australia, demand remains different, with the clients tending to promote ‘full service’, i.e. products already filled and ready to be sold. Quadpack is shifting in favor of this type of offer in a market with strong growth potential.
- The ongoing business in the United States. Demand in this region is completely different and focuses more on ‘time to market’. Clients want volumes quickly. Many transactions are conducted through e-commerce and it is necessary to carry stock. Quadpack plans to increase sales in this region by participating in professional trade shows and by proposing its wood products.
- Quadpack is beginning to move into South America. The group has hired a person to supervise the region from the United States. The establishment of a plant is under consideration over the long term

The fact that the models differ from one region to another could allow the testing of models between regions. The objective is to have a more balanced sales mix among the different regions of the world.

(b) Product category breakdown

Quadpack specialises in package development for skincare, make-up and fragrance brands – either by personalising the best products the market has to offer, or by creating something entirely bespoke. For larger clients, semi-finished products can be warehoused at the Manufacturing Division, for just-in-time personalisation, enabling a fast response to market demand.

Skincare

Delivering performance through technology
Quadpack first became a market leader in skincare by securing the exclusive European distributorship of Yonwoo Korea's packaging solutions which use its patented airless system. This protects formulas from external contamination, ensuring a longer shelf life and allowing less artificial preservatives.
Quadpack's Skincare Division is now focused on developing its own Q-Line range of products, which offer new ways of experiencing skincare products, through high-tech packaging with new application methods, like precision-dosage droppers, capsule pumps and ice-cold roll-on tubes.

The recently acquisition of Louvrette, shows the interest of Quadpack in this sector.

Make-up
Trend-setting solutions for tomorrow's make-up
The make-up sector is the closest to the fashion sector with the trend towards "fast fashion", with consumers wanting to see new products on an almost weekly basis. The trends change frequently with an increase in the personalization of products, with consumers demanding customized products.
Quadpack caters to needs of its make-up clients by offering trend previews and on-trend solutions that allow a fast reaction to consumer demand. The Q-Line make-up portfolio contains 'smart, modular solutions' that can be mixed, matched and decorated, while semi-finished products can be held in stock and personalised on demand.

Packaging suppliers must adapt their offers:

- They must propose a broad catalogue of moderately priced, easy to use solutions.
- The degree of personalization must be high in order to enable the brands to propose differentiating offers.
- Packaging suppliers must adapt and rapidly respond to new fashion trends.
- Innovation plays an important role, particularly that of enabling companies to address a larger audience by assuring that products can be produced industrially at lower prices.

Fragrance
Shaping unique fragrance dreams

Quadpack's Fragrance Division caters to two distinct groups: new entrants into the fragrance market (such as spirit brands launching a perfume) and multinational prestige brands looking for a special component. Unlike the other divisions, most fragrance projects are bespoke. Secondary packaging, including coffrets and presentation boxes, are also part of the company's differential value in this market, alongside the wooden components from Quadpack Wood.
Quadpack Wood was the company's main entry point into this sector, being the first to appreciate the differentiation offered by this natural, sustainable material. Technotraf, the precursor to Quadpack Wood, pioneered the use of wood in the industry, with the world's first beech fragrance cap for Burberry Touch for Women.

The sales breakdown by product category continues to show the predominance of skincare products (68% of sales), reflecting the group's history. However, this percentage is falling, principally due to the development of products for the make-up segment (17%), notably the strong growth in products manufactured for Kiko. The percentage of sales involving perfume bottles remains lower (10%) given that it will take time to win clients in this product category. Over the long term, the group expects to record around 65% of its sales in skincare segment products and around 25% in the make-up and 10% in the perfume segments.

(c) Sales breakdown per Product Line

€ (Millions)	2016	2017	2018
Make-up	13.9	22.2	18.3
% of total	20%	25%	17%
Fragrance	8.3	9.1	10.1
% of total	12%	10%	10%
Skin Care	43.9	56.2	71.3
% of total	64%	62%	68%
Haircare	0.2	0.1	0.2
% of total	0%	0%	0%
Other	2.6	3.2	4.7
% of total	4%	3%	4%
Total	**69.0**	**90.7**	**104.7**

(d) Quadpack proposes two types of offers to its clients:

Bespoke products

Bespoke products are specifically adapted to client requirements. They are created ex-nihilo and are based on Quadpack's innovation. The creation of these products is based on:

- ✓ the design teams, which are made up of four designers, who strive to come up with original new ideas, and a team of engineers, who analyze the feasibility of products and work on their creation, notably in terms of the molds.
- ✓ different industrial capacities that enable the group to manufacture a portion of the products and serve as showcases for the clients.

In most cases, the molds and intellectual property associated with bespoke products belong to the clients. The products can be manufactured either in-house using Quadpack's industrial capacities or subcontracted out to selected suppliers.
Quadpack's ambition is to develop in this segment, which offers better margins and recurring business (product lifespans of around three years) through the investment in the mold. The group's presence in the industrial sector has enabled it to accelerate its development in this area. The bespoke products essentially involve major clients (from A to AAA).

Catalogue products

These products are sold by the sales teams from the catalogue. They are divided between:

- ✓ Distribution products chosen and purchased from suppliers based to a majority extent in Asia, including Yonwoo. These products are called the **Q-Selection** (67% of sales).
- ✓ Quadpack's proprietary products (3% of sales), designed by its teams, produced either in-house or by outside suppliers. This product line is called **Q-Line**. The molds and intellectual property associated with these products belong to Quadpack. The group's ambition is to develop these products to reduce the share of simple distribution products, as they offer higher margins and are differentiating for clients whose product runs are not adapted to bespoke products.

The breakdown of sales between these different categories shows that catalogue products remain predominant. Over the long term, the group is seeking a balance between bespoke products and catalogue products, with the Q-Line dominant in the latter category. These products currently remain marginal and marketing efforts will be made. The development of Quadpack Plastics, and the recent acquisition of Louvrette and Inotech, should contribute to this shift.

€ (Millions)	2016	2017	2018
Bespoke	17.1	27.4	30.9
% of total	25%	30%	30%
Q-Line	2.9	3.5	3.3
% of total	4%	4%	3%
Q-Selection	49.1	59.9	70.4
% of total	71%	66%	67%
Total	**69.0**	**90.7**	**104.7**

(e) Client segmentation

Quadpack has divided its clients into three categories as a function of their size but also the annual sales that they can generate with the group.

The A clients

The A clients are the most important and focus to a majority extent on bespoke products. There are three types of A clients:

- ✓ The AAA clients (13% of sales) are multinationals that operate on several sites on more than one continent in addition to Europe such as L'Oréal, Estée Lauder, Procter & Gamble and Beiesdorf. These clients have development and purchasing teams that prefer to work directly with the packaging manufacturers. They are essentially interested in bespoke products with high production volumes and long lifespans. AAA clients have substantial purchasing power and Quadpack's annual sales objectives with this type of client are €1m to €5m. The working process with this type of client is long and project development can take to three years. The creation of Yonwoo Europe and the industrial acquisitions were partly made with these clients in mind.

- ✓ The AA clients are regional and operate several sites in Europe. They notably include Robert McBride, Antonio Puig and Intercos. This type of client can have development and purchasing teams. However, these teams are not as developed as those of the AAA clients. They tend to enter into partnerships with the packaging companies, with which they can optimize their resources through outsourcing. The products can either be bespoke or catalog. These clients represent 12% of sales.
- ✓ The A clients (47% of sales) are local clients able to spend more than €500,000/year with Quadpack regardless of their total spending on packaging. These clients have limited resources and need suppliers to help them overcome this weakness. They have affinities with Quadpack, which has global resources and the possibility of producing or supplying a broad range of packaging solutions. Here again, products can be bespoke or catalogue.

The B clients
Smaller in size, the B clients are local clients able to spend €100,000 to €500,000 per year with Quadpack regardless of their total spending. The B clients generally have limited knowledge and resources when they select their packaging and need a high level of support from development to delivery. They only use the Q-Line and catalog products as they lack the ability to develop bespoke products.

The C clients
The C clients are local clients whose capacity for annual spending with Quadpack is less than €100,000. These clients are generally startups or very small companies managed by their owners. They are very demanding and require substantial resources in return for a limited contribution.
As could be expected, Quadpack is seeking to growth with all the A clients, with its main target being the AA category where margins are highest, even if the group currently counts more smaller sized A clients. As the number of AAA clients is limited, this segment will remain less significant than the AA and A clients.
The development strategy in a specific client segment varies from one country to another. In Spain, where the clientele is less diverse, Quadpack deals with all the client categories, while in France, where the number of clients is high, the group can be more selective.

€ (Millions)	2016	2017	2018
AAA	6.5	7.0	13.6
% of total	9%	8%	13%
AA	8.3	8.0	12.1
% of total	12%	9%	12%
A	37.4	55.4	49.2
% of total	54%	61%	47%
B	13.0	14.7	23.5
% of total	19%	16%	22%
C	3.8	5.6	6.2
Total	**69.0**	**90.7**	**104.7**

(f) Industry recognition

The projects developed by Quadpack's divisions have been awarded numerous prizes over the years. These include eight awards and two nominations over the past two years, for brands such as Guerlain, Collistar and Tata Harper.

(g) Services

Quadpack offers a range of standard and complementary services which add value to the product development process, depending on the client's priorities. The projects carried out for clients can be supplemented with advanced previsualisation techniques, additional quality testing, multiple transportation options and stocking.

Prototyping

The Design & Advanced Technologies department offers an industrial design service that helps clients explore different options prior to creating a pack, with inspiration drawn from the department's trend work. The service is equipped with the latest previsualisation equipment, including 3D rendering and 3D modelling to produce ultra-realistic prototypes in multiple colours and materials.

QA, Laboratory & testing

A team of over 30 people is responsible for factory auditing, pre- and post-production on-site quality control. In addition, Quadpack's central test laboratory adds another layer of quality assurance to its ISO9001-controlled development cycle, complemented by its Shanghai laboratory situated near its Asian partners. New product and production sample tests are conducted as standard, while pre-sales testing is available to clients as a value-added service. Quadpack has recently expanded its offices in Barcelona, creating a state-of-the-art laboratory.

Logistics & warehousing

Quadpack provides a door-to-door service for all clients. This includes shipment, full tracking and customs and duties where necessary. Each project starts with a full logistic service proposal, based on a systematic analysis which considers fuel consumption and production deadlines, with contingency plans to ensure a timely delivery.

(h) Customers & sales

Quadpack's clients principally include cosmetics companies and contract fillers. These are categorised by sector (skincare, make-up and fragrance) and segment (mass market, masstige and prestige). Commercial activities mainly target A-AAA clients. B and C clients are handled by an internal sales team. Yonwoo Europe exclusively targets AAA companies.
Through focusing on product excellence as well as customer relationships, Quadpack enjoys a particularly loyal customer base of more than 500 clients.

Many of its top clients have been with the company since its foundation in 2003, clients including Natura Bissé and Filorga.

Quadpack today supplies 30 out of the world's top 100 beauty brands.

(i) Sales & marketing

Revenue by client

Quadpack's top ten customers comprised 44% of the company's revenue in FY18, with the largest customer accounting for 11%. Although the majority of Quadpack sales are managed on a request-by-request basis, 60% of the company's FY18 revenue was generated by repeat business. As much care is taken to nurture and grow existing business as it is to hunt new prospects. This is one of the reasons why many top clients remain loyal to Quadpack.

Pricing structure

Standard packaging: For customers with standard packaging needs, Quadpack applies a margin formula for pricing. To encourage maximisation of operating efficiencies, Quadpack generally applies minimum order quantities of 10,000 units.
Bespoke packaging: Given the nature of the company's bespoke products, the majority of Quadpack's pricing is determined on a product-by-product basis using years of industrial experience and knowledge of the customer requirements.

Team structure

In 2019, a new sales structure was implemented with the aim of increasing the agility of local sales teams in each region. Bolstered by a matrix management system, local sales teams are paired up with in-country tactical management, package development and customer support staff, while continuing to adhere to the global corporate standards.

Marketing & PR

Quadpack's marketing department manages all marketing materials, external communications, events and trade show activity. Regular news is sent worldwide to a database of over 9,000 existing and prospective customers. This drives a lot of traffic to the web site, which also hosts the online product catalogue. Parallel to this is social media: Quadpack leverages Twitter, LinkedIn and Instagram to share its own as well as industry news. A busy public relations office handles all trade media activity, achieving hundreds of positive press clippings each year. The combined activities mean that Quadpack is now a household name in the cosmetic trade sector.

Events

Both Quadpack and Yonwoo Europe exhibit at more than 20 trade shows a year – important touch points to connect with clients, prospects and business partners – across Europe, the US, South America, Asia and the Middle East. Quadpack also traditionally hosts two cocktail parties a year during major trade exhibitions in Europe and Hong Kong.

(j) Sourcing & Supply

With 70% of sales derived from sourced products (Q-Selection portfolio), Quadpack's relationship with its manufacturing partners is of vital importance. The Sourcing & Supply department is responsible for scouting and nurturing these partnerships. Each manufacturer is audited prior to achieving official partner status, to ensure it meets Quadpack's strict quality and ethical standards.
Quadpack's partners are based in the Americas, Europe and predominantly Asia. Unlike other packagers who source from Asia, Quadpack's team has over 30 people on the ground in China, Hong Kong, Korea and Taiwan, to supervise each and every project. In addition, the team offers guidance in product development, in some cases co-developing new references to meet demands from western clients.
Sourcing & Supply also handles transport and logistics, aiming for optimal efficiency and balancing clients' needs for speed, cost and carbon footprint.

Manufacturing partners
Quadpack partners with leading manufacturers in each product category, from droppers and glass bottles to tottles and foam pumps. Key among these is Yonwoo, pioneer of airless technology, with whom Quadpack has a joint venture (Yonwoo Europe). Wherever possible, Quadpack aims for exclusive distributorship in the major areas.

	Supplier Name	2018 Purchasing spend M€	2018 Purchasing spend % of Total
1	Supplier 1	24.5	44.2%
2	Supplier 2	3.2	5.7%
3	Supplier 3	2.1	3.8%
4	Supplier 4	2.0	3.6%
5	Supplier 5	1.5	2.7%
6	Supplier 6	1.3	2.3%
7	Supplier 7	1.0	1.9%
8	Supplier 8	0.8	1.5%
9	Supplier 9	0.8	1.4%
10	Supplier 10	0.8	1.4%
	Total	**37.9**	**68.4%**

(k) Manufacturing Division

Quadpack Wood (previously Technotraf)

Quadpack Wood is a pioneer and global market leader in wooden packaging. Founded in 1986 and acquired by Quadpack in 2013, it offers differentiation and eco-friendly solutions to beauty brands.

Thanks to an aggressive investment programme and solid leadership, sales have doubled since its acquisition, growing from €4.5m in 2013 to €10.0m in 2018.

Located in Torello, near Barcelona, Spain, it boasts 10,000m2 of factory and warehousing space and employs over 140 staff. Production capacity is 22 million pieces per year, making it equipped to handle the requirements of multinational brands. Its production facilities include CNC, lathe, sanding, saw, spray coating and assembly machines, as well as an industry-leading emissions control system. What's more, all production waste is recycled into animal bedding, chipboard and biomass fuel.

Quadpack Wood operates under ISO9000 quality standards. It is certified by both the FSC and the PEFC to source wood from sustainably-managed forests and is listed on the Sedex database of ethical suppliers.

Quadpack Plastics

Quadpack Plastics is Quadpack's injection-moulding plant, specialising in the production of luxury acrylic jars, one of the most enduring packaging formats in the skincare and make-up industry.

Founded in 1995, it was acquired in 2016 to offer clients European jar manufacture with fast time to market for standard products at a better price of Asian products. Today, Quadpack Plastics is a Top 5 thick-wall jar manufacturer in Europe.

Located in Castellbisbal, near Barcelona, Spain, the plant covers 3,000m2 and has a production capacity of 50 million pieces per year. Around 30 employees manage and operate its 12 injection-moulding lines and 15 decorating lines. It is currently working with the Leitat Technological Center to develop a plastic scrap recycling system, while experimenting with bioplastics and other materials to offer increasingly sustainable products.

Quadpack Impressions

Quadpack Impressions is Quadpack's decorating facility. Acquired in 2014 to offer high-end and last-minute decoration, it is now located in the Torelló facility alongside Quadpack Wood, covering 1,550m2 and employing 25 staff. It has a production capacity of 100m impressions per year, across its 21 automatic and semi-automatic decorating lines.

Quadpack Impressions has an optimised production flow with Quadpack Wood to decorate the wooden components from the factory. It also investigates new decoration techniques, recently achieving ultra-fine print on cylindrical glass surfaces and photographic-quality print on wooden surfaces, adding further value to Quadpack's offer to clients.

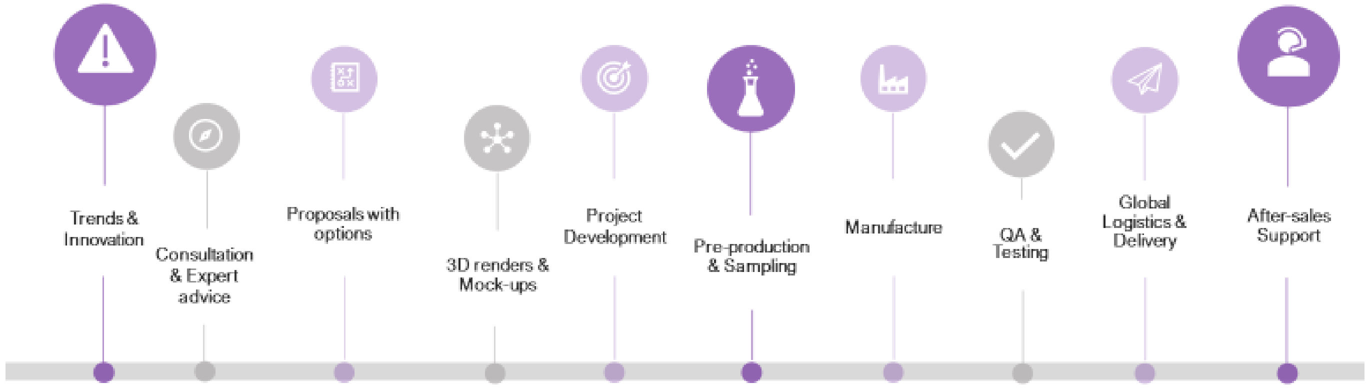
Louvrette

Louvrette is a renowned manufacturer of skin-care packaging and a major manufacturer of thick-walled jars. It is a 13,000m2 factory in Germany (with room for significant expansion) complete with mould-shop and over 40 injection moulding machines and 180 employees.

Founded in 1964, Louvrette originally produced pressed powder compacts for many top brands but a lot of this business moved to Asia at the end of the last century. In 2006, the founder's son, Fabian Erlhöfer took over the management of the business and orchestrated a massive transformation. At the height of the recession, he bravely invested in new products and new technology enabling the company to leapfrog the competition. More recently Louvrette has invested in a brand-new factory and is leading developments in sustainable packaging.

(I) From Design to Delivery

Quadpack boasts an original setup in cosmetics packaging, being at once a manufacturer and a sourcing operation. This hybrid operational structure is supported by the services of our in-house market experts, designers, packaging engineers, QA specialists, logistics and customer support staff, for a truly 360-degree offer, from design to delivery and beyond.



1.6.4 Competitive position

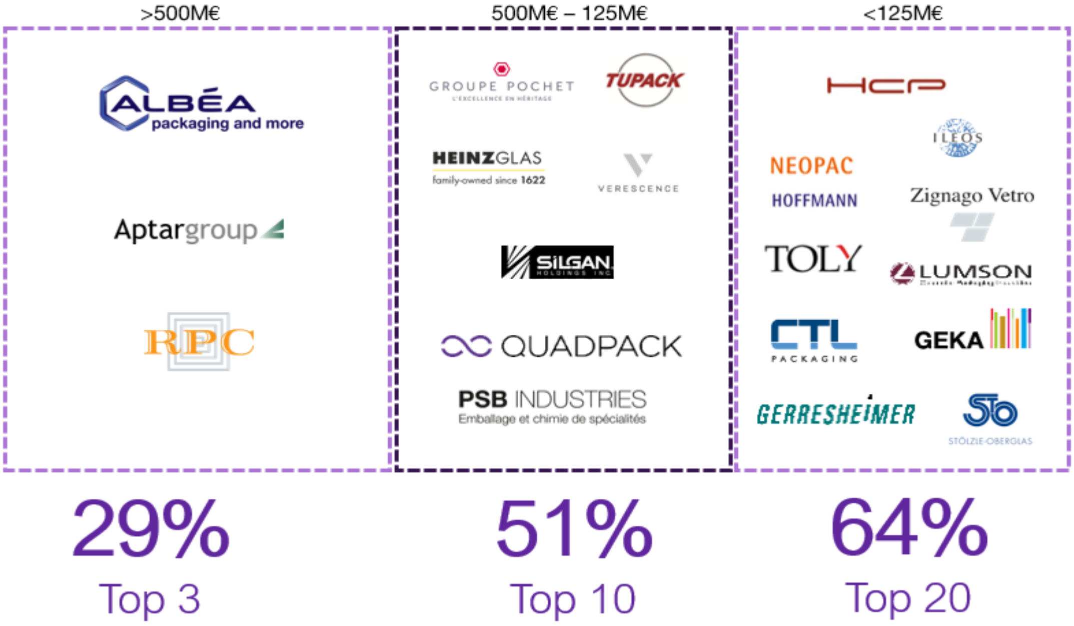
The groups supplying packaging for cosmetics products are divided into two categories: small / midsize companies with small brands as clients and large players that work with the global brands. These latter groups are divided between distributors, industrials and packaging creators.
There is a major divide between the very limited number of large multinationals (Aptar, Rexam, RPC, Groupe Pochet and MWC) and the thousands of smaller players with sales less than €50m.
With sales close to €100m, Quadpack is situated between the two categories, even if the group now has the geographical presence and range of services of a larger player. Current conditions in the sector are offering Quadpack an opportunity to play a proactive role in sector consolidation in connection with small companies, with the possibility of generating synergies while maintaining distinct capabilities.

Quadpack has three types of competitors:

- ✓ Distributors such as Embelia / VG Emballage (France), Tricobraun (United States) and Baraian (Italy). These companies are based on the same model as that adopted by Quadpack when it was created. This model is characterized by a standard catalogue offer and works well in the United States with all sizes of clients. In contrast, this model is only popular with small sized clients in Europe.
- ✓ Packaging manufacturers such as Aptar (Valois, Emsar, Airless Systems), Albéa/Rexam, HCT, Megaplast, Promens, Plasticos Faca, RPC Group, Heinz Glas, SGD, Ileos and Geka. These industrials benefit from their own intellectual property but lack the flexibility of offering products that are not produced in their own plants.
- ✓ Hybrid companies combining industrial and distribution activities such as Lumson and Toly. Quadpack has begun to shift to this type of business model as a result of the acquisition of its industrial sites since 2013.

European competitors

Our current **Market Share** in **Europe** is **2.3%** and after the acquisition of Louvrette it has entered the top 10 cosmetics packaging companies in Europe. **Top 10** BPC packaging suppliers represent **51%** of the European BPC packaging market:



Comparison Direct Competitors in Europe by Sector/Market

COMPETITOR	SKINCARE	MAKE-UP	FRAGRANCE	ORAL CARE	OTC	HOUSEHOLD	PHARMA	SPIRITS
QUADPACK	**X**	**X**	**X**	**X**	**X**			**X**
TOLY	X	X	X					
LUMSON	X	X	X				X	
HCP	X	X	X					
HEINZ GLAS	X	X	X					
ILEOS GROUP	X	X	X				X	X
PSB INDUSTRIES	X	X	X					X
HOFFMANN NEOPAC	X	X		X	X		X	
CTL PACKAGING	X	X		X	X		X	

Comparison Direct Competitors in Europe by Material

COMPETITOR	Plastic - Rigid	Plastic - Flexible	Metal	Paper & Board	Glass - Blown (fragrance)	Glass - Tubular	Wood	Zamak
QUADPACK	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**
TOLY	X	X	X	X	X	X		X
LUMSON	X	X	X		X			
HCP	X		X		X			
HEINZ GLAS	X				X		X	
ILEOS GROUP	X		X					
PSB INDUSTRIES	X	X						
HOFFMANN NEOPAC	X	X	X					X
CTL PACKAGING	X	X	X				X	

1.6.5 Business model and Strategy

Business model

Quadpack Industries boasts an unrivalled track record of revenue growth, with a CAGR consistently over 20% since it was founded in 2003. This enduring success is in part the result of an inherent agility to respond to opportunities and changes in a thriving market sector, coupled with strong management and a talented global team.
Today, Quadpack is a strong prospect for investors, thanks to a robust corporate structure and a long-term vision. Here are some of the key points that mark the Quadpack difference:

Little Big Company
As part of our desire to remain close to our customers, our structure is built around proximity. Quadpack's offices are in 11 cities on four continents, each of which is totally in tune with local culture, habits, demand and trends. At the same time, these offices operate under an efficient, global, corporate structure. This model works fantastically well. We call it the 'Little Big Company' and it is key to our business efficiency and success.

Value-added manufacture
Quadpack's Manufacturing Division in Spain produces around 15% of total sales. The company entered the manufacturing space in 2013, with the decision to take control of certain aspects of the packaging solutions we provide, as opportunities present themselves. The company's policy is to acquire or expand manufacturing facilities wherever we can deliver differentiation or control a core product format (such as jars).

Diversified business activity
Quadpack both manufactures and sources packaging solutions. This hybrid structure sets us apart from most competitors. If we don't make it, we source it. If it's not in our portfolio, we'll design it from scratch. We co-develop with our suppliers, leveraging their expertise in a certain area (like airless) with our own knowledge of what the market needs. We have a level of flexibility that allows us to focus our efforts squarely on what our clients need for greater customer satisfaction. In addition, we are diversifying into stocking and full service (packaging filled with product), with local trials to test the market. If successful, these will give us two new revenue streams.

Vertical markets
Our business is segmented into three vertical markets: skincare, make-up and fragrance. By operating in multiple segments, each potentially independent, we minimise risk and enjoy the kind of transversal expertise that allows us to add value in unexpected ways, for example, repurposing a make-up compact for a solid fragrance product.

R&D & innovation
In 2018, Quadpack's design department relaunched as the department of Design and Advanced Technologies. The move put innovation at the front of Quadpack's offering, establishing what may eventually become a standalone R&D centre. Acting as an 'ideas factory', the department tracks macro trends, drawing inspiration from various sectors like architecture and fashion, and develops these into innovative product ideas for beauty brands.
Quadpack's creative team offers a full packaging **design service**. Its work is based on researching new trends, materials and manufacturing techniques to find smart solutions that anticipate demand, always trying to blend creativity with technology.

Multi-faceted expertise
Building on our belief in diversification, even within the same industry, we offer transversal expertise in every aspect of beauty packaging. Our clients know that we have the know-how of a manufacturer, a sourcing operation, a package developer, a design agency and a trend house. Our internal talent programme ensures we employ people with the right know-how in each area.

Focus on sustainability
Our Corporate Social Responsibility strategy ensures that Quadpack's activities leave a positive impact in three key areas: society, the environment and long-term financial performance. The CSR strategy covers a host of areas, including responsible manufacture, health & safety, recycling schemes, energy use, risk management, ethical supply chains and eco-friendly package development. Beyond financial and environmental sustainability, we aim to contribute to our social environment. A big part of this is Quadpack Foundation, our charitable arm which supports social and environmental projects, with an emphasis on helping disadvantaged children get a good start in life.

Strong management
Quadpack's board comprises members with hands-on experience in key areas of the business, covering operations, legal, finance,

marketing and mergers & acquisitions. Each board member acts as a mentor to the corresponding department heads, giving guidance where necessary. Quadpack also has a matrix management system that encourages agility, enabling fast decision-making down to local level. Meanwhile, a strategic planning team is tasked with analysing our competitive environment and developing and realising our long-term business vision.

Well-established global market presence with huge expansion opportunities
Quadpack has a global sales structure with commercial locations in all the largest beauty markets in **Europe**, **America** and the **Asia-Pacific** region. Quadpack has a strong presence in Europe and is expanding rapidly in America and Asia.

Strong sales growth with a high percentage of recurrent business
Quadpack presents a solid sales growth over the past seven years of **20% CAGR**. The major clients pay to have their own designs and moulds. These investments are generally multi-year in nature, thereby favouring a year-on-year **repeat business** that represents around **60% of sales**.

New business models to accelerate growth
Quadpack's growth will further accelerate thanks to the development of new business models in international markets, such as e-commerce in the US, full service (supply of filled products) in Australia and an R&D centre in Europe. In addition, to improve time to market, Quadpack is seeking to propose a complete offer to its clients based on an integrated 'assembly factory' concept in which modular products are stocked for assembly and decoration as a function of client demand.

Strategy

Quadpack growth strategy is focused on four pillars: global expansion, increase manufacturing capabilities, develop new business models and perform an IPO.

Global expansion
Quadpack has a global sales structure with commercial locations in all the largest beauty markets in **Europe**, **America** and the **Asia-Pacific** region. Quadpack has a strong presence in Europe and is expanding rapidly in America and Asia.

Increase manufacturing capabilities
Quadpack's targeted M&A strategy is focused on: stronger product differentiation, faster time to market and the increase of manufacturing capabilities. Quadpack has a proven track record of value creation via acquisitions of specific industrial solutions: **wood, plastics and decoration.**

New business models
Quadpack's growth will further accelerate thanks to the development of new business models in international markets, such as **e-commerce** in the US, **full service** (supply of filled products) in Australia and an **R&D** centre in Europe. In addition, to improve time to market, Quadpack is seeking to propose a complete offer to its clients based on an integrated **'assembly factory'** concept in which modular products are stocked for assembly and decoration as a function of client demand.

One the way to an IPO
Quadpack is seeking for an admission to listing and trading on Euronext Growth-Paris in [September] 2019 and later considers the possibility of an initial public offering on **Euronext Paris** – C with a well-articulated, value-creating strategy and a focus on boosting liquidity.

1.6.6 Research & Development and trademarks

As of the date of this Information Document, we hold the following trademarks and patents or designs

Trademarks

Graphic representation	Trade mark name	Trade mark office	Designated territory	Registration number	Nice class
QUADPACK	QUADPACK	ES	ES	M3516059	6,16,17,20,21,35
	QUADPACK	WO (OMPI)	LV,LU,LT,GB,HR,RO,HU,FR,BG,BE,DE,FI,DK,IE,CZ,AT,CY,US,KR,SE,SI,SK,IT,MT,PT,PL,RU,CH,EM,GR,ES,NL,EE,CN	1244527	6,16,17,20,21,35
	QUADPACK	WO(OMPI)	KOREA SUR (DESIGNATION)	1244527	6,16,17,20,21,35,
	QUADPACK	WO (OMPI)	USA (DESIGNATION)	1244527	6,17,20,21,35
	QUADPACK	WO (OMPI)	CHINA (DESIGNATION)	1244527	6,16,17,20,21,35
	QUADPACK	EM (EUIPO)	LV,LU,LT,GB,HR,RO,HU,BG,FR,BE,DE,FI,DK,IE,CZ,AT,CY,SE,SI,SK,IT,MT,PL,PT,EM,GR,ES,NL,EE	17901571	3,19
	QUADPACK	WO (OMPI)	CH, CN, KR, RU, US	1460686	3,19

Patents & Designs

Register Number	Details	IP Office	Date (grant)
0528036 ES	Industrial Design	OEPM (Spain)	22/05/2018
3814052 EM - 1	Community Design	EUIPO (Europe)	28/04/2017
3814052 EM - 2	Community Design	EUIPO (Europe)	28/04/2017
3814052 EM - 3	Community Design	EUIPO (Europe)	28/04/2017
3814052 EM - 4	Community Design	EUIPO (Europe)	28/04/2017
4004729 EM - 1	Community Design	EUIPO (Europe)	18/05/2017
4004729 EM - 2	Community Design	EUIPO (Europe)	18/05/2017
004759181 EM - 1	Community Design	EUIPO (Europe)	19/03/2018
004759181 EM - 2	Community Design	EUIPO (Europe)	19/03/2018
004759181 EM - 3	Community Design	EUIPO (Europe)	19/03/2018
004759181 EM - 4	Community Design	EUIPO (Europe)	19/03/2018
004759181 EM - 5	Community Design	EUIPO (Europe)	19/03/2018
004759181 EM - 6	Community Design	EUIPO (Europe)	19/03/2018
004759181 EM - 7	Community Design	EUIPO (Europe)	19/03/2018

004759181 EM - 8	Community Design	EUIPO (Europe)	19/03/2018
004759181 EM - 9	Community Design	EUIPO (Europe)	19/03/2018
006301875 EM - 1	Community Design	EUIPO (Europe)	21/03/2019
006301875 EM - 2	Community Design	EUIPO (Europe)	21/03/2019
006301875 EM - 3	Community Design	EUIPO (Europe)	21/03/2019
006301875 EM - 4	Community Design	EUIPO (Europe)	21/03/2019
006301875 EM - 5	Community Design	EUIPO (Europe)	21/03/2019
006301875 EM - 6	Community Design	EUIPO	21/03/2019
006301875 EM - 7	Community Design	EUIPO	21/03/2019
006301875 EM - 8	Community Design	EUIPO	21/03/2019
006301875 EM - 9	Community Design	EUIPO	21/03/2019
006301883 EM - 1	Community Design	EUIPO	21/03/2019
006301883 EM - 2	Community Design	EUIPO	21/03/2019
201830921 ES	Utility Model	OEPM (Spain)	16/10/2018
201831530 ES	Utility Model	OEPM (Spain)	14/02/2019
201831925 ES	Utility Model	OEPM (Spain)	29/04/2019
201930060 ES	Utility Model	OEPM (Spain)	19/07/2019

Domains

We own the internet domain “quadpack.com”, which we consider to be material to our business.

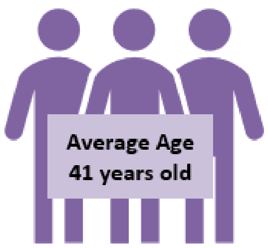
1.6.7 Employees

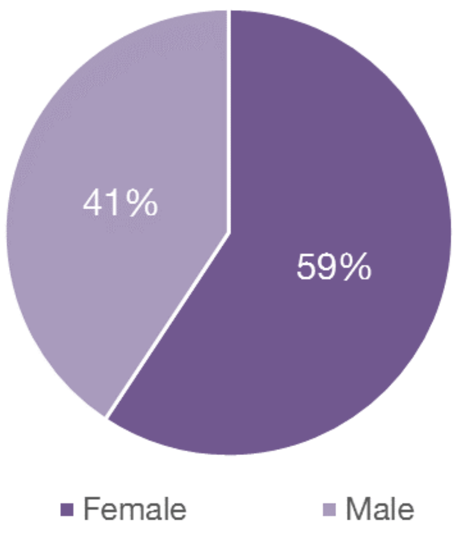
The growing family of 'Quadpackers' numbers over 400 members at the end of 2018. Including the recent acquisition of Louvrette, Quadpack headcount increases to 600 employees. As part of our desire to remain close to our customers, our structure is built around proximity. We have offices in 10 cities on four continents which are totally in tune with local culture, habits, demand and trends, while operating under a global, corporate structure.

Number of employees at end of 2018 (Excluding Louvrette)

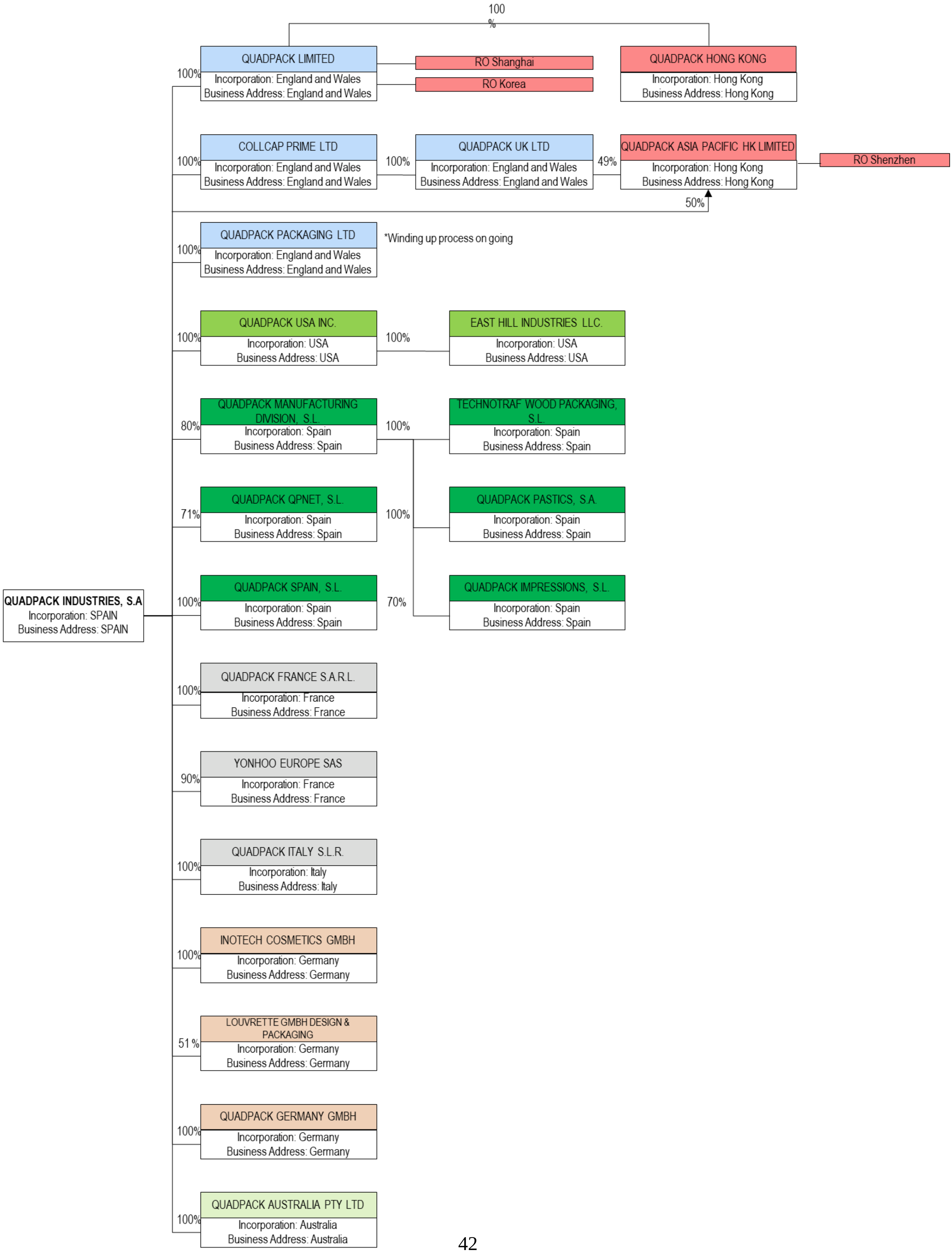
Business Unit	#
Operations	230
Commercial	107
Business Support	58
Corporate	5
Grand Total	**400**

Country	#
Spain	279
United Kingdom	31
France	24
USA	22
China	13
Shanghai	8
Australia	8
Italy	7
Hong Kong	6
Korea	2
Grand Total	**400**





1.7 Legal Organizational chart



1.8 Review of the financial situation

The summarised financial information of the Group, presented below, comes from the annual consolidated financial statements, prepared in accordance with Spanish GAAP, for the years ended January 31, 2019 (year 2018-19) and January 31, 2018 (year 2017-18). They must be read and reconciled with all the information reported in this Information Document and in particular with the consolidated financial statements and their notes in chapter 1.14.

Consolidated Income Statement

In €	31/01/19	31/01/18	31/01/17
Net turnover	104 659 844	90 741 255	70 092 437
Changes in inventories of finished goods and work in progress	959 663	144 055	281 103
Work carried out by the company for assets	15 508	-	361 675
Supplies & external services	(81 646 027)	(71 054 558)	(55 535 016)
Taxes	(393 301)	(267 939)	(185 089)
Employee costs	(15 066 826)	(10 752 150)	(8 526 817)
Other income & expenses	109 784	(1 979 716)	614 513
EBITDA	**8 638 644**	**6 830 947**	**7 102 806**
As a % of net sales	*8,3%*	*7,5%*	*10,1%*
Depreciation, amortization and impairment	(2 794 843)	(1 899 916)	(1 537 742)
EBIT	**5 843 802**	**4 931 031**	**5 565 064**
As a % of net sales	*5,6%*	*5,4%*	*7,9%*
Net finance income/(expense)	(1 432 265)	(930 674)	387 745
Income tax expense	(1 353 130)	(1 299 083)	(1 669 506)
Profit/(Loss) from continuing operations	**3 058 407**	**2 701 274**	**4 283 303**
Profit/(loss) from discontinued operations, net of income tax	-	-	8 998
Consolidated result for the year	**3 058 407**	**2 701 274**	**4 292 301**
Of which result attributed to the parent company	*3 078 110*	*2 739 454*	*4 061 657*
Of which outcome attributed to external partners	*(19 703)*	*(38 180)*	*230 644*
Earning per share	1,2	1,4	0,9

Consolidated Balance Sheet (economic presentation)

In €	31/01/19	31/01/18	31/01/17
Intangible assets :	6 829 631	7 644 502	6 445 339
Of which goodwill	*4 661 348*	*5 758 153*	*5 756 661*
Of which net deferred tax	*1 817 136*	*1 644 473*	*572 287*
Tangible assets	8 183 278	5 536 487	4 103 078
Financial assets	451 586	579 489	470 006
Non-current assets (A)	**15 464 495**	**13 760 478**	**11 018 423**
Stocks	9 517 800	9 481 259	7 908 070
Accounts receivable - commercial and other	25 904 241	25 561 824	19 365 788
Short-term accruals and prepayments	461 897	525 184	993 699
Current assets (a)	35 883 938	35 568 267	28 267 557
Accounts payable - commercial and other	(24 745 916)	(18 185 450)	(18 894 089)
Current liabilities (b)	(24 745 916)	(18 185 450)	(18 894 089)
Working Capital Requirements (B)=(a)+(b)	**11 138 022**	**17 382 817**	**9 373 468**
As a % of net sales	*10,6%*	*19,2%*	*13,4%*
Total Assets used (A)+(B)	**26 602 517**	**31 143 295**	**20 391 892**
Long-term provisions (A)	**100 826**	**146 939**	**148 689**
Other long-term liabilities (B)	**529 949**	**786 729**	**787 101**
Other short-term liabilities (C)	**787 500**	**566 601**	**1 422 784**
Long-term borrowings	8 040 502	6 610 650	4 931 924
Short-term borrowings	4 819 875	7 821 475	3 485 307
Short-term investments	(1 894 997)	(1 021 559)	(1 459 485)
Cash and cash equivalent liquid assets	(9 231 470)	(2 668 839)	(7 697 460)
Net financial debt (net treasury) (D)	**1 733 910**	**10 741 727**	**(739 714)**
Net equity (E)	**23 450 333**	**18 901 299**	**18 773 031**
Of which minority interest	*529 575*	*588 549*	*726 679*
Total Capital empoyed (A)+(B)+(C)+(D)+(E)	**26 602 517**	**31 143 295**	**20 391 892**

Information on the income statement of the consolidated financial statements as of January 31, 2019 and January 31,2018

In €	31/01/19	31/01/18	31/01/17
Net sales	104,659,844	90,741,255	70,092,437
Growth (%)	*15.3%*	*29.5%*	*n.d.*

Net sales breakdown by activities:

Activities	31/01/19	31/01/18	31/01/17
Trading of packaging and containers for perfumery and cosmetics division	94 363 424	80 095 854	62 097 859
Manufacture of wooden containers division	4 466 747	5 653 235	4 500 944
Manufacture of plastic containers division	938 183	1 304 790	1 703 812
Package decoration division	767 651	817 383	748 921
Services rendered	4 123 839	2 869 975	1 040 901
Total	**104 659 844**	**90 741 237**	**70 092 437**

Net sales breakdown by geographical area:

Geographical area	31/01/19	31/01/18	31/01/17
Spain	20 748 017	16 695 367	20 545 074
Other EU countries	59 031 241	62 376 057	43 757 373
Rest of the World	24 880 586	11 669 831	5 789 990
Total	**104 659 844**	**90 741 255**	**70 092 437**

Net sales show a dynamic trend with a CAGR of 22.2% over the period of the last two financial years a significant increase of trading of packaging activity and services provided (notably logistics services provided to customers).

A strong increase of net sales is observed in the rest of the world area (+13.3%) and to a lesser extent in Spain (+24%) recovering the previous year level, in 2018-19 financial year.

In €	31/01/19	31/01/18	31/01/17
Changes in inventories of finished goods and work in progress	959 663	144 055	281 103
Work carried out by the company for assets	15 508	-	361 675
Supplies & external services	(81 646 027)	(71 054 558)	(55 535 016)
Taxes	(393 301)	(267 939)	(185 089)
Employee costs	(15 066 826)	(10 752 150)	(8 526 817)
Other income & expenses	109 784	(1 979 716)	614 513
EBITDA	**8 638 644**	**6 830 947**	**7 102 806**
As a % of net sales	*8,25%*	*7,53%*	*10,13%*

In 2018-19 EBITDA increased by 14,9% to reach €8.6m (8,25% of net sales) vs €6.8m in 2017-18:

- The increased of supplies & external services is in line with the development. They amounted 78% of the net sales in 2018-19 and 2017-18,
- Employee costs rose by €4.3m in 2018-19 mainly due to:
  - the incidence on a full year basis of East Hill business acquired in October 2017 (approx.€1m),
  - the incidence of the organic business growth (new employees, increases in salaries,approx. €1.3m),
  - increase in bonuses and stock option program (approx. €0,6m)
  - erroneous allocation of €1.4m employee costs to external services in 2017-18.
- Other products & expenses : as at 31/01/2018 €1.9m are indeed supplies & external services that have been erroneously allocated to other products & expenses during the process of consolidation.

EBITDA margin is recovering in 2018-19 at 8.25% of net sales after a significant decrease in 2017-18 (7.53% vs. 10.13% in 2016-17) mainly due to the ramp up of the manufacturing activities (plastic and decoration).

In €	31/01/19	31/01/18	31/01/17
Depreciation, amortization and impairment	(2 794 843)	(1 899 916)	(1 537 742)
EBIT	**5 843 802**	**4 931 031**	**5 565 064**
As a % of net sales	*5,58%*	*5,43%*	*7,94%*

The depreciation, amortization and impairment as at 31/01/2019 are notably affected by the impairment of the goodwill from Quadpack plastics in an amount od €420 000.

In €	31/01/19	31/01/18	31/01/17
Net finance income/(expense)	(1 432 265)	(930 674)	387 745
Income tax expense	(1 353 130)	(1 299 083)	(1 669 506)
Profit/(loss) from discontinued operations, net of income tax	-	-	8 998
Consolidated result for the year	**3 058 407**	**2 701 274**	**4 292 301**
As a % of net sales	*2,92%*	*2,98%*	*6,12%*

The increase of the net financial expenses is due to the increase of long term debt and additional leasing contracts (machinery). The company also began to hedge the Korean currency, which did not exist earlier as products from Korea were bought in EUR. (the main supplier Yonwoo is from Korea)

The group has been running at profit during the last 3 years.

Information the balance sheet of the consolidated financial statements as of January 31, 2019 and January 31,2018

Total Assets used

In €	31/01/19	31/01/18	31/01/17
Intangible assets :	6 829 631	7 644 502	6 445 339
Of which goodwill	*4 661 348*	*5 758 153*	*5 756 661*
Of which net deferred tax	*1 817 136*	*1 644 473*	*572 287*
Tangible assets	8 183 278	5 536 487	4 103 078
Financial assets	451 586	579 489	470 006
Non-current assets (A)	**15 464 495**	**13 760 478**	**11 018 423**
Stocks	9 517 800	9 481 259	7 908 070
Accounts receivable - commercial and other	25 904 241	25 561 824	19 365 788
Short-term accruals and prepayments	461 897	525 184	993 699
Current assets (a)	35 883 938	35 568 267	28 267 557
Accounts payable - commercial and other	(24 745 916)	(18 185 450)	(18 894 089)
Current liabilities (b)	(24 745 916)	(18 185 450)	(18 894 089)
Working Capital Requirements (B)=(a)+(b)	**11 138 022**	**17 382 817**	**9 373 468**
As a % of net sales	*10,6%*	*19,2%*	*13,4%*
Total Assets used (A)+(B)	**26 602 517**	**31 143 295**	**20 391 892**

Working Capital Requirements:

- In 2018-19, the accounts receivable remain stable (+€342k) in spite of the increase of net sales (+€13.9m) and represent 24.8% of net sales in 2018-19 (vs. 28.2% in 2017-18),
- The accounts payables have increased in line with net sales and represent from 20% to 24% of the net sales over the last 2 years,

- The other accounts payable is composed mainly of VAT payables (€1.2m in 2018), current tax liabilities (€685k), employees (€777k) and sundry creditors (€746k),
- As a consequence, the Working Capital Requirements decreased/improved from €17.4m to €11.1m over the last 2 years, representing 10.6% of net sales in 2018-19 vs. 19.2% in 2017-18.

Total capital employed

Long-term provisions (A)	**100 826**	**146 939**	**148 689**
Other long-term liabilities (B)	**529 949**	**786 729**	**787 101**
Other short-term liabilities (C)	**787 500**	**566 601**	**1 422 784**
Long-term borrowings	8 040 502	6 610 650	4 931 924
Short-term borrowings	4 819 875	7 821 475	3 485 307
Short-term investments	(1 894 997)	(1 021 559)	(1 459 485)
Cash and cash equivalent liquid assets	(9 231 470)	(2 668 839)	(7 697 460)
Net financial debt (net treasury) (D)	**1 733 910**	**10 741 727**	**(739 714)**
Net equity (E)	**23 450 333**	**18 901 299**	**18 773 031**
Of which minority interest	*529 575*	*588 549*	*726 679*
Total Capital empoyed (A)+(B)+(C)+(D)+(E)	**26 602 517**	**31 143 295**	**20 391 892**

Provisions:

In 2018-19, provisions entirely correspond to long-term provisions for obligations towards employees.

In 2017-18 provisions related to long-term provisions for obligations towards employees (€77k) and provisions for guarantees for the company Technotraf Wood Packaging (€70k).

Net financial debt / (Net treasury):

The low amount of consolidated financial net debt (€1.7m in 2018-19 vs. €10.7m in 2017-18 is mainly explained by:

- the regular repayments of borrowings
- a strong decrease of derivatives, and
- the significant increase of the cash on hand (+€6.6m in 2018-19).

Short-term investments notably include:

- Short term deposits (€181k over the last two years),
- Derivatives (€235k in 2018-19 vs. €29k in 2017-18),
- Factoring guarantees (€653k in 2018-19, €302k in 2017-18),
- Deposits for foreign currency exchange rate insurance (€645k in 2018, €365k in 2017

The breakdown of the borrowings is as follows:

	31/01/19	31/01/18	31/01/17
Debt with financial institutions	5 277 755	3 682 475	3 648 541
Finance lease payables	2 762 746	1 745 500	662 076
Derivatives & other financial liabilities	1	1 182 675	621 307
Long-term borrowings	**8 040 502**	**6 610 650**	**4 931 924**
Debt with financial institutions	4 019 997	6 092 396	2 937 476
Finance lease payables	516 173	240 020	170 064
Derivatives & other financial liabilities	283 705	1 489 059	377 767
Short-term borrowings	**4 819 875**	**7 821 475**	**3 485 307**
Total	**12 860 377**	**14 432 125**	**8 417 231**

Hedging derivatives are used to hedge the USD/EUR foreign exchange risk of the business. (2018-19 and 2017-18), KWR/EUR and USD/AUD (in 2018-19). Hedging derivatives have strongly decreased at €284k in 2018-19 (vs. €2.7m in 2017-18).

Equity:

Net equity increased by €4.5m in 2018-19 to reach €23.4m due to the net income achieved in 2018-19 and the positive effect on the reserves of the implementation of the stock option plan (€1m) as the counterpart of the corresponding non cash labour costs sustained , less a distribution of dividends (€1m). No capital increase has been carried out.

1.9 Capital ressources and cash

1.9.1 Information on equity and liquidity sources of the Company

Changes in Equity (in €)	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
Equity as of 31/01/2017	**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	-	-	-	-	-	-	-	-	-
Of which variations in the consolidation perimeter	-	-	-	(32 618)	-	-	-	-	(32 618)
Of which others	-	-	-	542 304	-	-	-	50	542 354
Equity as of 31/01/2018	**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)
Of which variations in the consolidation perimeter	-	-	-	-	-	-	-	-	-
Equity as of 31/01/2019	**3 798 869**	**3 577 543**	**(88 265)**	**12 644 439**	**3 078 110**	**(56 734)**	**(33 205)**	**529 575**	**23 450 332**

No capital increase has been carried out over the last 2 years. At the end of the fiscal year 2019-19, the share capital of Quadpack Industries, S.A. is composed of 3,798,869 shares for a nominal value of €1, i.e. a total of €3,798,869.
According the dividend policy of the company, a distribution of dividends has been made each year.

1.9.2 Information on the Group's cash flows

Cash flows:

In €	31/01/19	31/01/18	31/01/17
Cash flows from operating activities	**13 246 397**	**(2 926 670)**	**4 613 888**
Of which self-financing capacity	7 034 464	6 325 617	5 619 539
Of which changes in operating assets and liabilities	6 211 933	(9 252 287)	(1 005 651)
Cash flows from investing activities	**(4 915 804)**	**(3 533 845)**	**(4 740 718)**
Cash flows from financing activities	**(1 767 962)**	**2 006 159**	**3 532 730**
Movement effect on exchanges	-	(574 265)	437 104
Net increase/reduction in cash and equivalents	6 562 631	(5 028 621)	3 843 004
Opening cash and equivalent resources	2 668 839	7 697 460	3 854 456
Closing cash and equivalent resources	9 231 469	2 668 839	7 697 460

- Total cash flows were significantly positive in 2018-19, amounting €6.5m vs - €5.0 the previous year; Such improvement is mainly the consequence of a strong positive cash flow from operating activities

Cash flows from operating activities:

In €	31/01/19	31/01/18	31/01/17
Profit/(loss) for the period before tax	**4 411 537**	**4 000 357**	**5 952 808**
Depreciation, amortization and impairment	2 851 807	2 373 097	1 846 213
Disposals of fixed assets (+/-)	37 991	(3 317)	(17 867)
Financial income & expenses	549 139	274 786	218 022
Differences on exchange (+/-)	880 652	646 496	92 761
Change in fair value of financial instruments (+/-)	546 615	-	(702 856)
Cash flows from operating activities before changes in assets/liabilities and other cash flows	**4 866 204**	**3 291 062**	**1 436 273**
Changes in operating assets and liabilities	6 211 933	(9 252 287)	(1 005 651)
Interest (paid)/received	(549 139)	(274 786)	(218 022)
Receips (payments) for corporation tax (+/-)	(1 694 138)	(691 016)	(1 551 521)
Cash flows from operating activities	**13 246 397**	**(2 926 670)**	**4 613 888**

The increase in cash flows from operating activities is mainly due to a strong improvement of the components of the net working capital requirement (positive changes in operating assets and liabilities). At the closing of the year 2017-18 an important customer experienced difficulties and delayed its payments in an amount of approx.€6m. At the closing of 2018-19 the same customer had restored the situation with an equivalent impact on the receivables.

Cash flows from investing activities:

In €	31/01/19	31/01/18	31/01/17
Payments for investments	(5 294 415)	(3 685 549)	(6 821 422)
Collections on disposal of investments	378 611	151 704	2 080 704
Cash flows from investing activities	**(4 915 804)**	**(3 533 845)**	**(4 740 718)**

The payments for fixed assets of €5.3m in 2018-19 mainly corresponds to:

- The acquisition of tangible fixed assets in an amount of €4.2m (€2.7m in 2017-18),
- The acquisition of intangible assets in an amount of €243 (vs. €835k in 2017-18), and
- The increase of other financial assets in an amount of €891m (vs. €124m in 2017-18) corresponding mainly to additional deposits for factoring and exchange rates edging contracts

Cash flows from financing activities:

In €	31/01/19	31/01/18	31/01/17
Collections and payments from equity based instruments	524 282	-	3 765 643
Collections and payments for financial liability instrument	(1 242 244)	3 356 159	817 087
Dividends and interest on other equity instruments paid	(1 050 000)	(1 350 000)	(1 050 000)
Cash flows from financing activities	**(1 767 962)**	**2 006 159**	**3 532 730**

Cash flows from financing activities are mainly related to:

- Payment of dividends (€1.0m in 2018-19),
- The repayment of financial debt (€3.0m in 2018-19) and the use of financial debt (€2.1m in 2018-19 vs. €4.3m in 2017-18).

1.9.3 Information on loan conditions and financing structure

In €	31/01/19	Non-current	Current
Bond debts	-	-	-
Debt with financial institutions	9 297 752	5 277 755	4 019 997
Finance lease payables	3 278 919	2 762 746	516 173
Other financial liabilities	283 706	1	283 705
Total financial debt	**12 860 377**	**8 040 502**	**4 819 875**

In €	Total	2020-21	from 2021-22 to 2023-24	Rest
Bond debts	-	-	-	-
Debt with financial institutions	5 277 754	2 103 476	3 174 278	-
Finance lease payables	2 762 746	688 558	1 845 933	228 255
Other financial liabilities	1	1	-	-
Total financial debt	**8 040 501**	**2 792 035**	**5 020 211**	**228 255**

1.10 Administrative, executive and supervisory bodies

Board of Directors Composition:

The Board of Directors is the highest decision-making body of QUADPACK INDUSTRIES, S.A, to which the administration and representation of the Company is entrusted, legally and statutorily. The functions of the Board of Directors are focused on the accomplishment of all acts necessary for the pursuit of the corporate purpose established in the Articles of Association and in the general supervision, ensuring that the executive bodies and the management team act in accordance with the approved strategies and objectives indicated.

The Board of Directors of the Company, as of today, is formed by the following members:

Board of Directors President:	Timothy-John Eaves
Board of Directors Vice-President:	Philippe Louis Joseph Lenglart
Board of Directors Secretary (non-Member):	Ignacio Fernández Gómez
Member:	Marc Guy Henry Sahonet
Member:	Patrick John McDermott
Member:	Steven Philip Lewis
Board of Directors Vice-Secretary (non-Member):	Beatriz Requena Blanes

Board of Directors background:

TIMOTHY-JOHN EAVES

Chief Executive Officer; Co-Founder & Board of Directors President

Tim Eaves is a businessman and entrepreneur with over 25 years' experience in the global beauty packaging industry. As co-founder and CEO of Quadpack Group, Eaves is responsible for the introduction and roll-out of new technologies and design concepts throughout Europe and Australasia. His vision has steered Quadpack into becoming a multinational concern serving leading beauty brands around the world. His current focus is on continued growth, both organic and through acquisitions, as well as on social and environmental projects.

Tim is also an experienced professional in manufacturing and marketing and holds a degree in Marketing for Engineering from Huddersfield University, UK.

JOHN MCDERMOTT

Board Member

John McDermott advises on the direction, strategy and performance of Quadpack Group. A veteran in the cosmetics packaging industry, he started working for his father's compression-moulding company Bradgrange Packaging Ltd in 1976.

He was recruited by US compression moulder Tech Industries to head up UK sales in 1984. Within two years, he became General Manager of Europe, heading 400 staff.

In 1993, he founded Collcap Ltd, an agency business specializing in plastic and metal caps, closures and collars. John became one of the traders with Asia, establishing relationships with Chinese manufacturers. He set up a strong Asian presence with offices in Hong Kong and China and a representative in Taiwan. Under John's leadership, Collcap became one of the UK's leading cosmetic packaging providers. In 2016, he joined forces with Quadpack Group, in a merger that saw the unification of two major players in beauty packaging.

Mr. McDermott holds an HNC degree in chemistry.

PHILIPPE LENGLART

Co-Founder & Board Member

Philippe Lenglart has overall responsibility of Quadpack Group and Yonwoo Europe in his capacities as co-founder, partner/shareholder, director and board member. He dedicates himself to strategic planning and market observation in view of mergers & acquisitions and recruitment.

With three decades' experience in cosmetics packaging, Lenglart is a well-known and respected player in the industry. After working in various roles within the APTAR Group, he founded Lenglart Packaging in 1988, which later merged to become Quadpack Group. His insight, connections and experience have helped to grow the company into an international enterprise working with the market's leading brands.

Mr Lenglart is a graduate in sales and marketing from the Paris Chamber of Commerce University and from Georgia University, USA.

MARC GUY HENRI SAHONET

Chief Visionary Officer & Board Member

Marc Sahonet is in charge of medium- and long-term planning from both a financial and strategic point of view. He draws up the company's mergers & acquisitions policy and project manages its stock market introduction.

With 20 years' experience in business management, Sahonet heads up his consultancy group EOG Consulting, a 30-strong company offering advice to international businesses since 1993. He has been on the board of Quadpack Group since its inception in 2003 and has been involved in all strategic decision making.

Mr. Sahonet is a chartered accountant and holds a Masters degree in finance and accounting from the Ecole Supérieure de Commerce de Montpellier.

IGNACIO FERNANDEZ GÓMEZ

Legal Counsel & Company Secretary

Ignacio Fernandez acts as Company Secretary and is Quadpack Group's legal counsel. As board member, he advises on legal business management and direction. In addition, he sits on strategic committees relating to company acquisitions and was key player in the incorporation of Technotraf and Krampak into Quadpack Group.

Fernandez is founder, owner and senior partner in the law firm Bufete Ignacio Fernandez Abogados Asociados, founded in 1990. In 2017 Mr. Fernández joined the law firm 1961 Abogados y Economistas. The firm offers legal and financial advice to global companies and provides business management consultancy.

Mr. Fernandez is graduated in law and economics at Deusto University (Bilbao) and holds a Masters in legal and financial affairs from IESE. A member of the Barcelona Bar Association, he specialises in legal counsel in complex transactions, mergers, acquisitions and partnerships.

STEVEN PHILLIP LEWIS

Board Member

Steven Lewis is currently a partner at Livingstone Partners, a middle market international investment bank.

Prior to joining Livingstone, Mr. Lewis worked for the audit firm Arthur Andersen for several years as well as in various global companies as chief financial officer. Mr. Lewis is focused on cross-border operations using his experience as a US financier living in Europe for more than 30 years. Last June Mr Lewis joined Quadpack Industries, S.A Board of Directors as a new Member, providing his great expertise in M&A operations.

Steven Lewis has a Bachelor's degree in Business Administration from the University of Southern California (Los Angeles) and holds a Masters in Business Administration from the London Business School."

BEATRIZ REQUENA BLANES

Legal Advisor & Company Vice-Secretary

Beatriz Requena is Quadpack's Company Vice-Secretary and legal advisor. As a board member, she assists Ignacio Fernandez, Company Secretary of the Board of Directors, and acts on his behalf in his absence.

Requena specialises in international commercial trade and business legal advice. Prior to joining Quadpack in 2017, she worked in various legal and finance functions, including positions at multinational freight company CEVA Logistics Group Iberia and the Regional Government of Alicante.

Requena has a Bachelor's degree in law from the University of Alicante, a Postgraduate degree in Company Legal Practice from UOC University (Barcelona) and a Masters in Logistics and International Commerce from Abat Oliva CEU University (Barcelona).

Board of Directors remuneration:

The remuneration of the Board of Directors for the current year 2019 was approved by the shareholders during the Annual Ordinary and Extraordinary Shareholders Meeting held in Barcelona last 24th July.

Board of Directors remuneration for each member yr.2019 25,000.00€

Board of Directors special rights:

None of the Board of Directors members have preferential acquisition rights.

The Company signed in 2016 a Stock Option Agreement with one of the Board Members, Mr. Patrick John McDermott. By signing this agreement, the company granted an option for acquiring a number of shares of the Company at the agreed price. This Stock Option must be exercised by the beneficiary before February 2020.

Conflict of Interests

The Board of Directors of the Company and the persons related to them in accordance with article 229 of the Spanish Companies Law, approved by Royal Legislative Decree 1/2010, dated 2nd July, 2010 and amended by Law 31 / 2014, 3rd December, which modifies the Spanish Companies Law for the improvement of corporate governance, have not reported conflict situations, direct or indirect, that they might have in the interest of the Company. Likewise, they declare that they have no positions or participations in companies with the same, analogous or complementary kind of activity to which it constitutes the corporate purpose of the Company.

Certain information regarding the members of Board of Directors and senior management

In the last five years, no member of the Board of Directors or senior management was convicted of fraudulent offenses.

In the last five years, no member of the Board of Directors or senior management was associated with any bankruptcy, receivership or liquidation acting in its capacity as a member of any administrative, management or supervisory body or as a senior manager.

In the last five years, no official public incriminations and/or sanctions have been made by statutory or legal authorities (including designated professional bodies) against any of the members of the Board of Managing Directors or senior management, nor have sanctions been imposed by the aforementioned authorities.

No court has ever disqualified any of the members of the Board of Directors or senior management from acting as a member of the administrative, management or supervisory body or as a senior manager, or from acting in the management or conduct the affairs of any issuer in the last five years.

1.11 Shareholders information

1.11.1 Shareholder structure

SHAREHOLDER	SHARES	%
Eudald Holding S.L	2,449,986	58.28
Anlomo SAS	281,669	6.70
Lenglart Philippe	321,896	7.66
Fabian Fritz Erlhöfer	255,057	6.07
Garrard Jeremy	50,485	1.20
Smith Jason	49,985	1.19
McDermott John Patrick	264,119	6.30
CULTURA ECONOMICA SICAV.S.A	40,000	0.95
INOTECH Kunstsofftechnik Gmbh	80,000	1.90
Treasury shares	52,219	1.24
Other shareholders holding less than 1% of the share capital	358,510	8.53
TOTAL	**4,203,926**	**100.00**

1.11.2 Shareholders' agreements

There is no Shareholders Agreements.

1.11.3 Information concerning thresholds crossed

The Company intends to apply for admission to trading on the Euronext Growth market of Euronext Paris ("Euronext Growth"). Application for admission to trading on a regulated market is not intended in connection with the Listing. Thus, as of the date of this Information Document, shareholders of the Company are not subject to the provisions of the Spanish financial supervision regulation governing disclosure requirements for significant shareholdings..

1.11.4 Information concerning the control of the Company

The ultimate shareholder having the control of the Company is Mr. Timothy John Eaves, legal representative and major shareholders of the entity Eudald Holdings S.L, Spanish entity with registered address at Mestre Nicolau, 19, second floor, Barcelona, 08021, Barcelona, with Spanish VAT number B65195059, as major shareholder holding the 58,28% of the share capital.

1.11.5 Agreements that may result in a change of control

As of the date of this Information Document, the Company is not aware of any agreement whose implementation may result in a change of the Company's control structure.

1.12 Related party transactions

During the financial year 2018-19, the Group has conducted operations with the following related parties:

Company	Type of connection
Eudald Holdings, S.L	Shareholder
Anlomo Societé Civil, S.A.S.	Shareholder
European Outsourcing Group, S.L.	Shareholder
Estate Management, S.L.	Other related party
Alba Andrea Division, S.L.	Other related party
Zuncasol Solar 2007, S.L.	Other related party
Philippe Lenglart.	Shareholder
Quadpack Net Technologies S.L.	Other related party
Advanced World, S.L.	Other related party
McDermott commercial Property Ltd.	Other related party
Trustees of the Collcap Pension Scheme.	Other related party

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

Item	Income	Expenses
Services rendered	-	(387,065)
Wages and salaries	-	(549,999)
Interest	-	(11,408)
Rentals	-	(590,966)
Dividends	-	(1,000,000)
	-	(2.539.438)

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

	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)
	108.835	(893,789)

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.

In addition, during the financial year 2018-19 the Company has conducted operations with the following related parties:

Company	Type of connection
Quadpack UK Ltd	Group company
Quadpack Germanu Gmbh	Group company
Quadpack France S.a.r.l	Group company
Quadpack Australia Pty. Ltd.	Group company
Quadpack Italy S.r.l	Group company
Quadpack Spain S.L.U	Group company

Technotraf Wood Packaging S.L	Group company
Quadpack Impressions S.L	Group company
Yonwoo Europe SAS	Group company
Quadpack Plastics S.A	Group company
Quadpack HK Ltd	Group company
Quadpack Manufacturing division	Group company
S.L	Group company
Quadpack Ltd	Group company
Quadpack Asia Pacofic Ltd	Group company
Quadpack USA Inc	Group company
Collcap Prime Ltd	Group company
Collcap Holdings S.L	Group company
Quadpack Packaging Ltd	Group company
East Hill Industries LLC	Shareholder
Eudald Holdings S.L	Other related party
Estate Management, S.L	Shareholder
European Outsourcing Group, S.L	

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

Item	Income	Expenses
Services rendered	8,339,902	-
Services received	-	(673,036)
Financial expenses	-	(108,450)
Financial incomes	126,731	-
Dividends	1,000,000	-

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

	Debit balances	Credit balances
Commercial debtors	4,150,329	-
Short-term credits	8,812,111	-
Long-term credits	700,000	-
Commercial creditors	-	(148,823)
Short-term liabilities	-	(6,095,514)
Long-term liabilities	-	-

Loans to group companies have a pre-established maturity and accrue market interests.

1.13 Financial information

1.13.1 Consolidated Financial statements for the financial year ended 31 January 2019

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**

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
Treasury 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		-	-
Other operating costs		**(19 931 712)**	**(18 574 452)**
External services		(19 221 321)	(16 269 339)
Taxes		(393 301)	(267 939)
Losses, impairment and 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 valoration 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

Long-term financial investments	Capital	Share premium	(Own shares and equity holdings)	Reserves and results of previous years	Profit for the year attributable to the Parent	Valuation adjustments	Conversion differences	External Partners	Total
BALANCE AS OF JANUARY 31, 2017	**3 798 869**	**3 577 543**	**(857 171)**	**7 284 439**	**4 061 657**	**220 752**	**(39 737)**	**726 679**	**18 773 031**
Total recognised income and expense	-	-	-	-	2 739 453	(1 680 429)	(52 312)	(38 180)	968 532
Distribution of 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 CHANGES IN EQUITY

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)
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
Receips (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)**
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**

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.

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)

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)

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,		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,		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.

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 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 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

Itis 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.

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.
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.

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.

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.

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.

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

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.

- 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.

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
Gross values						
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
Accumulated depreciation						
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)
Valuation adjustments						
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

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.

The goodwill balance is as follows:

	31.01.2019		
Company	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

	31.01.2018		
Company	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:

		31.01.2019		
Company	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

		31.01.2018		
Company	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.

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
Gross values				
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
Accumulated depreciation				
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

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:

		Balance at 31.01.19			
Acct	Country	Cost	Accumulated depreciation	Exchange	Net value
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
		2.235.531	(1.612.725)	6.585	629.391

Acct	Country	Cost	Accumulated depreciation	Exchange	Net value
		Balance at 31.01.18			
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
		1.955.042	(1.334.128)	(43.256)	577.658

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	2.495.074	870.264

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.

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							
					Value of payments		
	Cost of the good of origin	Value of the call option	Contract Duration (months)	Periods elapsed (months)	Paid in previous years	Paid in years 2018-17	Pending Call Option
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
	4.193.320	10.733			672.854	241.213	3.278.919

2017-18

	Cost of the good of origin	Value of the call option	Contract Duration (months)	Periods elapsed (months)	Value of payments: Paid in previous years	Value of payments: Paid in years 2018-17	Pending Call Option
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
	2.815.587	10.733			591.375	238.691	1.985.520

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:

	31.01.2019		31.01.2018	
Financial year	Minimum future payments	Current value	Minimum future payments	Current value
Up to one year	[illegible]	[illegible]	[illegible]	[illegible]
One to five	[illegible]	[illegible]	[illegible]	[illegible]
More than five				
	3.417.773	[illegible]	2.102.445	[illegible]

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:

	Nominal value	
Minimum Payments	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
	6.074.666	6.165.536

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
	247.889	341.396

	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
	1.787.992	897.363

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	203.697	238.093

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	25.904.240	25.561.824

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	(630.580)	(315,487)

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
Categories:								
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
	5.277.755	3.682.475	2.762.746	1.745.500	1	1.182.675	8.040.502	6.610.650

	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
Categories:								
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
	4.019.997	6.092.396	516.173	240.020	283.705	1.489.059	4.819.875	7.821.475

a) Classification by maturity

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

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

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

b) Other information

The breakdown of debts with financial institutions is as follows:

		Drawn balance at 31.01.19		
Types of Transactions	Limit granted	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

		Drawn balance at 31.01.18		
Types of Transactions	Limit granted	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
	24.758.705	18.185.450

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
	12.644.439	10.605.782

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.

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)
	(34,496)	(34,496)

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
	688.073	1.494.732

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	17.219	17.219	5,13	88.265

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%.

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
	125.426	232.319	357.745

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	(38.180)
Balance at 31.01.18	588.549
Other activity	10.729
Distribution of dividends	(50.000)
Profit for the financial year 2018-19	(19.703)
Balance at 31.01.19	529.575

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	(164.950)	41.525	(139.777)	84.790	160.090	(1.383)	(19.705)
	(316.976)	282.393	(178.262)	113.358	626.344	2.719	529.575

	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 FFPP	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)
	(133,277)	231.844	(40,673)	17.003	513.652	-	588.549

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	(33.012)	(54.133)
	(33.205)	(92.049)

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	6.945.118	7.555.416
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	1.758.285	1.292.436
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	741.473	610.037
Package Decoration division		
Raw materials and other procurement	66.087	16.320
Products in progress	6.838	7.049
Finished products	-	-
Advances	-	-
Subtotal	72.925	23.369
Total	9.517.800	9.481.259

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	(118,102)	(25,050)

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	-	-	-	-	-	-

Assets	Financial year 2017-18 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

	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	
Assets	2018-19 Financial Year (Expenses)/Income	2017-18 Financial Year (Expenses)/Income
Commercial debtors and other accounts receivable	67.805	(419.996)

	Transactions settled in the year	
Liabilities	2018-19 Financial Year	2017-18 Financial Year

	(Expenses)/Income	(Expenses)/Income
Commercial creditors and other accounts payable	(948,458)	(226.500)

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.

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)

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	-
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)

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	
					28.583	(1.935.229)

Item	Classification	Insured AUD/USD exchange rate	Amount subscribed in US dollars	Maturity	Assets Fair Value	Liabilities Fair Value
Exchange Rate Swap	Exchange Rate Hedging	0.7500	150,000	23.02.2018	-	(7,333)
Exchange Rate Swap	Exchange Rate Hedging	0.7960	150,000	26.03.2018	-	(7,314)
Exchange Rate Swap	Exchange Rate Hedging	0.8010	150,000	25.04.2018	-	(7,322)
Exchange Rate Swap	Exchange Rate Hedging	0.8010	150,000	25.05.2018	-	(7,325)
Exchange Rate Swap	Exchange Rate Hedging	0.8010	150,000	25.06.2018	-	(7,332)
Exchange Rate Swap	Exchange Rate Hedging	0.8010	150,000	25.07.2018	-	(7,349)
					-	(43,975)
			Total		28.583	(1.979.204)

The recognised income and 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.

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:

	2018-19			
	Debit balances		Credit balances	
Account	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
	2.149.570	1.909.698	332.434	2.541.778

	2017-18			
	Debit balances		Credit balances	
Account	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
	1.651.619	1.817.618	7.146	2.974.657

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		
	Increase	Decrease	Increase	Decrease	Total
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					2.063.432

	2017-18				
	Profit and loss account		Directly charged to net assets		
	Increase	Decrease	Increase	Decrease	Total
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					565.238

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
	2.149.570	1.651.619

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.

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:

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

The analysis by geographical market is as follows:

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

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)
	61.394.628	54.196.174

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
	61.074.510	54.432.203

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
	2.811.805	2.417.295

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)
	3.078.110	2.739.454

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.
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	(2.623.985)	(1.123.167)	(1.463.053)	1.550.000	850.000

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:

	31.01.2019		
Description	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
	513.834	(79,314)	434.520

	31.01.2018		
Description	Gross Value	Accumulated depreciation/impairment	Net Value
Technical facilities and machinery	411.537	(27.962)	383,575
	-	-	-
	411.537	(27.962)	383.575

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 Societé 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 Lenglart. (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)
	-	(2.539.438)

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)
	98.236	(2,797,757)

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)
	108.835	(893,789)

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)
	124.196	(1.101.371)

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:

	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%
Professional category	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	-
	182	138	320	320	-

Professional category	2017-18 Number of people employed at the closing of the financial year				
	Women	Men	Total	Average number of people employed during financial year	Average number of people with disabilities > 33%
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	-
	157	119	276	276	-

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

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 Premiums paid to current members of the Board of Directors	12.288	10.233
Payments based on equity instruments	335.463	200.712
Dividends	928.118	999.207
	2.211.741	1.946.418

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 at31 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.

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:

	2018-19				
Geographic market	Trading of packaging	Manufacture of wooden containers	Manufacture of plastic containers	Decoration for containers	Total
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
	94.614.473	9.645.296	1.995.746	916.081	107.171.595

	2017-18				
Geographic market	Trading of packaging	Manufacture of wooden containers	Manufacture of plastic containers	Decoration for containers	Total
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
	81.710.953	9.520.666	2.223.635	980.115	94.435.369

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.

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

Items	Trading of Packaging	Manufacture of wooden containers	Manufacture of plastic containers	Decoration for containers	Rendering of services	Total
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

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	84,217,90 3	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	-	189,787	46,242	-	-	236,029
Work carried out by the company on its assets	-	-	-	-	-	-
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 6	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.

1.13.2 Reports of the auditors on the financial year ended 31 January 2019

AUDIT REPORT ON THE CONSOLIDATED ANNUAL ACCOUNTS ISSUED BY AN INDEPENDENT AUDITOR

(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.)

To the shareholders of QUADPACK INDUSTRIES, S.A.

Opinion

We have audited the consolidated annual accounts of QUADPACK INDUSTRIES, S.A. (hereinafter the Parent Company) and Subsidiaries (the Group), which comprise the consolidated balance sheet at 31 January, 2019, the consolidated profit and loss account, the consolidated statement of changes in net equity, the consolidated statement of cash flows and the notes to the consolidated annual accounts for the year ended on that date.

In our opinion, the accompanying consolidated annual accounts present, in all material aspects, a true and fair view of the net equity and the financial position of the Group at 31 January 2019, and of the results of its operations and its cash flows, all of them consolidated, for the year ended on that date, in accordance with the applicable framework of financial reporting standards (which is identified in note 2 to the consolidated annual accounts) and, in particular, in compliance with the accounting principles and criteria contained in that framework.

Basis for our opinion

We have carried out our audit in accordance with the current Spanish standards for auditing accounts. Based on those standards, our responsibilities are set out below in the section Auditor´s responsibilities for the audit of the consolidated annual accounts of our report.

We are independent of the Group in accordance with the ethical requirements, including those relating to independence, that are relevant to our audit of the consolidated annual accounts in Spain, as required by the regulations governing the auditing of annual accounts. In this regard, we have not provided any services different to the audit of the annual accounts and no situations or circumstances have arisen that, based on said regulations, might have affected the required independence in such a way that it could have been compromised.

We believe that the audit evidence we have obtained provides a sufficient and appropriate basis for our audit opinion.
Most relevant aspects of the audit

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

<u>Recognition of income and expenses in relation to the proper cut of operations</u>

As detailed in note 20 to the consolidated annual accounts, the amounts recorded in the consumption of goods, raw materials and consumables and the net turnover for the year amounted to 61.395 thousand euros and 104.660 thousand euros, respectively.

In accordance with the regulatory financial reporting applicable and as indicated in note 3q to the consolidated annual accounts, the income and expenses are allocated based on the accrual criterion, that is, when the actual flow of goods and services that these represent occurs, independently of the moment in which the monetary or financial flow derived from them takes place.

As part of our audit and in response to said risk, we have carried out, among others, the following procedures:

- We have checked the proper accounting record of the latest purchases and sales for the 2018/2019 financial year and the first ones for the following year, based on their accrual.

- We have obtained confirmations of customer balances for a statistically selected sample.

- We have analysed invoices received and payments made after the closing date of the financial year 2018/2019 in order to identify possible liabilities accrued in the audited year not properly recorded.

- The analysis has been completed through analytical procedures.

Collections from customers

As detailed in note 8 to the consolidated annual accounts, the amount recorded under Trade debtors and other accounts receivable corresponds mainly to the balance of customers for the commercialisation of their products.

In accordance with the regulatory financial reporting framework applicable and as indicated in note 3 j.1.1.) to the consolidated annual accounts, the valuation adjustments for impairment are recorded based on the difference between their book value and the current value at the end of the year of the future cash flows that are estimated to be generated, discounted at the effective interest rate calculated at the time of initial recognition. These corrections are recognised in the consolidated profit and loss account.

Group companies analyse their client portfolio continuously and make valuation corrections for balances that are past due at the closing date. However, each case is analysed in order to determine if there are circumstances that may cause doubts about its collectability and may lead to the recording of the valuation correction.

The calculation of the impairment of accounts receivable has been considered a significant risk of material misstatement in our audit given the judgments and estimates to be used by the Management associated with the calculation, the relative importance of the balance at year-end and the type and atomization of the client portfolio. As part of our audit and in response to said risk, we have obtained a breakdown of outstanding customer balances at closing and we have verified whether customers with past due balances were adequately provisioned against possible signs of impairment in terms of their recoverability, evaluating, otherwise, the reasons that explain its non-correction and the documentation that provides evidence of the collectability of the balance. Our checks have been completed through the performance of analytical procedures.

Recoverability of goodwill

As of January 31, 2019, the Group has a registered goodwill in the non-current assets heading for an amount of 4.661 thousand euros. The valuation of these assets is based on a series of complex estimates that require the application of certain criteria, judgments and hypotheses by the Group Management.

We have considered that this is a relevant aspect of our audit due to the significance of the amounts, the complexity inherent in the key assumptions considered and the high sensitivity of the analyses carried out with respect to changes in business plan hypotheses, especially in discount rates and growth rates.

Our audit procedures have included, among others:

- Review of the model used by the Group Management, covering the mathematical coherence of the model, the reasonableness of projected cash flows, discount rates and long-term growth rates, as well as the review of the sensitivity analysis carried out by the Group Management.

- Review of the documentation provided by the Group regarding customer orders for the 2019/20 financial year.

- Review of the breakdowns included in note 4 with respect to the goodwill of the attached consolidated report, in accordance with current regulations.

Other information: Consolidated Report of the Directors

The other information relates exclusively to the Consolidated Report of the Directors for 2018/2019. The Directors of the Parent Company are responsible for preparing this report, which does not form an integral part of the consolidated annual accounts.

Our audit opinion on the consolidated annual accounts does not cover the Report of the Directors. In accordance with the regulations governing the auditing of accounts, our responsibility regarding the Report of the Directors includes evaluating and reporting on the consistency of the Report of the Directors with the annual accounts, based on the knowledge of the entity obtained during our audit of those accounts, excluding any information different to that obtained as evidence during our audit. Furthermore, our responsibility includes evaluating and reporting on whether the content and presentation of the Report of the Directors meet the requirements of the applicable regulations. If, as a result of our work, we conclude that there are material misstatements, we are required to report that fact.

Based on the work performed, as described in the preceding paragraph, the information reflected in the Report of the Directors is consistent with that of the 2018/2019 consolidated annual accounts, and, the content and presentation meet the requirements of the applicable regulations.

Responsibility of the Directors of the Parent Company concerning the consolidated annual accounts

The Directors of the Parent Company are responsible for drawing up the attached consolidated annual accounts, so that they show a true and fair view of the consolidated net equity, the consolidated financial position and the consolidated results of the Group, in accordance with the framework of financial reporting standards applicable to the Group in Spain, and for such internal control that they consider necessary to enable the preparation of consolidated annual accounts that are free from material misstatements, whether due to fraud or error.

When drawing up the consolidated annual accounts, the Directors of the Parent Company are responsible for assessing the Group's capacity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern accounting principles, unless the Directors of the Parent Company intend to liquidate the Group or to cease its operations, or whether there is no other realistic alternative.

Auditor´s responsibilities for the audit of the consolidated annual accounts

Our objectives are to obtain reasonable assurance about whether the consolidated annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the current Spanish regulations for auditing accounts will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these consolidated annual accounts.

As part of an audit in accordance with current Spanish audit regulations, we exercise our professional judgement and we maintain an attitude of professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the consolidated annual accounts, due to fraud or error, design and perform audit procedures to respond to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may imply collusion, forgery, deliberate omissions, intentionally incorrect representations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors of the Parent Company.

- Conclude on the appropriateness by the Directors of the Parent Company of the use of the going concern basis of accounting and, on the basis of the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention to this in our auditor's report to the related disclosures in the consolidated annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated annual accounts, including the information disclosed, and whether the consolidated annual accounts represent the underlying transactions and events in a manner that achieves a true and fair view.
- We obtain sufficient and adequate evidence in relation to the financial information of the entities or business activities within the Group to express an opinion on the consolidated annual accounts. We are responsible for the direction, supervision and performance of the Group's audit. We are solely responsible for our audit opinion.

We communicate with the Directors of the Parent Company concerning, among other matters, the planned scope and timing of the audit and the significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

From the significant risks communicated to the Directors of the Parent Company, we determine those matters that were most significance in the audit of the consolidated annual accounts of the current period and are, therefore, the risks considered most significant.

We describe these risks in our auditor’s report unless law or regulations prohibit public disclosure of the matter.

Grant Thornton, S.L.P. Sociedad Unipersonal

ROAC n°S0231

13th June 2019

1.13.3 Consolidated Financial statements for the financial year ended 31 January 2018

QUADPACK INDUSTRIES, S.A. & DEPENDENT COMPANIES
BALANCE SHEET CONSOLIDATED
YEAR ENDED 31 JANUARY 2018
(stated in euros)

ASSETS

	Note	31.01.2018	31.01.2017
NON-CURRENT ASSETS		**13 767 624**	**11 164 817**
Intangible fixed assets	**4**	**6 000 029**	**5 873 052**
Patents, licences, trademarks and similar rights		16 525	16 637
Goodwill		5 758 153	5 756 661
Computer software		165 509	99 754
Other intangible assets		59 842	-
Tangible fixed assets	**5**	**5 536 487**	**4 103 078**
Land and buildings		144 726	61 726
Plant, machinery and others		4 356 320	3 893 300
Assets in course and advance payments		1 035 441	148 052
Long term investments in group and associated entities	**7.2**	**238 093**	**210 595**
Equity instruments		238 093	209 653
Other financial assets		-	942
Long-term financial investments	**7.1**	**341 396**	**259 411**

Loans to third parties		45 551	39 046
Other financial assets		295 845	220 365
Deferred tax assets	**18**	**1 651 619**	**718 681**
CURRENT ASSETS		**39 258 665**	**37 424 502**
Stocks	**14**	**9 481 259**	**7 908 070**
Goods for resale		7 263 563	6 044 075
Raw materials and other supplies		954 196	567 796
Work in progress		600 848	724 595
Finished goods		322 906	-
Advanced payments		339 746	571 604
Accounts receivable - commercial and other	**8**	**25 561 824**	**19 365 788**
Accounts receivable for sales and services		23 245 298	18 029 600
Accounts receivable for sales and services from group companies and associates	**22**	-	88 882
Other receivables		492 237	332 431
Employees		6 671	1 618
Current tax assets	**18**	289 743	239 188
Public entities, other	**18**	1 527 875	674 069
Short-term financial investments in group companies and associates	**22**	**124 196**	**216 582**
Loans to companies		124 196	216 582
Short-term financial investments	**7.1**	**897 363**	**1 242 904**
Loans to companies		20 000	-
Other financial assets		848 780	826 423
Derivatives	**16**	28 583	416 481
Short-term accruals and prepayments		**525 184**	**993 699**
Cash and cash equivalent liquid assets		**2 668 839**	**7 697 460**
TOTAL ASSETS		**53 026 289**	**48 589 319**

NET EQUITY & LIABILITIES

		31.01.2018	**31.01.2017**
NET EQUITY		**18 901 299**	**18 773 031**
Capital and reserves	**11**	**19 864 476**	**17 865 337**
Capital		3 798 869	3 798 869
Share issuance premium		3 577 543	3 577 543
Reserves		10 605 782	7 284 439
Treasury shares		(857 171)	(857 171)
Profit for the year attributable to the Parent Company		2 739 453	4 061 657
Valuation adjustments		**(1 459 677)**	**220 752**
Conversion differences	**13**	**(92 049)**	**(39 737)**
External Partners	**12**	**588 549**	**726 679**

NON CURRENT LIABILITIES		**7 551 464**	**6 014 109**
Long-term provisions	**19**	**146 939**	**148 689**
Long-term employee benefits		76 623	59 514
Other provisions		70 316	89 176
Long-term borrowings	**9**	**6 610 650**	**4 931 924**
Debt with financial institutions		3 682 475	3 648 541
Finance lease payables	**6.1**	1 745 500	662 076
Derivatives	**16**	668 127	-
Other financial liabilities		514 548	621 307
Long-term borrowings - Group companies and associates	**22**	**782 171**	**782 171**
Deferred tax liabilities	**18**	**7 146**	**146 394**
Long-term accruals		**4 558**	**4 930**
CURRENT LIABILITIES		**26 573 526**	**23 802 179**
Short-term borrowings	**9**	**7 821 475**	**3 485 307**
Debt with financial institutions		6 092 396	2 937 476
Finance lease payables	**6.1**	240 020	170 064
Derivatives	**16**	1 311 077	122 145
Other financial liabilities		177 982	255 622
Short-term borrowings - Group companies and associates	**22**	**179 360**	**934 545**
Accounts payable - commercial and other	**10**	**18 185 450**	**18 894 089**
Suppliers		13 691 553	13 922 883
Suppliers, group companies and associates	**22**	139 840	2 908
Sundry creditors		473 163	1 691 407
Employees (payroll creditor)		502 869	677 083
Current tax liabilities	**18**	950 811	763 212
Public entities, other	**18**	2 023 846	1 505 862
Advances from customers		403 368	330 734
Short-term accruals		**387 241**	**488 239**
TOTAL EQUITY AND LIABILITIES		**53 026 289**	**48 589 319**

QUADPACK INDUSTRIES, S.A. & DEPENDENT COMPANIES

INCOME STATEMENT CONSOLIDATED

YEAR ENDED 31 JANUARY 2018

(stated in euros)

	Note	2017-18	2016-17
CONTINUING OPERATIONS			
Net turnover	**20a**	**90 741 255**	**70 092 437**
Sales	**24**	87 871 280	69 051 536
Services rendered		2 869 975	1 040 901
Changes in inventories of finished goods and work in progress		**144 055**	**281 103**
Work carried out by the company for assets		**-**	**361 675**
Supplies		**(54 785 219)**	**(39 885 772)**
Merchandise used	**20b**	(50 150 955)	(36 218 226)
Raw materials and other consumables used	**20b**	(4 045 219)	(3 176 328)
Subcontracted work		(685 627)	(465 130)
Impairment of merchandise, raw materials and other supplies	**14**	96 582	(26 088)
Other operating income		**3 656**	**415 003**
Non-trading and other operating income		3 656	392 185
Operating grants taken to income		-	22 818
Employee costs		**(10 752 150)**	**(8 526 817)**
Salaries and wages		(8 334 855)	(6 563 415)
Employee benefits expense	**20c**	(2 417 295)	(1 945 570)
Provisions		-	(17 832)
Other operating costs		**(18 574 452)**	**(16 104 674)**
External services		(16 269 339)	(15 649 245)
Taxes		(267 939)	(185 089)
Losses, impairment and changes in trade provisions	**8**	(60 675)	(8 415)
Other normal operating costs		(1 976 499)	(261 926)
Amortization and depreciation	**4, 5**	**(1 909 802)**	**(1 556 757)**
Excess provisions		**76 572**	**60 183**
Impairment and gains/(losses) on disposal of fixed assets	**5**	**(2 694)**	**(14 887)**
Impairment and losses		(6 011)	(32 754)
Gains/(losses) on disposal and other		3 317	17 867
Other results		**(10 190)**	**443 570**
RESULTS FROM OPERATING ACTIVITIES		**4 931 031**	**5 565 064**
Financial income		**13 505**	**52 199**
From tradable investments and other financial instruments		13 505	52 199
Financial costs		**(288 291)**	**(270 221)**
Debts with group companies and associates		(16 527)	(17 947)
Debts with third parties		(271 764)	(252 274)
Differences on exchange	**15**	**(646 496)**	**(92 761)**
Gains/(losses) on disposal and other		**(9 392)**	**698 528**
Impairment and losses		(9 392)	(4 328)

Results from sales and others		-	702 856
NET FINANCE INCOME/(EXPENSE)		**(930 674)**	**387 745**
Participation in profits (losses) of equivalence Companies		**-**	**-**
RESULT BEFORE TAXES		**4 000 357**	**5 952 808**
Income tax expense		**(1 299 083)**	**(1 669 506)**
PROFIT/(LOSS) FROM CONTINUING OPERATIONS		**2 701 274**	**4 283 303**
Profit/(loss) from discontinued operations, net of income tax		**-**	**8 998**
CONSOLIDATED RESULT FOR THE YEAR	**20d**	**2 701 274**	**4 292 301**
Result attributed to the parent company	**20d**	2 739 454	4 061 657
Outcome attributed to external partners	**12, 20d**	(38 180)	230 644

QUADPACK INDUSTRIES, S.A. & DEPENDENT COMPANIES
STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 JANUARY 2018
(stated in euros)

A) PROFIT AND LOSS ACCOUNT - RESULT

	Note	2017-18	2016-17
Profit/(loss)		**2 701 274**	**4 292 301**
Income and expenses recognised directly in equity			
For valoration of assets and liabilities			
Cash flow hedges		(1 950 621)	294 336
Tax effect		490 944	(73 584)
Total income and expense recognised directly in equity (I+II+III+IV+V)		**(1 459 677)**	**220 752**
Amounts transferred to the income statement			
Cash flow hedges		(294 336)	(382 421)
Tax effect		73 584	95 605
Total amounts transferred to the income statement		**(220 752)**	**(286 816)**
TOTAL RECOGNISED INCOME AND EXPENSE		**1 020 845**	**4 226 237**

B) STATEMENT OF TOTAL CHANGES IN EQUITY CONSOLIDATED

	Capital	Share premium	(Own shares in net equity)	Reserves and results of previous years	Profit for the year attributable to the Parent	Valuation adjustments	Differences on exchange	Sharehol-ders	Total
BALANCE AT 1 FEBRUARY 2016	**3 344 380**	**16 389**	**-**	**4 733 115**	**2 855 678**	**286 816**	**39 199**	**792 138**	**12 067 715**
Total recognised income and expenses	-	-	-	-	4 061 657	(66 064)	-	230 644	4 226 237
Distribution of result 2015-16	-	-	-	2 111 421	(2 111 421)	-	-	-	-
Operations with own shares (net value)	-	-	(857 171)	-	-	-	-	-	(857 171)
Capital increases	454 489	3 561 154	-	-	-	-	-	-	4 015 643
(-) Distribution of dividends	-	-	-	(255 743)	(744 257)	-	-	(50 000)	(1 050 000)
Other Movements									-
Variations in the consolidation perimeter	-	-	-	260 241	-	-	-	(260 241)	-
Other	-	-	-	435 405	-	-	(78 936)	14 138	370 607
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**
BALANCE AT 1 FEBRUARY 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)	-	(38 180)	1 020 844
Distribution of result 2016-17	-	-	-	2 811 657	(2 811 657)	-	-	-	-
Transactions with own shares and equity holdings (net)	-	-	-	-	-	-	-	-	-
Capital increases	-	-	-	-	-	-	-	-	-
(-) Distribution of dividends	-	-	-	-	(1 250 000)	-	-	(100 000)	(1 350 000)
Other Movements									
Variations in the consolidation perimeter	-	-	-	(32 618)	-	-	-	-	(32 618)
Other	-	-	-	542 304	-	-	(52 312)	50	490 042
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**

QUADPACK INDUSTRIES, S.A. & DEPENDENT COMPANIES
STATEMENT OF CASH FLOWS CONSOLIDATED
YEAR ENDED 31 JANUARY 2018
(stated in euros)

	Note	2017-2018	2016-2017
CASH FLOWS FROM OPERATING ACTIVITIES		**(2 926 670)**	**4 613 888**
Profit/(loss) for the period before tax		**4 000 357**	**5 952 808**
Adjustments for:		**3 291 062**	**1 436 273**
Depreciation of fixed assets	**4, 5**	1 889 235	1 556 757
Valuation correction for impairment (+/-)	**5, 8, 14**	34 503	67 257
Movement on provisions (+/-)		449 359	222 199
Disposals of fixed assets (+/-)	**5**	(3 317)	(17 867)
Financial income (-)		(13 505)	(52 199)
Financial expenses (+)		288 291	270 221
Differences on exchange (+/-)		646 496	92 761
Change in fair value of financial instruments (+/-)		-	(702 856)
Changes in operating assets and liabilities		**(9 252 287)**	**(1 005 651)**
Stock (+/-)		(1 599 277)	(1 383 675)
Debtors and other accounts receivable (+/-)		(7 123 089)	3 382 575
Other current assets (+/-)		468 515	47 293
Creditors and other accounts payable (+/-)		(897 064)	(2 843 403)
Other current liabilities (+/-)		(101 372)	(208 441)
Other cash flows from operating activities		**(965 802)**	**(1 769 543)**
Interest paid (-)		(288 291)	(270 221)
Interest received (+)		13 505	52 199
Receips (payments) for corporation tax (+/-)		(691 016)	(1 551 521)
Other cash flows from operating activities		**(2 926 670)**	**4 613 888**
CASH FLOWS FROM INVESTING ACTIVITIES		**(3 533 845)**	**(4 740 718)**
Payments for investments (-)		**(3 685 549)**	**(6 821 422)**
Group and associated companies		(27 497)	(41 038)
Intangible fixed assets		(835 315)	(5 425 812)
Tangible fixed assets	**5**	(2 698 395)	(1 353 572)
Other financial assets		(124 342)	(1 000)
Collections on disposal of investments (+)		**151 704**	**2 080 704**
Group companies, net of cash in consolidated companies		92 386	-
Intangible fixed assets	**4**	-	820
Tangible fixed assets	**5**	54 108	133 060
Other financial assets		-	662 106
Business Unit		5 210	1 284 718
Cash flows from/used in investing activities (7-6)		**(3 533 845)**	**(4 740 718)**
CASH FLOWS FROM FINANCING ACTIVITIES		**2 006 159**	**3 532 730**
Collections and payments from equity based instruments		**-**	**3 765 643**
Issuance of equity instruments (+)		-	4 015 643
Disposal of own equity instruments (+) and from the parent company (-)		-	(250 000)
Collections and payments for financial liability instrument		**3 356 159**	**817 087**

Issuance	4 342 234	3 761 833
Borrowings from financial institutions (+)	4 342 234	3 000 000
Borrowings from group and associated entities (+)	-	539 772
Other payables (+)	-	222 061
Repayment and cancelation of:	(986 075)	(2 944 746)
Borrowings from financial institutions (-)	-	(1 973 067)
Borrowings from group and associated entities (-)	(801 672)	(971 679)
Other debts (-)	(184 403)	-
Dividends and interest on other equity instruments paid	**(1 350 000)**	**(1 050 000)**
Dividends (-)	(1 350 000)	(1 050 000)
Cash flows from/used in financing activities	**2 006 159**	**3 532 730**
Movement effect on exchanges	**(574 265)**	**437 104**
NET INCREASE/REDUCTION IN CASH AND EQUIVALENTS	**(5 028 621)**	**3 843 004**
Opening cash and equivalent resources	**7 697 460**	**3 854 456**
Closing cash and equivalent resources	**2 668 839**	**7 697 460**

1.. <u>Parent Company and subsidiaries</u>

QUADPACK INDUSTRIES, S.A. (the Parent Company) was incorporated on 22 June 2010 (under the name of ANLOMO SPAIN, S.L. until 13 October 2015).

Its registered office is in plaza de Europa no. 9, planta 11, in L´Hospitalet de Llobregat.

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 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 Company converted its shares into book entries during the first quarter of 2016 by entering accounting records of these shares at Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal (IBERCLEAR). Based on that registration, the Company retained the services of a Participating Agent and the help of another Participating Agent in France to transfer part of its shares to the French Accounting Records institution (Euroclear), in order to enable the aforementioned portion of the shares to be listed in the EURONEXT stock exchange (EURONEXT Access).

The EURONEXT Access exchange is not a regulated market, and the 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 both to access EURONEXT Access and to 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.

The subsidiary undertakings included in the consolidation scope are as follows:

Financial year ending 31/01/2018					
Name/ Address/Activity	Company owning the direct share hold	Participation percentage attributable to the parent company	Value of participation (in euros)	Registered Address	Activity
QUADPACK PACKAGING LTD (a)	Quadpack Industries, S.A.	100%	614,853	United Kingdom	Trading of packaging and containers for perfumery and cosmetics
QUADPACK FRANCE, S.A.R.L. (b)	Quadpack Industries, S.A.	100%	1,685,627	France	Trading of packaging and containers for perfumery and cosmetics
QUADPACK ITALY, S.L.R (d)	Quadpack Industries, S.A.	100%	50,000	Italy	Trading of packaging and containers for perfumery and cosmetics
QUADPACK SPAIN S.L. (e)	Quadpack Industries, S.A.	100%	3,705,661	Spain	Trading of packaging and containers for perfumery and cosmetics
YONWOO EUROPE SAS (b)	Quadpack Industries, S.A.	90%	209,406	France	Trading of packaging and containers for perfumery and cosmetics
QUADPACK AUSTRALIA PTY LTD (c)	Quadpack Industries, S.A.	100%	2,077,214	Australia	Trading of packaging and containers for perfumery and cosmetics
QUADPACK GERMANY GmbH	Quadpack Industries, S.A.	100%	150,000	Germany	Trading of packaging and containers for perfumery and cosmetics
QUADPACK LTD (a)	Quadpack Industries, S.A.	100%	332,957	United Kingdom	Trading of packaging and containers for perfumery and cosmetics
QUADPACK MANUFACTURING DIVISION, S.L.	Quadpack Industries, S.A.	80%	1,000,511	Spain	Acquisition, holding, administration and management of shares hold by other companies and any real estate activity.
TECHNOTRAF WOOD PACKAGING, S.L. (e)	Quadpack Manufacturing Division S.L.	80%	480,000	Spain	Manufacturing of wooden containers
QUADPACK IMPRESSIONS, S.L.	Quadpack Manufacturing Division S.L.	56%	0	Spain	Decoration for containers
QUADPACK PLASTICS S.A.	Quadpack Manufacturing Division S.L.	80%	656,000	Spain	Manufacturing of plastic containers
COLLCAP PRIME LTD	Quadpack Industries, S.A.	100%	2,521,743	United Kingdom	Acquisition, holding, administration and management of shares hold by other companies and any real estate activity.
COLLCAP HOLDING LTD	COLLCAP PRIME LTD	100%	962	United Kingdom	Acquisition, holding, administration and management of shares hold by other companies and any real estate activity.
QUADPACK UK LIMITED (a)	COLLCAP HOLDING LTD	100%	3,755,341	United Kingdom	Trading of packaging and containers for perfumery and cosmetics
QUADPACK ASIA PACIFIC LTD	Quadpack Industries, S.A.	99%	153,698	Hong Kong	Trading of packaging and containers for perfumery and cosmetics
QUADPACK USA INC.	Quadpack Industries, S.A.	100%	93	United States	Acquisition, holding, administration and management of shares hold by other companies and any real estate activity.
EAST HILL IND LLC.	Quadpack USA INC	100%	8,027	United States	Trading of packaging and containers for perfumery and cosmetics

(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)

Financial year ending 31/01/2017					
Dependent companies	Company owning the direct share hold	Participation percentage attributable to the parent company	Net value of participation (in euros)	Registered Address	Activity
QUADPACK UK LIMITED (a)	Quadpack Industries, S.A.	100%	164,586	United Kingdom	Trading of packaging and containers for perfumery and cosmetics
QUADPACK FRANCE, S.A.R.L. (b)	Quadpack Industries, S.A.	100%	1,685,000	France	Trading of packaging and containers for perfumery and cosmetics
QUADPACK ITALY, S.L.R	Quadpack Industries, S.A.	100%	50,000	Italy	Trading of packaging and containers for perfumery and cosmetics
QUADPACK SPAIN, S.L.P. (d)	Quadpack Industries, S.A.	100%	3,705,661	Spain	Trading of packaging and containers for perfumery and cosmetics
YONWOO EUROPE SAS (b)	Quadpack Industries, S.A.	90%	127,187	France	Trading of packaging and containers for perfumery and cosmetics
QUADPACK AUSTRALIA PTY LTD (c)	Quadpack Industries, S.A.	100%	2,098,714	Australia	Trading of packaging and containers for perfumery and cosmetics
QUADPACK GERMANY GmbH	Quadpack Industries, S.A.	100%	150,000	Germany	Trading of packaging and containers for perfumery and cosmetics
QUADPACK LTD (a)	Quadpack Industries, S.A.	100%	327,388	United Kingdom	Trading of packaging and containers for perfumery and cosmetics
QUADPACK MANUFACTURING DIVISION, S.L.	Quadpack Industries, S.A.	80%	935,467	Spain	Acquisition, holding, administration and management of shares hold by other companies and any real estate activity.
TECHNOTRAF WOOD PACKAGING, S.L.	Quadpack Manufacturing Division S.L.	80%	480,000	Spain	Manufacturing of wooden containers
QUADPACK IMPRESSIONS, S.L.	Quadpack Manufacturing Division S.L.	56%	89,636	Spain	Decoration for containers
QUADPACK PLASTICS S.A.	Quadpack Manufacturing Division S.L.	80%	656,000	Spain	Manufacturing of plastic containers
COLLCAP PRIME LTD	Quadpack Industries, S.A.	100%	2,451,642	United Kingdom	Acquisition, holding, administration and management of shares hold by other companies and any real estate activity.
COLLCAP HOLDING LTD (a)	COLLCAP PRIME LTD	100%	962	United Kingdom	Acquisition, holding, administration and management of shares hold by other companies and any real estate activity.
COLLCAP PACKAGING LTD (a)	COLLCAP HOLDING LTD	100%	3,755,341	United Kingdom	Trading of packaging and containers for perfumery and cosmetics
COLLCAP PACKAGING HK LTD	Collcap Packaging LTD	100%	12	Hong Kong	Trading of packaging and containers for perfumery and cosmetics

(a) Company audited by Grant Thornton UK LLP (United Kingdom)
(b) Company audited by Françoise France (France)
(c) Company audited by Grant Thornton Australia (Australia)
(d) Company audited by Grant Thornton, S.L.P. (Spain)

Quadpack USA Inc and East Hill Industries LLC are included within the consolidation scope for the tax year of 31 January 2018.

The first of these was acquired on 24 November 2016, and latterly, on 1 April 2017, its name was changed to Quadpack USA Inc. East Hill Industries was founded on 1 October 2017.

On 10 November 2017, a capital increase amounting to 100 ordinary shares priced at 13,600 HKD (1,537 Euros) per share, was carried out within Quadpack Asia.

Quadpack Industries, S.A. owns 100% and 71% of the shares in Quadpack Foundation and QPNET TECHNOLOGIES, S.L. for a value of 60,000 and 147,680 Euros respectively. These companies have not been included in the consolidation scope due to their low significance.

Quadpack Limited owns 100% of the share capital of Quadpack Hong Kong Ltd, located in Hong Kong, with the value of the financial holding for this undertaking being 30,928 Euros. This company has not been included in the consolidation scope due to its low significance.

Quadpack UK Ltd owns 100% of shares in Longshawe Australia Pty Ltd. and Diva Cosmetics Ltd., to a value of 7 and 113 euros, respectively. These companies have not been included in the consolidation scope due to their low significance.

In the fiscal year which ended on 31 January 2017, Quadpack Plastics S.A., Collcap Prime Ltd, Collcap Holding Ltd, Collcap Packaging Ltd and Collcap Packaging HK Ltd were incorporated within the consolidation scope.

The first of these was acquired on 5 February 2016 and the remainder on 24 November 2016. Quadpack Plastics, S.A. was included within the consolidation scope on 5 February 2016, the rest of the companies were included on 24 November 2016.

During the fiscal year of 2017-16, the remaining 75% of Quadpack Australia PTY Ltd. was acquired for 2 million Euros, thus it is now consolidated through global integration. The effective date of this operation was 1 February 2016.

All the aforementioned companies close their annual accounts to 31 January. The companies have been included in the consolidation using the global integration method.

2. Basis for the presentation of the consolidated annual accounts

i) True and fair view

The consolidated annual accounts, which consist of the consolidated balance sheet, the consolidated profit and loss statement, 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, applying the legal provisions that are in force as regards accounting matters, in particular, Royal Decree 1159/2010, of 17 September which approves the Standards for preparing consolidated annual accounts and modifies the National Chart of Accounts approved by Royal Decree 1514/2007, of 16 November 2007 and its modifications approved by Royal Decree 1159/2010, of 17 September and by Royal Decree 602/2016, of 2 December, and in order to show a true and fair view of the Group's equity, financial situation, results, changes in net equity and cash flows occurred during the year.

All the amounts shown in this 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 General Meeting of Shareholders of QUADPACK INDUSTRIES, SA, and it is considered that they will be approved without any modification.

j) 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.

k) Changes in accounting criteria

No significant changes in accounting criteria arose during the 2017-18 financial year with respect to the criteria applied in the 2016-17 financial year.

l) 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 capitalized (note 3m).

- Estimation on provisions and contingent liabilities (note 3n).

Although these estimates have been made based on the best information available at the end of the 2017-18 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.

m) Grouping of items

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

n) 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.

o) 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.

p) 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 includes, in addition to the figures for the 2017-18 financial year, the figures for the previous year. Quantitative information from the previous financial year is also included in the report, except when an accounting standard specifically states that this is not necessary.

Furthermore, it should also be noted that as a consequence of the inclusion of companies into the consolidation scope in the year ended on 31 January 2018, the figures of the balance sheet to 31 January 2018 are not directly comparable with those of the previous year, nor are the figures from the profit and loss statement comparable to those of the previous year; the inclusion in the consolidation scope led to an increase in the assets of 4,175,000 euros, in the liabilities of 4,353,000 euros, in the net turnover of 1,676,000 euros and a loss of 167,000 euros.

3. Valuation standards

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

l) 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 on a straight-line basis over ten years). The useful life will be determined separately for each cash generating unit to which the goodwill has been assigned.

m) 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 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.

n) 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.

o) Standardization of items

Different items from the individual accounts of each of the companies have been subjected to the corresponding standardization 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.

p) 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 2018.

- Regarding the liability and net equity items, except for the “Share” 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 2018.

- 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” heading under the “Adjustments for changes in value” chapter of the accompanying consolidated balance sheet.

q) 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 capitalized 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.

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.

r) 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, modernizations 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 amortization percentages applied are the following:

	Percentage
Machinery	12.5%
Facilities	15%
Moulding equipment	33%
Other facilities	20% - 33%
Furnishings	15% - 25%
Information-processing equipment	25% - 38%
Transportation equipment	16% - 25%
Other fixed assets	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 individualized basis.

  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.

s) 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.

t) Stocks

Stocks are valued at the lower of their purchase price, or net realizable 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 realizable 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 realizable 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 realizable value, recording the adjustment in the profit and loss statement for the year.

u) 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 fiscal year, discounted at the effective interest rate calculated when initially entered. These adjustments are recorded in the profit and loss statement.

j.1.2) Investments held to maturity

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

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

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

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

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 securitization 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 Company's equity after deducting all of its liabilities.

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

Treasury shares acquired by the Company are recorded directly as a lower value of 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 Net Equity, without in any case registering any result in the profit and loss statement.

j.4) Deposits paid and received

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

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

v) 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.

t) 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.

u) 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 shall have future taxable profits against which they can be realized.

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.

v) 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 materialization 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.

w) Long-term employee remuneration liabilities

Payments based on equity instruments

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

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

Transactions with employees that are settled with equity instruments, both for services 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 change in their rating during the financial year is recorded in the income statement.

x) 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.

y) 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.

z) Consolidated cash flow statement

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

- Operating activities: activities that constitute the Group's ordinary income, as well as other activities that cannot be classified as investing or financing activities.

- Investing activities: activities having to do with the 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.

aa) 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.

4. Intangible fixed assets:

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

	Concessions	Industrial property	Computer software	Other intangible fixed assets in progress	Goodwill	Total
Gross values						
Balance at 01.02.16	649	15,736	520,516	-	327,825	864,726
Consolidation scope addition	-	-	39,204	-	-	39,204
Additions	-	2,826	54,847	-	6,123,988	6,181,661
Withdrawals		(776)	(44)			(820)
Exchange differences	-	8,168	-	-	(37,482)	(29,314)
Balance at 31.01.17	649	25,954	614,523	-	6,414,331	7,055,457
Consolidation scope addition	-	-	-	-	-	-
Additions	-	-	131,424	59,842	644,049	835,315
Exchange differences	-	776	(1,225)	-	8,691	8,242
Balance at 31.01.18	649	26,730	744,722	59,842	7,067,071	7,899,014
Accumulated depreciation						
Balance at 01.02.16	(649)	(253)	(437,101)	-	-	(438,003)
Consolidation scope addition	-	-	(16,951)	-	-	(16,951)
Depreciation allowance	-	(897)	(60,717)	-	(376,018)	(437,632)
Exchange differences	-	(8,167)	-	-		(8,167)
Balance at 31.01.17	(649)	(9,317)	(514,769)	-	(376,018)	(900,753)
Depreciation allowance	-	(888)	(64,444)	-	(642,557)	(707,889)
Balance at 31.01.18	(649)	(10,205)	(579,213)	-	(1,018,575)	(1,608,642)
Valuation adjustments						
Balance at 01.02.16	-	-	-	-	(285,230)	(285,230)
Additions	-	-	-	-	(32,754)	(32,754)
Exchange differences	-	-	-	-	36,332	36,332
Balance at 31.01.17	-	-	-	-	(281,652)	(281,652)
Additions	-	-	-	-	(6,011)	(6,011)
Exchange differences	-	-	-	-	(2,680)	(2,680)
Balance at 31.01.18	-	-	-	-	(290,343)	(290,343)
Net book value as at 31.01.2017	-	16,637	99,754	-	5,756,661	5,873,052
Net book value as at 31.01.2018	-	16,525	165,509	59,842	5,758,153	6,000,029

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

	31.01.2018		
Account	Gross value	Accumulated depreciation	Net value
Concessions	649	(649)	-
Industrial Property	10,581	(8,886)	1,695
Computer software	2,243	(2,243)	-
Total	13,473	(11,778)	1,695

	31.01.2017		
Account	Gross value	Accumulated depreciation	Net value
Concessions	649	(649)	-
Industrial Property	2,826	(566)	2,260
Computer software	2,243	(2,243)	-
Total	5,718	(3,458)	2,260

The gross value of the elements in use that were totally depreciated is as follows:

Account	Balance at 31/01/18	Balance at 31/01/17
Concessions	649	649
Computer applications	440,320	408,895
	440,969	409,544

Goodwill

As a result of the acquisition by Quadpack UK Limited of the activities of Spirit Limited in 2015-16 a goodwill was generated in an amount of327,825 Euros. At the end of the 2015-16 fiscal year an impairment test was performed based on a calculation of the value in use. This calculation considered the projected future cash flows based on financial budgets. Based on the value in use the Group recorded a goodwill impairment loss. During the 2016-17 and 2017-18 fiscal years an additional impairment of 32,754 Euros, and 6.011 Euros was recorded, respectively. Total impairment was reached on 31 January 2018.

As a result of the acquisition by Quadpack USA Inc of East Hill Industries Inc. business during this financial year a goodwill of644,049 Euros was generated. As of this year, the Group recorded a goodwill amortization of 10% per annum on the consolidated accounts in accordance with current regulations.

The goodwill balance is as follows:

2017 - 2018			
Company	Gross Value	Accumulated depreciation/impairment	Net Value
Quadpack UK Limited	327,825	(327,825)	-
East Hill Industries Inc.	644.049	(21,467)	622.582
Total	971.874	(349,292)	622.582

2016-17			
Company	Gross value	Accumulated depreciation / impairment	Net value
Quadpack UK Limited	290,343	(281,652)	8,691
Total	290,343	(281,652)	8,691

Goodwill on consolidation

As at 31 January 2017, a result of the acquisition of Quadpack Plastics, S.A., Quadpack Australia PTY Ltd. and Collcap Prime Ltd., the goodwill net balance was 5,747,970.

As at 31 January 2018, the consolidation goodwill balance was 5,135,571 resulting from the balance of the previous year plus a 10% depreciation for the year in progress. At a consolidated level, East Hill Inc's proportional amortization has also been recorded, at a consolidated level.

As of 2016-17, the Group has recorded a goodwill amortization of 10% per annum in accordance with current regulations.

The balance of goodwill on consolidation is as follows:

2017-18			
Company	Gross value	Accumulated depreciation	Net value
Collcap Prime Ltd.	2.836.570	(330.933)	2.505.637
Quadpack Plastics S.A.	1.133.040	(226.608)	906.432
Quadpack Australia Pty.	2.154.378	(430.876)	1.723.502
Total	6.123.988	(988.417)	5.135.571

2016-17			
Company	Gross value	Accumulated depreciation	Net value
Collcap Prime Ltd.	2,836,570	(47,276)	2,789,294
Quadpack Plastics S.A.	1,133,040	(113,304)	1,019,736
Quadpack Australia Pty.	2,154,378	(215,438)	1,938,940
Total	6,123,988	(376,018)	5,747,970

5. Tangible assets

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

	Land and buildings	Technical installations and other fixed assets	Advances and fixed assets in progress	Total
Gross values				
Balance at 01.02.16	-	3,746,499	510,804	4,257,303
Consolidation scope additions	120,570	2,928,459	-	3,049,029
Additions	-	1,145,209	208,363	1,353,572
Withdrawals	-	(117,919)	(95,365)	(213,284)
Transfers	1,569	474,181	(475,750)	-
Exchange differences	-	(16,792)	-	(16,792)
Balance at 31.01.17	122,139	8,159,637	148,052	8,429,828
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
Accumulated depreciation				
Balance at 01.02.16	-	(1,659,049)	-	(1,659,049)
Consolidation scope additions	(53,051)	(1,608,482)	-	(1,661,533)
Depreciation allowance	(6,564)	(1,112,561)	-	(1,119,125)
Withdrawals	-	98,091	-	98,091
Exchange differences	(798)	15,664	-	14,866
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)
Net book value as at 31.01.2017	61,726	3,893,300	148,052	4,103,078
Net book value as at 31.01.2018	144,726	4,356,320	1,035,441	5,536,487

During the 2017-18 and 2016-17 periods the Group sold tangible assets whose net book value amounts to 50,791 and 115193 Euros, respectively, obtaining a loss of 3,317 Euros and a profit of 17,867 Euros, respectively.

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

Account	Country	Balance as at 31/01/18 Gross value	Balance as at 31/01/18 Accumulated depreciation	Balance as at 31/01/17 Gross value	Balance as at 31/01/17 Accumulated depreciation
Plant, machinery and other tangible fixed assets	United Kingdom	763,957	(675,858)	769,444	(649,219)
	France	424,140	(297,466)	422,445	(257,749)
	Germany	2	-	2	-
	Hong Kong	117,051	(32,044)	24,627	(12,743)
	Italy	143,303	(130,451)	143,303	(123,438)
	Australia	190,809	(101,096)	303,457	(181,461)
	China	82,897	(68,725)	86,522	(55,166)
	South Korea	15,575	(15,339)	15,575	(15,339)
	United States	174,052	(13,149)	-	-
		1,911,786	(1,334,128)	1,765,375	(1,295,115)

The cost of the tangible assets in use which are fully depreciated is as follows

Account	Balance at 31.01.18	Balance at 31.01.17
Technical facilities, machinery and other fixed assets	870,264	673,812
	870,264	673,812

The Group's policy is to take out insurance policies to cover the potential risks to which the various elements of its tangible fixed assets are subject. At the end of the 2017-18 and 2016-17 periods there is no deficit in coverage related to this risk.

As explained in note 6.1, the Group has contracted several finance leasing operations on its tangible assets.

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:

2017-18							
					Value of Payments		
Item	Cost of the good of origin	Value of the call option	Contract duration (months)	Periods elapsed (months	Paid in previous years	Paid in years 2016-17	Pending call option
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
Transportation	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	20,657
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	-
Machinery	106,925	-	60	57	85,723	16,029	5,173
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	1,289
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	-
Vehicle	14,227	-	60	41	6,917	3,070	4,240
IT equipment	40,954	-	36	36	37,258	3,696	-
Vehicle	28,877	-	60	60	16,939	11,938	-
IT equipment	7,458	-	24	24	2,562	2,300	2,596
Mould	95,673	-	48	47	67,092	26,647	1,934
Other facilities, to	16,059	-	48	42	7,589	5,620	2,850
	2,815,587	10,733			591,376	238,692	1,985,519

2016-17							
					Value of Payments		
Item	Cost of the good of origin	Value of the call option	Contract duration (months)	Periods elapsed (months)	Paid in previous years	Paid in years 2016-17	Pending call option
Machinery	114,002	1,975	60	43	76,396	15,287	22,319
Transportation	20,507	-	60	60	15,076	5,431	-
Other facilities, tools, furniture	78,867	1,142	60	27	11,876	22,533	44,458
Other facilities, tools, furniture	288,000	-	72	12	-	30,913	257,087
Machinery	30,830	403	60	22	13,900	14,343	2,587
Machinery	106,500	6,320	60	14	3,241	20,295	82,964
Machinery	45,000	893	60	21	6,639	8,852	29,509
Machinery	133,080	-	60	4	-	-	133,080
Machinery	169,500	-	72	7	-	16,269	153,231
Machinery	19,000	-	60	35	6,528	3,674	8,798
Machinery	35,000	-	60	55	27,449	5,262	2,289
Machinery	106,925	-	60	45	70,698	15,025	21,202
Machinery	30,000	-	60	39	18,190	4,015	7,795
Machinery	31,875	-	36	36	28,172	3,703	-
Machinery	11,181	-	36	20	5,527	3,725	1,929
Vehicle	14,227	-	60	29	6,440	477	7,310
Computer equipment	40,953	-	36	33	33,613	3,644	3,696
Vehicle	28,877	-	60	53	11,480	5,459	11,938
Computer equipment	7,458	-	24	13	-	2,562	4,896
Mould	95,674	-	48	35	39,556	27,536	28,582
Other facilities, tools, furniture	16,059	-	48	30	2,178	5,411	8,470
	1,423,515				376,959	214,416	832,140

6.2. Operating lease

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

	Nominal value	
Minimum quotas	2017-18	2016-17
Less than one year	1,120,672	808,839
Between one and five years	3,353,150	3,756,688
More than five years	1,691,714	2,702,102
	6,165,536	7,267,629

The main lease contract is the one signed by the parent Company for the offices on floors 11 and 19, located in the “Torre INBISA” building in Plaza Europa, 9-11, Plaza Europa, l’Hospitalet de Llobregat (Barcelona). The contract is for a duration of ten years. The rental fees for the office lease contract were updated in June 2016, with an increase in the quota based on the CPI.

During the last financial year there was a large increase in operating leases due to a variety of circumstances. New lease contracts have been signed by Quadpack Italy, S.R.L., Quadpack Manufacturing Division, S.L. and Quadpack UK Ltd.

With the acquisition of Quadpack Plastics, S.A., Quadpack Australia PTY Ltd. and Collcap Packaging Ltd. the amount of the leases has been increased by more than one million three hundred thousand Euros.

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	
Item	31.01.18	31.01.17
Loans and receivables	45,551	39,046
Securities and deposits constituted	295,845	220,365
	341,396	259,411

	Short-term financial investments	
	Credits, derivatives and others	
Item	31.01.18	31.01.17
Short-term deposits	181,383	182,383
Loans and receivables	20,000	-
Derivatives (see Note 16)	28,583	416,481
Other financial liabilities	667,397	644,040
	897,363	1,242,904

The short-term deposits accrue market interests.

The other financial assets essentially correspond to deposits for foreign currency exchange rate insurance that the Group has contracted for an aggregate amount of 365,398 Euros (255,732 Euros to 31 January 2017) and factoring guarantees amounting to 301,999 Euros (388,308 at 31 January 2017).

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. These companies are Quadpack Hong Kong Ltd., Quadpack Foundation, QP NET TECHNOLOGIES, S.L., Longshawe Australia Pty Ltd and Diva Cosmetics Ltd.

The breakdown of the ownership interests that have been excluded from the consolidation scope is as follows:

Company	31.01.18	31.01.17
Quadpack Hong Kong Ltd	30,293	30,928
Quadpack Foundation	60,000	30,000
QP Net Technologies, S.L.	147,680	147,680
Collcap USA Inc.	-	922
Longshawe Australia Pty Ltd.	7	7
Diva Cosmetics Ltd.	113	116
	238,093	209,653

8. Commercial debtors and other accounts receivable

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

Item	31.01.18	31.01.17
Customer receivables for sales and services	23,245,298	18,029,600
Group and associated company clients (see Note 22)	-	88,882
Miscellaneous debtors	492,237	332,431
Personnel	6,671	1,618
Current tax assets (see Note 18)	289,743	239,188
Other credits with Public Administrations (see Note 18)	1,527,875	674,069
Total	25,561,824	19,365,788

The variations resulting from impairment losses arising from credit risk by class of financial assets are as follows:

Item	Clients
Balance as at 01/02/16	(246,397)
Impairment value adjustment	(8,415)
Balance as at 31/01/17	(254,812)
Impairment value adjustment	(60,675)
Balance as at 31/01/18	(315,487)

11. <u>Long – and short-term debts</u>

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	
	31.01.18	31.01.17	31.01.18	31.01.17	31.01.18	31.01.17	31.01.18	31.01.17
Categories:								
Debts and payables	3,682,475	3,648,541	1,745,500	662,076	514,548	621,307	5,942,523	4,931,924
Hedging derivatives (see Note 16)	-	-	-	-	668,127	-	668,127	-
	3,682,475	3,648,541	1,745,500	662,076	1,182,675	621,307	6,610,650	4,931,924

	Short-term liabilities							
	Debts with credit institutions		Financial lease		Derivatives and others		Total	
	31.01.18	31.01.17	31.01.18	31.01.17	31.01.18	31.01.17	31.01.18	31.01.17
Categories:								
Debts and payables	6,092,396	2,937,476	240,020	170,064	177,982	255,622	6,510,398	3,363,162
Hedging derivatives (see Note 16)	-	-	-	-	1,311,077	122,145	1,311,077	122,145
	6,092,396	2,937,476	240,020	170,064	1,489,059	377,767	7,821,475	3,485,307

c) Classification by maturity

The breakdown of the long-term maturity dates of debts with credit institutions is as follows:

	2017-18					
	2019-20	2020-21	2021-22	2022-23	Remaining	Total
Debts:						
Debts with credit institutions	1.289.076	1.214.744	819.276	242.609	116.771	3.682.476
Financial lease creditors						
Other financial liabilities	408.591	394.686	369.767	361.023	211.433	1.745.500
	271.516	121.516	121.517			514.548
	1.969.183	1.730.946	1.310.560	603.631	328.204	5.942.524

	2016-17					
	2018-19	2019-20	2020-21	2021-22	Remaining	Total
Debts:						
Debts with credit institutions	1,102,960	1,099,393	982,016	464,172	-	3,648,541
Financial lease creditors	212,117	178,066	155,539	95,513	20,841	662,076
Other financial liabilities	317,518	101,263	101,263	101,263	-	621,307
	1,632,595	1,378,722	1,238,818	660,948	20,841	4,931,924

d) Other information

The breakdown of debts with credit institutions is as follows:

Types of operations	Threshold granted	Drawn balance at 31.01.2018 Short-term debt	Long-term debt	Available
Official Credit Institute (ICO) Loan	4,921,433	1,238,957	3,682,475	1
Loan 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
Client discount policy	7,553,839	4,158,449	-	3,395,390
		6,332,416	5,427,975	4,007,277

Types of operations	Threshold granted	Drawn balance at 31.01.2017 Short-term debt	Long-term debt	available
Official Credit Institute (ICO) Loan	82,347	82,347	-	-
Loan Policies	6,498,365	2,849,824	3,648,541	-
Financial lease creditors	832,140	170,064	662,076	-
Other	-	5,305	-	-
		3,107,540	4,310,617	-

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.

12. Commercial creditors and other accounts payable

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

Item	31.01.18	31.01.17
Suppliers	13,691,553	13,922,883
Suppliers, group and associated company suppliers (see Note 22)	139,840	2,908
Miscellaneous creditors	473,163	1,691,407
Personnel (remunerations pending payment)	502,869	677,083
Current tax assets (Note 18)	950,811	763,212
Other debts with Public Administrations (see Note 18)	2,023,846	1,505,862
Client advance payments	403,368	330,734
Total	18,185,450	18,894,089

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:

	2017-18	2016-17
	Days	Days
Average period of payment to suppliers	43	62
Ratio of Paid Operations	50	79
Ratio of Pending Operation	15	64
	Amount (euros)	Amount (euros)
Total payments made	17,958,364	18,181,443
Total outstanding payments	3,982,174	3,322,552

11. Capital and reserves

a) Share capital

At the end of the 2017-18 financial year, and at the end of the 2016-17 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.

In July 2016, the capital was increased by creating 72,500 new shares with a nominal value of 1 Euro each, and a share issuance premium of 6.7793104 Euros per share.

In November 2016, two new capital increases were carried out by creating 103,970 new shares with a nominal value of 1 Euro each, with a share issuance premium of 8.618160 Euros per share.

Another capital increase took place in November 2016, by creating 278,019 shares with a nominal value of 1 Euro each and a share issuance premium of 7.81825343 EUR per share.

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

Eudald Holdings, S.L.	60.08%
Anlomo Société Civile	12.88%

b) Reserves

The breakdown is as follows:

	2017-18	2016-17
Legal reserve of the Parent Company	814,206	565,884
Voluntary reserves of the Parent Company	8,331,340	6,034,416
Negative differences on first consolidation	(34,496)	(1,878)
Reserves in consolidated companies	1,494,732	686,018
Total	10,605,782	7,284,439

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.

As at the closing of the 2017-18 fiscal year, the legal reserve is not yet fully constituted.

Voluntary reserves of the Parent Company

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

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.

In July 2016, 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, 744,257 charged to the results of 2015-16 and 255,743 charged to freely distributable reserves.

Treasury shares/Equity Interests

The treasury shares held by the Company are as follows:

Treasury shares	Number	Nominal Value	Average purchase price	Total acquisition cost
At the closing of the 2017 fiscal year	167,219	167,219	5.13	857,171
At the closing of the 2016 fiscal year	167,219	167,219	5.13	857,171

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 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 Company directors, for the implementation of the Stock Options Plan with a maximum term of five years to exercise the share options. The Plan is intended to reward employee loyalty, unite efforts on future strategic points, and improve overall compensation. The plan has a 5-year implementation term and is conditioned to a series of milestones of results and permanence in the company by the beneficiaries.

Differences on first consolidation

The breakdown is as follows:

Company	31.01.2018	31.01.2017
Quadpack Packaging LTD	(1,878)	(1,878)
Quadpack USA INC	(32,618)	-
	(34,496)	(1,878)

Reserves in consolidated companies

The breakdown of this account by companies is as follows:

Company	31.01.2018	31.01.2017
Quadpack Italy S.r.l	1,068,123	635,584
Quadpack Spain, S.L.U.	(901,257)	(475,013)
Yonwoo Europe SAS	(23,695)	(98,150)
Quadpack Impressions, S.L.	(116,006)	(162,979)
Technotraf Wood Packaging, S.L.	775,520	371,829
Quadpack Germany GmbH	421,273	330,227
Quadpack Manufacturing Division, S.L.	(301,813)	(149,536)
Quadpack Packaging LTD	(769,378)	(862,816)
Quadpack UK Ltd	(1,757,145)	-
Quadpack France	102,771	95,302
Quadpack Limited	414,454	283,239
Quadpack Australia	584,855	119,528
Collcap Holdings Ltd.	1,439,960	-
Collcap Prime	29,272	-
Quadpack Plastics, S.A.	356,449	598,803
Quadpack Asia Pacific Ltd.	171,349	-
	1,494,732	686,018

12. Minority interests

The balance and movements for the year are:

Balance at 31/01/2016	792,138
Results 2016-17	230,644
Distribution of dividends	(50,000)
Entries within the consolidation perimeter	(260,241)
Exits within the consolidation perimeter	14,138
Balance at 31/01/17	726,679
2017-18 results	(38,180)
Distribution of dividends	(100,000)
Other movements	50
Balance as at 31/01/18	588,549

The breakdown of this account by company at 31 January 2018 and 2017 is as follows:

	2017-18 Financial Year					
Item	Quadpack Plastics S.L.	Quadpack Manufacturing Division S.L.	Quadpack Impressions, S.L.	Yonwoo Europe SAS	Technotraf Wood Packaging, S.L.	Total
Share in FFPP	12,020	165,680	2,332	16,700	60,000	256,732
Share issuance premium	(5,506)	-	65,032	-	-	59,526
Other reserves	4,287	3,973	20,946	(2,666)	383,931	410,471
Distribution of dividends	-	-	-	-	(100,000)	(100,000)
Fiscal year results	(144,078)	62,191	(128,983)	2,969	169,721	(38,180)
	(133,277)	231,844	(40,673)	17,003	513,652	588,549

	2016-17 Financial Year					
Item	Quadpack Plastics S.L.	Quadpack Manufacturing Division S.L.	Quadpack Impressions, S.L.	Yonwoo Europe SAS	Technotraf Wood Packaging, S.L.	Total
Share in FFPP	12,020	165,680	2,332	16,700	60,000	256,732
Share issuance premium	(5,506)	-	65,032	-	-	59,526
Other reserves	64,878	8,841	(15,961)	(10,939)	182,958	229,777
Distribution of dividends	-	(50,000)	-	-	-	(50,000)
Fiscal year results	(60,591)	45,132	36,907	8,273	200,923	230,644
	10,801	169,653	88,310	14,034	443,881	726,679

13. Adjustments for change in value

Exchange conversion differences

The breakdown of this account by companies is as follows:

Company	31.01.2018	31.01.2017
Quadpack Packaging Ltd.	41,380	45,548
Quadpack UK Ltd.	(100,844)	-
Collcap Prime Ltd.	210,774	(12,694)
Collcap Holding Ltd.	(29,594)	-
Quadpack Ltd.	(104,422)	(90,753)
Quadpack Australia Pty Ltd.	(68,618)	18,162
Quadpack USA Inc	5,369	-
East Hill Industries Inc	8,039	-
Quadpack Asia Pacific Limited	(54,133)	-
	(92,049)	(39,737)

14. Stocks

The breakdown at 31 January 2018 and 2017 is as follows:

Account	Net book value at 31.01.2018	Net book value at 31.01.2017
Trading of packaging and containers for perfumery and cosmetics divison.		
Commercial	7,237,239	6,044,075
Products in progress	1,332	1,333
Advances	316,845	554,019
Subtotal	7,555,416	6,599,427
Manufacture of wooden containers		
Raw materials and other supplies	765,716	379,548
Products in progress	293,943	365,608
Finished products	217,535	-
Advances	15,243	9,479
Subtotal	1,292,437	754,635
Manufacture of plastic containers		
Raw materials and other supplies	198,484	153,425
Products in progress	298,524	357,654
Finished products	105,372	-
Advances	7,657	8,106
Subtotal	610,037	519,185
Container decoration division		
Raw materials and other supplies	16,320	34,823
Products in progress	7,049	-
Subtotal	23,369	34,823
Total	9,481,259	7,908,070

The balances and variations for value corrections due to impairment have been:

Balance at 31.01.16	(116.279)
Reversals/impairment	12.132
Balance at 31.01.17	(104.147)
Entries	(3.904)
Drawn	83.001
Balance at 31.01.18	(25.050)

15. Foreign currencies

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

2017-18

Assets	Pounds	Dollars	Yuan Renminbi	South Korean Won	Hong Kong Dollar	Australian Dollar
Commercial debtors and other accounts receivable	5.962.312	16.549.786	34.539	-	110.035	3.023.027

2016-17

Assets	Pounds Sterling	Dollars	Yuan Renminbi	South Korean Won	Hong Kong Dollars	Australian Dollar
Commercial debtors and other accounts receivable	8.455.711	973.658	4.172	-	-	579.302

2017-18

Assets	Pounds	Dollars	Yuan Renminbi	South Korean Won	Hong Kong Dollar	Australian Dollar
Commercial creditors and other accounts payable	(6.539.930)	(3.033.194)	(455.898)	(1.240.480)	(49.531)	(3.023.027)

2016-17

Assets	Pounds	Dollars	Yuan Renminbi	South Korean Won	Hong Kong Dollar	Australian Dollar
Commercial creditors and other accounts payable	(7.383.766)	(1.620.461)	(203.069)	(270.400)	(416)	(18.140)

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

2017-18

Assets	Pounds	Dollars	Yuan Renminbi	South Korean Won	Hong Kong Dollar	Australian Dollar
Purchases	(2.191.089)	(24.315.946)	(1.187.534)	(1.907.137)	--	(2.208.023)
Sales	14.936.687	3.996.723	19.364	--	--	3.773.603
Services rendered	1.078.080	21.591	754	186	--	43.322
Services received	(2.503.520)	(279.248)	(204.132)	(65.238)	(2.068)	(381.933)

2016-17

	Pounds Sterling	Dollars	Yuan Renminbi	South Korean Won	Hong Kong Dollars	Australian Dollar
Purchases	(3,368,737)	(12,213,739)	(3,082,305)	(1,533,108)	-	(56,638)
Sales	5,621,166	2,641,732	-	-	-	4,247,307
Services provided	1,019,836	45,075	-	-	-	539
Services received	(1,840,345)	(273,787)	(168,763)	(49,824)	-	(323,664)

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

	Transactions settled within the financial year	
Assets	2017-18 Financial year (Expenses) / Income	2016-17 Financial year (Expenses) / Income
Commercial debtors and other accounts receivable	(419,996)	51,953

	Transactions settled within the financial year	
Liabilities	2017-18 Financial year (Expenses) / Income	2016-17 Financial year (Expenses) / Income
Commercial creditors and other accounts payable	(226,500)	(144,714)

16. Hedging operations with derivative financial instruments

As of the 2014-15 fiscal year 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 Company has arranged hedging financial instruments to hedge its exposure to changes in cash flows arising from the US Dollar vs. euro exchange rates.

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.

The breakdown of the cash flow hedges is as follows:

2017-18 Financial Year

Item	Classification	Insured EUR/USD exchange rate	Amount subscribed in US dollars	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	12/31/2018	-	(240,781)
Exchange Rate Swap	Exchange Rate Hedging	1.1555	1,390	2/28/2018	-	(89)
Exchange Rate Swap	Exchange Rate Hedging	1.1600	1,161,940	6/29/2018	-	(78,633)
Exchange Rate Swap	Exchange Rate Hedging	1.1931	124,555	7/31/2018	-	(5,687)
Exchange Rate Swap	Exchange Rate Hedging	1.2140	2,000,000	8/30/2018	-	(65,836)
Exchange Rate Swap	Exchange Rate Hedging	1.1835	2,000,000	7/2/2019	-	(246,008)
Exchange Rate Swap	Exchange Rate Hedging	1.1300	2,000,000	5/16/2019	-	(220,628)
Exchange Rate Swap	Exchange Rate Hedging	1.1742	2,500,000	7/18/2019	-	(201,491)
Exchange Rate Swap	Exchange Rate Hedging	1.1574	450,000	5/21/2018	-	(30,284)
Exchange Rate Swap	Exchange Rate Hedging	1.1500	704,937	2/14/2018	-	(47,585)
Exchange Rate Swap	Exchange Rate Hedging	1.1010	2,000,000	3/29/2018	-	(217,100)
Exchange Rate Swap	Exchange Rate Hedging	1.1595	1,750,000	9/10/2018	-	(126,716)
Exchange Rate Swap	Exchange Rate Hedging	1.2582	5,000,000	1/17/2019	-	(61,663)
Exchange Rate Swap	Exchange Rate Hedging	1.2536	5,000,000	1/11/2019	-	(74,422)
Exchange Rate Swap	Exchange Rate Hedging	1.1854	259,966	10/31/2018	-	(14,686)
Exchange Rate Swap	Exchange Rate Hedging	1.1250	111,333	4/20/2018	11,502	
Exchange Rate Swap	Exchange Rate Hedging	1.1250	165,333	4/20/2018	17,081	
					28,583	(1,935,229)

Item	Classification	Insured AUD/USD exchange rate	Amount subscribed in US dollars	Maturity	Assets Fair Value	Liabilities Fair Value
Exchange Rate Swap	Exchange Rate Hedging	0.7500	150,000	2/23/2018	-	(7,333)
Exchange Rate Swap	Exchange Rate Hedging	0.7960	150,000	3/26/2018	-	(7,314)
Exchange Rate Swap	Exchange Rate Hedging	0.8010	150,000	4/25/2018	-	(7,322)
Exchange Rate Swap	Exchange Rate Hedging	0.8010	150,000	5/25/2018	-	(7,325)
Exchange Rate Swap	Exchange Rate Hedging	0.8010	150,000	6/25/2018	-	(7,332)
Exchange Rate Swap	Exchange Rate Hedging	0.8010	150,000	7/25/2018	-	(7,349)
					-	(43,975)
				Total	28,583	(1,979,204)

2016-17 Financial Year

Item	Classification	Insured EUR/USD exchange rate	Amount subscribed in US dollars	Maturity	Assets Fair Value	Liabilities Fair Value
Exchange Rate Swap	Exchange Rate Hedging	1.1043	794,652	5/9/2017	15,727	-
Exchange Rate Swap	Exchange Rate Hedging	1.1142	294,234	4/28/2017	8,362	-
Exchange Rate Swap	Exchange Rate Hedging	1.1190	1,000,000	7/31/2017	26,988	-
Exchange Rate Swap	Exchange Rate Hedging	1.1109	1,000,000	2/3/2017	29,518	-
Exchange Rate Swap	Exchange Rate Hedging	1.1715	1,224	4/28/2017	89	-
Exchange Rate Swap	Exchange Rate Hedging	1.1644	2,051,664	5/5/2017	137,104	-
Exchange Rate Swap	Exchange Rate Hedging	1.1430	1,700,000	8/15/2017	76,700	-
Exchange Rate Swap	Exchange Rate Hedging	1.1595	1,750,000	9/10/2018	67,463	-
Exchange Rate Swap	Exchange Rate Hedging	1.1400	375,000	5/17/2017	1,242	-
Exchange Rate Swap	Exchange Rate Hedging	1.1400	900,000	5/17/2017	32,245	-
Exchange Rate Swap	Exchange Rate Hedging	1.1500	1,040,000	12/27/2017	12,307	-
Exchange Rate Swap	Exchange Rate Hedging	1.1060	1,650,000	12/27/2017	-	(5,986)
Exchange Rate Swap	Exchange Rate Hedging	1.0620	3,000,000	2/3/2017	-	(41,130)
Exchange Rate Swap	Exchange Rate Hedging	1.0800	3,000,000	1/18/2018	-	(38,812)
					407,746	(85,928)

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	0.7300	125,000	2/21/2017	-	(3,157)
Exchange Rate Swap	Exchange Rate Hedging	0.7300	125,000	3/21/2017	-	(3,111)
Exchange Rate Swap	Exchange Rate Hedging	0.7300	125,000	4/21/2017	-	(3,066)
Exchange Rate Swap	Exchange Rate Hedging	0.7300	150,000	5/23/2017	-	(2,428)
Exchange Rate Swap	Exchange Rate Hedging	0.7300	150,000	6/23/2017	-	(2,560)
Exchange Rate Swap	Exchange Rate Hedging	0.7300	150,000	7/24/2017	-	(2,732)
					-	(17,053)

Item	Classification	Insured AUD/EUR exchange rate	Amount subscribed in US dollars	Maturity	Assets Fair Value	Liabilities Fair Value
Exchange Rate Swap	Exchange Rate Hedging	1.5000	375,300	10/27/2017	5,901	-
					5,901	-

Item	Classification	Insured EUR/USD exchange rate	Amount subscribed in US dollars	Maturity	Assets Fair Value	Liabilities Fair Value
Exchange Rate Swap	Exchange Rate Hedging	0.8772	328,947	5/17/2017	-	(19,164)
					-	(19,164)

Item	Classification	Insured GBP/EUR exchange rate	Amount subscribed in US dollars	Maturity	Assets Fair Value	Liabilities Fair Value
Exchange Rate Swap	Exchange Rate Hedging	0.8750	218,750	7/31/2017	2,834	-
					2,834	-
			Total		416,481	(122,145)

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

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

Qualitative information

The management of the Group's financial risks is centralized 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.

d) 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.

e) 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).

f) 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 Public Administrations in the 2017-18 and 2016-17 fiscal years is as follows:

2017-18 Financial Year

Account	Debit balances		Credit balances	
	Non-current	Current	Non-current	Current
Value added tax	-	1,527,875	-	1,467,306
Personal income tax on individuals	-	-	-	99,942
Deferred tax assets	1,651,619	-	-	-
Current tax assets	-	289,743	-	-
Deferred tax liabilities	-	-	7,146	-
Current tax liabilities	-	-	-	950,811
Social Security Organisations	-	-	-	329,427
Other	-	-	-	127,171
	1,651,619	1,817,618	7,146	2,974,657

2016-17 Financial Year

Account	Debit balances		Credit balances	
	Non-current	Current	Non-current	Current
Value added tax	-	672,697	-	1,131,388
Personal income tax on individuals	-	-	-	62,247
Deferred tax assets	718,681	-	-	-
Current tax assets	-	239,188	-	-
Deferred tax liabilities	-	-	146,394	-
Current tax liabilities	-	-	-	763,211
Social Security Organisations	-	-	-	300,436
Other	-	1,372	-	11,792
	718,681	913,257	146,394	2,269,074

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

2017-18 Financial Year

	Profit and Loss Statement		Income and expenditure directly attributable to net equity		
Item	Increases	Decreases	Increases	Decreases	Total
Consolidated accounting result for the fiscal year	2,701,274	-	-	(2,244,957)	456,317
Tax on profits	1,299,083	-	-	-	1,299,083
Permanent differences					
-Pertaining to individual companies	177,371	(3,463,512)	-	-	(3,286,141)
Temporary differences:					
-Pertaining to individual companies	1,269,619	(1,418,597)	2,244,957	-	2,095,979
Taxable base of the consolidation scope					565,238

2016-17 Financial Year

	Profit and Loss Statement		Income and expenditure directly attributable to net equity		
Item	Increases	Decreases	Increases	Decreases	Total
Consolidated accounting result for the fiscal year	4,292,301	-	-	(88,085)	4,204,216
Tax on profits	1,669,506	-	-	-	1,669,506
Permanent differences					
-Pertaining to individual companies	58,605	(44,807)	-	-	13,798
Temporary differences:					
-Pertaining to individual companies	1,416,487	(1,444,118)	88,085	-	60,454
Taxable base of the consolidation scope					5,947,974

The breakdown of recorded deferred tax assets is as follows:

	Balance at 31.01.2018	Balance at 31.01.2017
Deductible temporary differences	-	11,494
Temporary differences- Derivatives	496,758	30,536
Temporary differences- repayment	42,916	29,260
Temporary differences- stock depreciation	1,604	25,882
Temporary differences- fiscal losses	946,951	621,509
Temporary differences-stock option plan	163,390	-
Total	1,651,619	718,681

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 2017-18 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 manner in which the companies have applied the tax regulation to the operations, the directors consider that any potential liabilities would not have a significant impact upon the attached annual accounts.

There are currently no companies within the group which are being inspected for tax.

19. Provisions and contingencies

The balance of the "Long -term provisions" epigraph includes a balance of 70,316 Euros (89,176 Euros in 2016-17) corresponding to a provision for guarantees for the company Technotraf Wood Packaging, S.L. The remaining balance, 76,623 Euros (59,514 Euros in 2016-17), corresponds to long term provisions for obligations with employees.

20. Income and expenses

f) Net turnover

The distribution of the net turnover is as follows:

Activities	2017-18	2016-17
Trading of packaging and containers for perfumery and cosmetics divison.	79,995,854	62,097,859
Manufacture of wooden containers	5,653,253	4,500,944
Manufacture of plastic containers	1,304,790	1,703,812
Container decoration division	817,383	748,921
Provision of services	2,969,975	1,040,901
	90,741,255	70,092,437

The analysis by geographical market is as follows:

Geographical markets	2017-18	2016-17
Spain	16,695,367	20,545,074
Remaining European Union countries	62,376,057	43,757,373
Rest of world	11,669,831	5,789,990
	90,741,255	70,092,437

g) Use of goods, raw materials and other consumables

The breakdown is as follows:

	2017-18	2016-17
Consumptions :		
Purchases	54,432,203	39,675,657
Variation- existing	(236,029)	(281,103)
	54,196,174	39,394,554

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

	2017-18	2016-17
Net purchases:		
National	1,280,888	2,475,939
Intra-community acquisitions	3,839,145	3,503,995
Imports	49,312,170	33,695,723
	54,432,203	39,675,657

h) Social Security contributions

The breakdown is as follows:

	2017-18	2016-17
Social security payable by the company	2,193,777	1,914,380
Other social charges	223,518	31,190
	2,417,295	1,945,570

i) Breakdown of consolidated results

The contribution made by each Company included in the consolidation scope to the results for the year is as follows:

2017-18 Financial Year

	Profit/ (Loss)		
Company	Consolidated Results	Result attributed to external partners	Results attributable to parent company
Quadpack Industries, S.A.	(1,215,308)	-	(1,215,308)
Quadpack UK Ltd	74,436	-	74,436
Quadpack Australia Pty Ltd	590,928	-	590,928
Quadpack France, SARL	607,918	-	607,918
Quadpack Italy S.R.L	267,815	-	267,815
Quadpack Spain, S.L.	1,834,504	-	1,834,504
Yonwoo Europe SARL	5,453	2,969	2,484
Quadpack Germany GmbH	289,964	-	289,964
Technotraf Wood Packaging, S.L.	842,216	169,723	672,494
Quadpack Impressions, S.L.	(295,543)	(128,983)	(166,558)
Quadpack Manufacturing Division S.L.	(63,912)	62,191	(126,103)
Quadpack Ltd	136,221	-	136,221
Quadpack Plastics S.L.	(720,388)	(144,078)	(576,310)
Quadpack Packaging Ltd.	454,578	-	454,578
Quadpack Asia Pacific Limited	81,016	-	81,016
Collcap Holding Ltd	91	-	91
Quadpack USA INC.	(10,213)	-	(10,213)
East Hill Ind.LLC	(178,501)	-	(178,501)
	2,701,274	(38,180)	2,739,454

2016-17 Financial Year

Company	Profit/ (Loss) Consolidated Results	Result attributed to external partners	Results attributable to parent company
Quadpack Industries, S.A.	(77,578)	-	(77,578)
Quadpack UK Ltd	3,132	-	3,132
Quadpack Australia Pty Ltd.	465,328	-	465,328
Quadpack France, SARL	757,469	-	757,469
Quadpack Italy SRL	432,538	-	432,538
Quadpack Spain, S.L	1,573,755	-	1,573,755
Yonwoo Europe SARL	82,728	8,273	74,455
Quadpack Germany GmbH	291,046	-	291,046
Technotraf Wood Packaging, S.L.	1,004,613	200,923	803,690
Quadpack Impressions, S.L.	83,880	36,907	46,973
Quadpack Manufacturing Division S.L.	(182,146)	45,132	(227,278)
Quadpack Ltd	131,217	-	131,217
Quadpack Plastics S.L.	(302,953)	(60,591)	(242,362)
Collcap Packaging	31,406	-	31,406
Collcap Holding Ltd	(1,601)	-	(1,601)
Collcap Hong Kong	(533)	-	(533)
	4,292,301	230,644	4,061,657

21. Environmental information

Among its tangible fixed assets, the company benefits from the following significant items intended to minimise the environmental impact as well as the protection and improvement of the environment, at 31 January 2018 and 2017:

Description	31.01.2018 Gross value	Accumulated depreciation/impairment	Net value
Technical facilities and machinery	499,800	(78,850)	420,950
Other facilities, tools and furniture	14,034	(464)	13,570
	513,834	(79,314)	434,520

Description	31.01.2017 Gross value	Accumulated depreciation/impairment	Net value
Technical facilities and machinery	411,537	(27,962)	383,575
	411,537	(27,962)	383,575

Additionally, a LED lighting system has been set up in the offices and factories, for which subsidies have been received. 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:

Company
Eudald Holdings, S.L.
Anlomo Societé Civile, S.A.S.
European Outsourcing Group, S.L.
Estate Management, S.L.
Alba Andrea Division, S.L.
Zuncasol Solar 2007, S.L.
Philippe Lenglart
Quadpack Net Technologies S.L.
Advanced World S.L.
Longshawe Packaging Australia Pty Ltd
McDermott commerical Property LTD
Trustees of the collcap Pension Scheme

The breakdown of the operations conducted with related parties in 2017-18 and 2016-17 is as follows:

2017-18 Financial Year

Account	Income	Expenses
Provision of services	17,020	(308,754)
Salaries and wages	81,216	(638,562)
Interests	-	(16,527)
Leases	-	(587,914)
	98,236	(1,551,757)

2016-17 Financial Year

Account	Income	Expenses
Provision of services	-	(271,472)
Salaries and wages	-	(732,188)
Purchases	-	(69,414)
Interests	-	(17,947)
Leases	-	(392,130)
	-	(1,483,151)

The breakdown of the balances with related parties to 31 January 2018 and 2017 is as follows:

31.01.2018

	Debit balances	Credit balances
Short-term credits	124,196	-
Long-term liabilities	-	(782,171)
Short-term liabilities	-	(179,360)
Commercial Creditors	-	(139,840)
	124,196	(1,101,371)

31.01.2017

	Debit balances	Credit balances
Commercial Debtors	88,882	-
Short-term credits	216,582	-
Long-term liabilities	-	(782,171)
Short-term liabilities	-	(934,544)
Commercial Creditors	-	(2,908)
	305,464	(1,719,623)

The long and short-term debts correspond to balances for loans and credits, which have been formalized 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 the staff's gender at year-end, was as follows:

2017-18 Financial Year

Professional category	Average number. of employees	Staff at 31.01.18	
		Men	Women
Management	20	15	5
Administration	26	6	20
Salespeople, sellers and similar	73	20	53
Operators and technicians	157	78	79
	276	119	157

2016-17 Financial Year

Professional category	Average number. of employees	Staff at 31.01.17	
		Men	Women
Management	11	12	2
Administration	23	7	19
Salespeople, sellers and similar	36	13	28
Operators and technicians	122	56	82
	192	88	131

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

Remuneration earned during the 2017-18 and 2016-17 financial years by the members of the Board and by the

Company’s senior management team was as below, classified per item:

Amounts received by members of the administration bodies	2017-18	2016-17
Wages, allowances and other remuneration	192,418	31,471
Other consultancy fees	543,848	732,188
Life insurance premiums		
Premiums paid to current members of the board of directors	10,233	10,233
Payments based on equity instruments	200,712	125,086
Dividends	999,207	799,366
	1,946,418	1,698,344

At 31 January 2018 and 2017, no forward payments or loans have been granted to Group administrators.

The remuneration of the Board of Directors members for their attendance of Board Meetings has amounted to 80,000.00 Euros in the 2017-18 financial year and amounted to 67,000.00 Euros in 2016-17. They had not been remunerated for this particular in previous financial years.

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 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 Company Directors, for the implementation of the Stock Options Plan with a maximum term of five years to exercise the share options. The Plan is intended to reward employee loyalty, unite efforts on future strategic points, and improve overall compensation. The plan has a 5-year implementation term and is conditioned to a series of milestones of results and permanence in the company by the beneficiaries. The letters of adhesion to the plan were signed by the beneficiaries on 20 September 2016. The total number of shares offered as at 31 January 2017 and 2018 is 187,104, and the delivery date of these shares shall be during the 2020 financial year. The expense recorded in the profit and loss statement for the fiscal year ending on 31 January 2018 amounts to EUR 451,000.00 euros (212,000.00 euros in 2017 and is equivalent to the amount accrued over two financial years, since the plan accrues back to 1 February 2015), and the net equity reserve account is its counterpart.

In accordance with the provisions established in Article 229 of the Capital Companies Act, the Company's Directors state that there is no, direct or indirect, conflict that the directors of the Parent Company and persons related to them referred to in Article 231, may have with the Group's interests.

The fees accrued by the Group's auditors during the 2017-18 and 2016-17 fiscal years for the audits of the annual accounts have amounted to 208,548 and 150,300 Euros, respectively.

The fees accrued for other services during the 2017-18 and 2016-17 fiscal years by the auditing firm have amounted to 14,350 and 7,200 Euros, 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.

A 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

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

The distribution of sales made in the 2017-18 and 2016-17 financial years by geographical markets and by segments, bearing in mind the consolidation adjustments, is as follows:

2017-18 Financial year

Geographical market	Container commercialisation	Manufacture of wooden containers	Manufacture of plastic containers	Decoration for Containers	Total
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
	81.710.953	9.520.666	2.223.635	980.115	94.435.369

2016-17 Financial Year

Geographical market	Container commercialisation	Manufacture of wooden containers	Manufacture of plastic containers	Decoration for containers	Total
Spain	17,019,856	1,692,948	1,777,886	907,898	21,398,588
Exports	45,091,040	6,363,046	24,314	350	51,478,750
	62,110,896	8,055,994	1,802,200	908,248	72,877,338

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 fiscal years amounting to 6,564,088 Euros and 3,825,802 Euros, respectively.

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:

2017-18 Financial year

Items	Container commercialisation	Manufacture of wooden containers	Manufacture of plastic containers	Decoration for Containers	Rendering of Services	Total
	Ejercicio 2017-18					
Net turnover	84.217.903	9.688.712	2.258.631	985.804	13.208.457	110.359.507
-Sales	81.710.953	9.520.666	2.223.635	980.115	0	94.435.369
-Rendering of services	2.506.950	168.047	34.997	5.689	13.208.457	15.924.139
Changes in stock of finished products and products in progress	-	189.787	46.242	-	-	236.029
Works carried out by the company for its assets	-	-	-	-	-	-
Other revenues	-	3.656	-	-	-	3.656
Supply	(56.512.638)	(3.609.770)	(1.006.312)	(219.471)	(1.116)	(61.349.307)
Staff expenditure	(5.679.086)	(1.103.772)	(755.177)	(373.567)	(3.992.499)	(11.904.101)
External services						
Depreciation of fixed assets	(16.154.242)	(3.884.632)	(823.782)	(707.649)	(5.105.247)	(26.675.552)
Excess provisions	(198.310)	(164.311)	(450.169)	(70.874)	(392.271)	(1.275.935)
Losses, impairment and variation in provisions	71.520	5.052	-	-	-	76.572
	673	150	(4.265)	(252)	1.001	(2.693)
Other results						-
	78.746	22.973	(128.321)	3.576	12.835	(10.190)
Operational result	**5.824.565**	**1.147.847**	**(863.152)**	**(382.433)**	**3.731.159**	**9.457.985**
Financial revenues						
Financial expenses	98.643	16.013	-	-	117.053	231.709
Variation in fair value of financial instruments	(172.671)	(36.184)	(54.192)	(8.443)	(244.181)	(515.672)
Exchange rate differences	-	-	-	-	-	-
Impairment and outcome of disposal of financial instruments	(103.885)	(685)	(50)	17	(540.861)	(645.463)
	(1.290)	-	41	-	313.016	311.766
Result before tax:	**5.645.362**	**1.126.990**	**(917.353)**	**(390.859)**	**3.376.186**	**8.840.326**
Segment assets:	55.980.166	1.867.045	1.818.756	1.009.333	41.146.022	101.821.321
Segment liabilities:	35.992.738	4.389.079	3.669.347	1.101.773	25.082.780	70.235.717

	2016-17 Fiscal Year					
Item	Container commercialisation	Manufacture of wooden containers	Manufacture of plastic containers	Decoration for containers	Rendering of services	Total
Net turnover	63,993,178	8,055,994	1,802,200	908,248	8,504,621	83,264,240
-Sales	62,110,896	8,055,994	1,802,200	908,248	-	72,877,338
-Services rendered	1,882,282	-	-	-	8,504,621	10,386,902
Changes in stock of finished products and products in progress	433,808	-	(152,705)	-	-	281,103
Work carried out by the company on its assets	-	26,838	334,836	-	-	361,675
Other income	291,976	53,923	25,177	-	43,927	415,003
Procurements	(40,943,395)	(2,819,701)	(598,247)	(226,407)	(5,556)	(44,593,306)
Personnel expenses	(4,100,172)	(915,700)	(719,885)	(334,852)	(3,423,134)	(9,493,743)
External Services	(15,022,259)	(2,919,654)	(638,403)	(155,514)	(4,378,193)	(23,114,024)
Depreciation of fixed assets	(222,096)	(149,965)	(414,620)	(69,911)	(356,901)	(1,213,493)
Provision surpluses	60,183	-	-	-	-	60,183
Loss, deterioration, impairment and variation in provisions	16,227	-	1,533	-	107	17,867
Other results	442,251	-	-	(143)	1,461	443,570
Operating result	**4,949,702**	**1,331,735**	**(360,116)**	**121,422**	**386,331**	**6,429,074**
Financial income	86,129	32,544	485	-	2,588,254	2,707,412
Financial expenses	(161,939)	(24,795)	(53,304)	(9,581)	(109,513)	(359,132)
Exchange rate differences	22,993	-	-	-	(25,448)	(2,455)
Impairment and gains or losses on disposal of financial instruments	(4,328)	-	-	-	176,093	171,765
Result before taxes	**4,892,557**	**1,339,484**	**(412,935)**	**111,841**	**3,015,717**	**8,946,664**
						-
Segment assets	36,473,727	4,617,944	2,468,360	824,785	26,536,426	70,921,242
Segment liabilities	26,056,839	2,398,545	2,009,299	624,080	13,056,864	44,145,628

25. Subsequent events

No significant subsequent events have occurred that could affect these financial statements.

1.13.4 Reports of the auditors on the financial year ended 31 January 2018

AUDIT REPORT ON THE CONSOLIDATED ANNUAL ACCOUNTS ISSUED BY AN INDEPENDENT AUDITOR

(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.)

To the shareholders of QUADPACK INDUSTRIES, S.A.

Opinion

We have audited the consolidated annual accounts of QUADPACK INDUSTRIES, S.A. (hereinafter the Parent Company) and Subsidiaries (the Group), which comprise the consolidated balance sheet at 31 January, 2018, the consolidated profit and loss account, the consolidated statement of changes in net equity, the consolidated statement of cash flows and the notes to the consolidated annual accounts for the year ended on that date.

In our opinion, the accompanying consolidated annual accounts present, in all material aspects, a true and fair view of the net equity and the financial position of the Group at 31 January, 2018, and of the results of its operations and its cash flows, all of them consolidated, for the year ended on that date, in accordance with the applicable framework of financial reporting standards (which is identified in note 2 to the consolidated annual accounts) and, in particular, in compliance with the accounting principles and criteria contained in that framework.

Basis for our opinion

We have carried out our audit in accordance with the current Spanish standards for auditing accounts. Based on those standards, our responsibilities are set out below in the section Auditor´s responsibilities for the audit of the consolidated annual accounts of our report.

We are independent of the Group in accordance with the ethical requirements, including those relating to independence, that are relevant to our audit of the consolidated annual accounts in Spain, as required by the regulations governing the auditing of annual accounts. In this regard, we have not provided any services different to the audit of the annual accounts and no situations or circumstances have arisen that, based on said regulations, might have affected the required independence in such a way that it could have been compromised.

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

Most relevant aspects of the audit

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

<u>Recognition of income and expenses in relation to the proper cut of operations</u>

As detailed in note 20 to the consolidated annual accounts, the amounts recorded in the consumption of goods, raw materials and consumables and the net turnover for the year amounted to 54.196 thousand euros and 90.741 thousand euros, respectively.

In accordance with the regulatory financial reporting applicable and as indicated in note 3q to the consolidated annual accounts, the income and expenses are allocated based on the accrual criterion, that is, when the actual flow of goods and services that these represent occurs, independently of the moment in which the monetary or financial flow derived from them takes place.

As part of our audit and in response to said risk, we have carried out, among others, the following procedures:

- We have checked the proper accounting record of the latest purchases and sales for the 2017/2018 financial year and the first ones for the following year, based on their accrual.

- We have obtained confirmations of customer balances for a statistically selected sample.

- We have analysed invoices received and payments made after the closing date of the financial year 2017/2018 in order to identify possible liabilities accrued in the audited year not properly recorded.

- The analysis has been completed through analytical procedures.

Collections from customers

As detailed in note 8 to the consolidated annual accounts, the amount recorded under Trade debtors and other accounts receivable corresponds mainly to the balance of customers for the commercialisation of their products.

In accordance with the regulatory financial reporting framework applicable and as indicated in note 3 j.1.1.) to the consolidated annual accounts, the valuation adjustments for impairment are recorded based on the difference between their book value and the current value at the end of the year of the future cash flows that are estimated to be generated, discounted at the effective interest rate calculated at the time of initial recognition. These corrections are recognised in the consolidated profit and loss account.

Group companies analyse their client portfolio continuously and make valuation corrections for balances that are past due at the closing date. However, each case is analysed in order to determine if there are circumstances that may cause doubts about its collectability and may lead to the recording of the valuation correction.

The calculation of the impairment of accounts receivable has been considered a significant risk of material misstatement in our audit given the judgments and estimates to be used by the Management associated with the calculation, the relative importance of the balance at year-end and the type and atomization of the client portfolio. As part of our audit and in response to said risk, we have obtained a breakdown of outstanding customer balances at closing and we have verified whether customers with past due balances were adequately provisioned against possible signs of impairment in terms of their recoverability, evaluating, otherwise, the reasons that explain its non-correction and the documentation that provides evidence of the collectability of the balance. Our checks have been completed through the performance of analytical procedures.

Recoverability of goodwill

As of January 31, 2018, the Group has a registered goodwill in the non-current assets heading for an amount of 5.758 thousand euros. The valuation of these assets is based on a series of complex estimates that require the application of certain criteria, judgments and hypotheses by the Group Management.

We have considered that this is a relevant aspect of our audit due to the significance of the amounts, the complexity inherent in the key assumptions considered and the high sensitivity of the analyses carried out with respect to changes in business plan hypotheses, especially in discount rates and growth rates.

Our audit procedures have included, among others:

- Review of the model used by the Group Management, covering the mathematical coherence of the model, the reasonableness of projected cash flows, discount rates and long-term growth rates, as well as the review of the sensitivity analysis carried out by the Group Management.

- Review of the breakdowns included in note 4 with respect to the goodwill of the attached consolidated report, in accordance with current regulations.

Other information: Consolidated Report of the Directors

The other information relates exclusively to the Consolidated Report of the Directors for 2017/2018. The Directors of the Parent Company are responsible for preparing this report, which does not form an integral part of the consolidated annual accounts.

Our audit opinion on the consolidated annual accounts does not cover the Report of the Directors. In accordance with the regulations governing the auditing of accounts, our responsibility regarding the Report of the Directors includes evaluating and reporting on the consistency of the Report of the Directors with the annual accounts, based on the knowledge of the entity obtained during our audit of those accounts, excluding any information different to that obtained as evidence during our audit. Furthermore, our responsibility includes evaluating and reporting on whether the content and presentation of the Report of the Directors meet the requirements of the applicable regulations. If, as a result of our work, we conclude that there are material misstatements, we are required to report that fact.

Based on the work performed, as described in the preceding paragraph, the information reflected in the Report of the Directors is consistent with that of the 2017/2018 consolidated annual accounts, and, the content and presentation meet the requirements of the applicable regulations.

Responsibility of the Directors of the Parent Company concerning the consolidated annual accounts

The Directors of the Parent Company are responsible for drawing up the attached consolidated annual accounts, so that they show a true and fair view of the consolidated net equity, the consolidated financial position and the consolidated results of the Group, in accordance with the framework of financial reporting standards applicable to the Group in Spain, and for such internal control that they consider necessary to enable the preparation of consolidated annual accounts that are free from material misstatements, whether due to fraud or error.

When drawing up the consolidated annual accounts, the Directors of the Parent Company are responsible for assessing the Group's capacity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern accounting principles, unless the Directors of the Parent Company intend to liquidate the Group or to cease its operations, or whether there is no other realistic alternative.

Auditor´s responsibilities for the audit of the consolidated annual accounts

Our objectives are to obtain reasonable assurance about whether the consolidated annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the current Spanish regulations for auditing accounts will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these consolidated annual accounts.

As part of an audit in accordance with current Spanish audit regulations, we exercise our professional judgement and we maintain an attitude of professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the consolidated annual accounts, due to fraud or error, design and perform audit procedures to respond to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may imply collusion, forgery, deliberate omissions, intentionally incorrect representations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors of the Parent Company.

- Conclude on the appropriateness by the Directors of the Parent Company of the use of the going concern basis of accounting and, on the basis of the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention to this in our auditor's report to the related disclosures in the consolidated annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated annual accounts, including the information disclosed, and whether the consolidated annual accounts represent the underlying transactions and events in a manner that achieves a true and fair view.
- We obtain sufficient and adequate evidence in relation to the financial information of the entities or business activities within the Group to express an opinion on the consolidated annual accounts. We are responsible for the direction, supervision and performance of the Group's audit. We are solely responsible for our audit opinion.

We communicate with the Directors of the Parent Company concerning, among other matters, the planned scope and timing of the audit and the significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

From the significant risks communicated to the Directors of the Parent Company, we determine those matters that were most significance in the audit of the consolidated annual accounts of the current period and are, therefore, the risks considered most significant.

We describe these risks in our auditor's report unless law or regulations prohibit public disclosure of the matter.

Grant Thornton, S.L.P. Sociedad Unipersonal

ROAC n°S0231

14th June 2018

1.13.5 Dividend policy

Quadpack establishes its dividend policy considering the group's earnings, cash generation, solvency, liquidity and flexibility to make strategic investments. Quadpack has instituted a stable dividend policy of 30% to 40% of attributable net profit. Quadpack has distributed dividends for the 3er consecutive year.

1.13.6 Litigation and arbitration [if any]

From time to time companies of our Group are involved in legal disputes and administrative proceedings as part of their ordinary business activities.

As of the date of this Information Document, our Group companies are not and have not been party to any governmental, legal or arbitration proceedings (including any pending or threatened proceedings of which the Company is aware) during the past twelve months, which may have, or have had in the recent past, significant effects on the relevant company's or the Group's financial position or profitability

1.13.7 Cash position as at July 31st 2019

Net financial debt of the Company (in thousands of euros) as at 31/07/2019

A. Cash		11,774
B. Equivalent instruments		1,434
C. Investment securities		
D. Liquid assets (A + B + C)		13,208
E. Short-term financial debts		
F. Short-term bank debt		2,469
G. Short-term portion of medium and long-term debt		449
H. Other short-term financial debts		1,329
I. Current short-term financial debts (F + G + H)		4,248
J. Short-term net financial debt (I - E - D)	-	8,960
K. Bank loans due in more than one year		19,270
L. Bonds issued		-
M. Other long-term borrowings		26
N. Medium and long-term net financial debt (K + L + M)		19,296
O. Net financial debt (D + N)		10,336

1.14 Additional information

1.14.1 Share Capital

The share capital of the Company is the amount of 4,203,926 euros (FOUR MILLION TWO HUNDRED THOUSAND THREE THOUSAND NIN HUNDRED TWENTY-SIX EUROS) divided into 4.203.926 shares of ONE (1) EURO each of the same class and series, numbered sequentially from number 1 to number 4.203.926 inclusive, fully subscribed and paid, to be represented by book entries and belong to the same class.

1.14.2 Articles of Association

Articles of Association
QUADPACK INDUSTRIES, S.A.

Chapter I.- Name, Purpose, Domicile and Duration.

Article 1 Name.

1. The company is called **"QUADPACK INDUSTRIES, SOCIEDAD ANÓNIMA [Public Limited Company]"** (hereinafter, the "Company") and is governed by these Articles, by the provisions of the law on the legal system of the Capital Companies Act and other applicable general regulations.

Article 2 Corporate Purpose.

1. The Company's main activities are the acquisition, holding, administration and management of shares and interests in other companies to control and manage the operation of those subsidiaries; the provision of management support services to investee companies; the provision of business consulting services; and the management and administration of securities representing shareholder equities of non-resident entities within Spanish territory.

2. The activities listed in the previous article may be carried out by the company either directly or indirectly, including through its participation in other companies with an identical or similar purpose.
3. If legal provisions require for the exercise of some of the activities in the corporate purpose any professional qualification, administrative authorisation, or registration in Public Registries, those activities must be carried out by the person who holds such professional qualifications and, where applicable, cannot be initiated before the required administrative requirements have been met.

Article 3 Registered Office.

1. Its registered office is located in Plaza de Europa 9-11, planta 11, 08908 L´Hospitalet de Llobregat (Barcelona).

2. The Board of Directors shall be competent for the transfer of the registered office within national territory.

3. The company is of Spanish nationality.

4. The Board of Directors is authorised to transfer the registered office to any other location, within national territory, and is, in addition, the body authorised to decide or agree to create, remove or move branch offices of any kind and to anywhere, both in Spain and abroad.

5. The company's corporate website is: www.quadpack.com. The modification, transfer or deletion of the website will be the competence of the Board of Directors.

Article 4 Duration.

1. The duration of company will be indefinite, and the corporate operations will start on the day of the founding deed is granted.

Chapter II.- Share Capital and Shares.

Article 5 Capital.

1. The share capital is FOUR MILLION, TWO HUNDRED AND THREE THOUSAND, NINE HUNDRED AND TWENTY-SIX EUROS (4,203,926.€) and is fully subscribed and paid.

2. The share capital is divided into FOUR MILLION, TWO HUNDRED AND THREE THOUSAND, NINE HUNDRED AND TWENTY-SIX EUROS shares of ONE (1) EURO of nominal value each, of the same class and series, fully subscribed and paid out, that will be represented by book entries.

3. Representative shares of the share capital are considered to be transferable and governed by the Securities Market regulatory standards. Shares represented by book entries are constituted as such by virtue of their registration in the corresponding accounting record, which will reflect the information included in the deed of issue and whether they are fully paid or not, if applicable. The legalisation to exercise shareholder rights, including, if applicable, transfer of the same, is obtained through registration in the accounting record, which presumes legal ownership and enables the registry holder to require that the Company recognise him as a shareholder Such legalisation may be evidenced by showing the appropriate certificates, issued by the entity responsible for the accounting record. If the Company makes any provision in favour of the allegedly legitimate party, it is exempt, even if such party is not the actual owner of the share, as long as it was done in good faith and without gross negligence.

4. Generally and unless the capital increase resolution and the issuance of new shares adopted by the General Meeting had decided otherwise, the Board of Directors is authorised to agree on the form and dates of timely disbursements when there are pending disbursements, and these must be met in cash, respecting, under all circumstances, the maximum term of one year.

5. In cases where pending disbursements have to be disbursed by non-monetary contributions, the General Meeting that has agreed to the capital increase will also determine the nature, value and content of future contributions, as well as the manner and procedure to be carried out, with express mention of the term, which may not exceed five years, computed from the incorporation of the company or, as the case may be, from the adoption of the respective capital increase resolution.

Article 6 Changes in the Capital.

1. Share capital may be increased or decreased one or more times, after complying with applicable legal requirements. Capital increases can be done by issuing new shares or by raising the nominal value of the old shares and, in both cases, the exchange value can consist of monetary contributions, including credit compensation, in non-monetary contributions or in the transformation of benefits or available reserves. Capital increases may be made in part charged to new contributions and in part charged to available reserves. When the capital increase has not been fully subscribed within the term indicated for such purpose, the capital will be increased in the amount actually subscribed, unless otherwise agreed. The General Meeting may delegate to the Board of Directors the authority to agree, at one or more times, the share capital increase up to a given value, at the time and in the amount, it decides and within the limitations of the Law. Delegation may include the authority to exclude the right of first refusal. The General Meeting may also delegate to the Board of Directors the authority to determine the date on which the already adopted resolution to increase the capital must be carried out and to establish the conditions in all matters not provided for by the Meeting.

Article 7 Share Documentation.

1. The issued shares shall consist of the corresponding deeds of issuance, which will include: the name, the number of shares, the nominal value and other characteristics and conditions of the shares included in the issue. The Company must comply with Securities Market regulatory standards as regards the issuance of shares.

Article 8 Shareholder Rights.

1. Shares grants the legal holder the status of partner and confer on him, in the terms established by Law, the following rights:

- **a)** The right to participate in the distribution of the company's profits and in the equity resulting from its liquidation.
- **b)** The right of first refusal in the issuance of new shares with a monetary contribution or bonds convertible to shares.
- **c)** The right to attend and vote in General Meetings.
- **d)** The right to information.
- **e)** Any other right provided for by Law.

Article 9 Acceptance and Compliance.

1. Ownership of one or more shares implies acceptance of and compliance with these Articles and, if approved, with the Regulations of the General Meeting, as well as compliance with the resolutions of the governing and administrative bodies of the company, adopted within their powers and in due form, without prejudice to the right of challenge that current legislation grants shareholders.

2. The Regulations of the General Meeting of the Company, if approved, will be published on the Company's corporate web.

Chapter III.- Transfer, Usufruct, Indivisibility, Pledge, Co-Ownership and Seizure of Shares

Article 10 Transfer of Shares.

1. Any transfer of shares made through the means recognised by applicable law, and especially between relatives in the ascending or descending lines, or spouses, will be free.

Article 11 Usufruct of Shares.

2. Usufruct of shares will be subject to the provisions of current legislation.

Article 12 Indivisibility, Pledge, Co-ownership and Seizure of Shares.

1. The shares are indivisible. The pledging, co-ownership and seizure of shares will also be subject to the provisions of current legislation.

Chapter IV.- Bonds

Article 13 Bonds.

1. The Company may issue bonds of any kind with the guarantees and under the conditions that are deemed to be appropriate and without other restrictions than those provided for in applicable law. It may also avail of other funding sources within the limits and conditions provided by applicable general and special regulations at all times.

Chapter V.- Bodies of the Company.

Article 14.- Bodies of the Company.

1. The General Meeting and the Board of Directors are the bodies of the Company

Section 1.- General Meeting of Shareholders.

Article 15 General Meeting.

1. The shareholders, constituted in a General Meeting, with the corresponding legal and statutory formalities, make up the supreme organ of expression of the corporate will, and decide by majority as required in each case, on matters within their competency.

2. All partners, including dissenting ones and those who have not participated in the meeting, are subject to the resolutions of the General Meeting.

3. The General Meeting of Shareholders of the Company may approve specific regulations that will govern, within the legal and statutory framework, those matters related to the General Meeting.

Article 16 Types of General Meetings.

1. General Meetings of Shareholders may be ordinary and extraordinary.

2. The Ordinary General Meeting, previously convened for this purpose, must meet within six (6) months of each fiscal year, to review and approve, where applicable, corporate management, annual accounts and the previous fiscal year's management report that will include, where applicable, the non-financial information statement, and application of the result, notwithstanding its competence to discuss and decide on any other matter on the agenda.

3. All General Meetings not provided for in the paragraph above will be considered Extraordinary.

Article 17 Competency of the General Meeting.

1. The General Meeting shall be authorised to decide on the matters that have been attributed to it by current legislation and, in particular, on the following:

- **a)** Approval of individual and consolidated annual accounts, application of the result and approval of corporate management.
- **b)** Appointment of the Chairman of the Board, the appointment and removal of directors, all within the limits established by the Articles of Association.
- **c)** Ratify and revoke the appointment of members of the Board of Directors by co-opting in case of early vacancy. The Appointments and Remuneration Committee shall forward a report to the General Meeting prior to ratification or revocation. In the event

directors appointed by co-opting are independent board members, it will be necessary that such board member be proposed by the Appointments and Remuneration Committee prior to ratification by the General Meeting.

d) Appointment and removal of liquidators and liquidator auditors, as applicable.

e) Agree on the modification of the articles of association.

f) Agree on the increase and decrease of share capital, as well as agree on delegating to the Board of Directors the authority to increase capital.

g) Agree on the cancellation or limitation of the right of first refusal.

h) Agree on the issuance of bonds and other negotiable securities within the scope of their competencies, as well as delegate to the Board of Directors the authority for their issuance.

i) The acquisition, disposal or contribution of essential assets to another company. The essential nature of the asset is understood to be so when the amount of the operation exceeds twenty-five percent of the value of the assets that appear in the last approved balance sheet.

j) The transformation, merger, divestiture or global transfer of assets and liabilities and the transfer of the registered office abroad.

k) Operations which are equivalent to the liquidation of the company.

l) Agree on the authorisation for the derivative acquisition of equity shares.

m) Approve the directors' compensation policy in terms provided by law and the Articles of Association, subject to the proposal for said purpose of the Appointments and Remuneration Committee.

n) Approve the establishment of compensation systems for the Company's directors consisting of the delivery of shares or rights on the same or that are referenced to the value of the shares.

o) Agree on exempting directors from the prohibitions resulting from the duty of loyalty, when the authorisation corresponds legally to the General Shareholders' Meeting, as well as the obligation not to compete with the Company.

p) Distribute and submit to a vote, in an advisory capacity and as a separate item on the agenda of the General Meeting, the annual report on the compensation of directors proposed by the Board of Directors. Should the annual compensation report of directors be rejected in the advisory vote of the General Meeting, the compensation policy applicable for the following fiscal year must be approved by the General Meeting prior to its application, even if the term of validity had not elapsed. Cases in which the compensation policy has been approved at the same General Meeting are excluded.

q) The implementation of corporate liability action against administrators and liquidators.

r) The dissolution of the corporation.

s) Approval of the final liquidation balance.

t) Approval, where applicable, of the Regulations of the General Meeting and any modifications made to the same.

2. As an exception, the Board of Directors may submit for approval of the General Meeting those business decisions that it considers to be significant for the future of the company and its corporate interests, or as required by legal provisions.

Article 18 Call to the General Meeting and Supplementary Call.

1. General Meetings will be called by means of published notice in the Official Gazette of the Mercantile Registry, in one of the most widely circulated newspapers in the province of the company registered office and on the company's website, at least one month before the date set for it to be held, except in cases where the law or the Articles of Association provide for a longer period, or the Company offers the possibility of voting by electronic means. In this latter case, the Extraordinary General Meeting may be convened at least (15) days prior to the date of it being held, subject to express resolution adopted in the Ordinary General Meeting, by at least two-thirds of the subscribed share capital with voting rights.

2. The announcement will state the place, date and time of meeting in first call and second call between which a minimum 24 hours should pass; all matters on the agenda; requirements for attendance at the General Meeting and accreditation means, as well as the date on which the shareholder must have their name recorded in order to participate and vote in the General Meeting; how to obtain the full text of the documents and the address of the web page of the company in which the information will be available; content and modalities to exercise the shareholders' right to information, list of documents made available to them and any other aspects required by law. It may also include the date on which, if appropriate, the Meeting would be held on second call.

3. Shareholders representing at least five percent of the share capital may request that a supplement to the announcement of a general meeting be published, including one or more items on the agenda. This right must be exercised through reliable notification that must be received at the registered office within five days following the publication of the call.

4. The supplement to the call must be published at least fifteen days before the date set for the meeting.

5. Failure to publish the supplementary call in the legally established timeframe will be cause for the nullity of the meeting.

Article 19 Universal General Meeting.

1. Notwithstanding the above, the Meeting shall be deemed convened and legally constituted to deal with any matter, provided that all the paid-in capital is present, and attendees unanimously agree to the meeting being held.

Article 20 Power and Obligation of Convening the General Meeting.

1. The Board of Directors shall convene the Ordinary General Meeting within the first (6) six months of each fiscal year. The Ordinary General Meeting shall be valid even if it has been called or is held outside of the term set.

2. The Board of Directors may convene the Extraordinary General Meeting of Shareholders provided it is deemed appropriate for corporate interests.

3. It must, also, be convened when requested by a number of shareholders who hold, at least, five percent of the share capital, and other requirements and consequences as provided for in the Articles of Association and in applicable law.

4. The resolution of the Board of Directors regarding the call for a General Meeting will be adopted with the necessary advanced notice to guarantee the publicity of the call and the right of information of the shareholder.

Article 21 Justifying Report of the Proposal.

1. For matters referred to in Article 24 of these Articles, the Board or if applicable the shareholders making the proposal, will prepare a written report justifying it.

2. The call will clearly express the material content of the proposal.

3. In these cases, the shareholders shall have the right to examine, at the registered office, the full text of the proposal and the report on the proposal, and to request the provision or free delivery of such documents.

Article 22 Place of the General Meeting.

1. The General Meeting shall be held at the location indicated in the call within the municipality in which the Company has its registered office. If the location did not appear in the announcement, it will be understood that the General Meeting will be held at the registered office of the Company.

Article 23 Constitution of the General Meeting.

1. The General Meeting, Ordinary or Extraordinary, will be legally constituted on first call, when the shareholders present or represented hold, at least, twenty-five percent of the subscribed capital with voting rights. In a second call, the Meeting will be legally constituted regardless of the capital in attendance, without prejudice to the provisions of Article 24 of these Articles.

Article 24 Reinforced Quorum

1. Notwithstanding the above article, in order for the Board to legally agree on (i) the issuance of bonds, (ii) the increase or decrease in share capital, (iii) the transformation, merger or division of the company, (iv) the overall assignment of assets and liabilities, (v) the limitation of the right of first refusal of acquisition of new shares, (vi) the transfer of the registered office abroad, (vii) the modification of these Articles of Association, (viii) any other statutory amendment required by Law and (ix)) the approval, if applicable, of the General Meeting Regulations and any modifications thereto, it shall be attended, on first call, by the shareholders present or represented who hold, at least, fifty percent of the subscribed capital with voting rights. On second call, twenty five percent of the voting capital in attendance will be sufficient.

Article 25 Majorities.

1. The General Meeting resolutions shall be adopted by simple majority of the shareholders present or represented at the meeting, except for the cases established in Article 24 of these Bylaws, and those provided for by current legislation that requires reinforced majorities. Each share is entitled to one vote.

2. In particular, to adopt the resolutions referred to in Article 24 of these Articles:

- **a)** if the capital present or represented exceeds fifty percent, an absolute majority will be enough for the resolution to be adopted; and

- **b)** a favourable vote of two thirds of the capital present or represented at the Meeting will be required when, on second call, shareholders representing twenty-five percent or more of the subscribed capital with voting rights, but lower than fifty percent, are present.

3. Those matters that are substantially independent should be voted on separately. In all cases, even if on the same agenda, the following should be voted on separately:

- **a)** the appointment, ratification, re-election or removal of each administrator.

- **b)** in modifying corporate articles, that of each article or group of articles that stand alone.

- **c)** any other assumption provided for under law.

Article 26 Right to attend the General Meeting.

1. Shareholders may attend the General Meeting who are holders of shares representing, at least, one per thousand (1%) of share capital, and that they are registered in their name in the relevant account annotations five days prior to the General Meeting being held. Shareholders holding shares that do not reach the above minimum may be grouped together until they constitute the same and confer their representation on any of them or, as applicable, on another shareholder who, in accordance with the provisions of the Articles, has the right to attend the Meeting.

2. When, in the opinion of the Board of Directors, the necessary guarantees of authenticity and legal certainty are given, electronic participation mechanisms may be established.

Article 27 Representation.

1. Any shareholder with the right to attend, may attend the General Meeting through a proxy, even if this person is not a shareholder, although the representation must be conferred specifically for each Meeting.

2.In cases of proxies appointed through public solicitation, requirements of the Law must be met.

3. The representation is always revocable. Personal attendance of the represented party at the Meeting shall cancel the proxy.

Article 28 The Board of the General Meeting.

1. The Board of the General Meetings shall be comprised of its Chairman and Secretary and the members of the Board of Directors of the Company.

2. The Chairman of the Board of Directors shall preside over the General Meeting or, in their absence, by the Vice Chairman, and in absence of the Chairman and Vice Chairman, by the member of the Board of Directors appointed by the General Meeting.

Article 29 Right of Information.

1. Shareholders may exercise their right of information in accordance with applicable law; however, requests for information or clarifications or written questions may be made up to seven days prior to the scheduled Meeting.

2. In addition, from the date of publication of the call for the General Meeting, the Company will publish the information required by current legal provisions to its corporate website.

Article 30 Minutes and Certifications of the General Meeting.

1. The minutes of the General Meeting may be approved in any form established by Law.

2. Certifications of their minutes and resolutions shall be issued in the manner and with the requirements established in the Regulations of the Mercantile Registry. The formalisation and auditing of such resolutions corresponds to the persons authorised to certify them, as well as to any of the duly empowered administrators and with current authority and registered in the Mercantile Registry.

3. The Board of Directors may require the presence of the Notary to make the minutes of the Meeting public, and will be required to do so provided, five days in advance of the meeting, shareholders that represent at least one percent of share capital requested it. In both cases, the notarial certificate shall be considered as the minutes of the Meeting.

Section 2.- Board of Directors

Article 31.- Structure of the Administration Body.

1. The administration of the company, its representation, in and out of the trial, and all acts include in its corporate purpose, will correspond to the Board of Directors, exercising any powers not expressly reserved by applicable law or by these Articles, to the General Meeting.

2. The Board of Directors may approve the Regulation of the Board of Directors which will contain internal operating regulations and regimes in developing the legal and statutory provisions.

Article 32.- Composition.

1. The Board of Directors will be made up of a minimum of three and a maximum of ten members. The determination of the specific number of directors corresponds to the General Meeting of Shareholders.

2. The General Meeting shall appoint it Chairman from among the members of the Board.

3. The Board will appoint its Vice Chairman, with the ability to appoint other Vice Chairmans. A Secretary will also be appointed, who may or may not be a member of the Board, with the ability to name one or several Vice Secretaries, that may or may not be members of the Board.

Article 33.- Power and Obligation of Convening.

1. The Board of Directors shall meet, at least, once a quarter. It will also meet whenever it is agreed by its Chairman or the person acting on his/her behalf, either on his/her own initiative or at the request of the Vice Chairman or a third of the directors. In the absence of the Chairman or if he/she does not comply with the request indicated above, without just cause, within one month, any Vice Chairman or the directors that constitute at least a third of the members of the Board of Directors may call a Board meeting.

Article 34.- Call for a Meeting of the Board of Directors.

1. The call for an ordinary meeting will be done by email, letter, fax, telegram or any other acceptable means of which the delivery is recorded and shall be authorised by the signature of the Chairman or board members who have requested the meeting. The call for a meeting will be issued, except in cases of emergency or necessity, no later than the third day before the date of the meeting.

2. Extraordinary meetings of the Board may be convened by the Chairman or whoever replaces him/her by any means, including by telephone. Advance notice and the other requirements indicated above will not be applicable when, in the judgement of the convening party, circumstances justify it.

3. The call will always include the meeting agenda and will be accompanied by the relevant information regarding the matters to be addressed. When, in the opinion of the Chairman, it is ill-advised for confidentiality reasons, the information will not be included, and the directors will be notified of the possibility of reviewing it at the registered office. The directors may also request the Chairman, the Secretary and the Vice Secretary of the Board to provide them with the additional information they deem necessary to assess appropriately the matters to be discussed in the meeting.

Article 35 Constitution of the Board of Directors.

1. The Board shall be legally constituted when half plus one of its members attend the meeting, in person or represented by another Director, unless current legislation establishes a higher quorum. Representation will be conferred, if approved, in the terms that may be provided for in the Regulations of the Board of Directors of the Company.

Article 36 Majorities.

1. Resolutions of the Board of Directors shall be adopted by the absolute majority of the directors in attendance at the session, unless applicable law establishes a higher majority. However, the permanent delegation of some or all of its powers that may be legally delegated to the Executive Commission or to one or more of the Chief Executive Officers, and the appointment of the Directors to occupy such positions, will require a favourable vote of two-thirds of the Board members, and will not enter into force until registered in the Mercantile Registry.

Article 37 Voting by Ballot and Out-Of-Meeting Voting

1. Voting by ballot and out of session will be legally valid if no director is opposed to it.

Article 38 Minutes and Certifications of the Board of Directors.

1. The Board's deliberations and resolutions will be recorded in the Book of Minutes and will be signed by the Chairman and the Secretary.

2. Board Minutes will be approved at the end of the meeting, or at the following meeting.

3. The Secretary, and in his/her absence, the Vice Secretary, with the approval of the Chairman or Vice Chairman, will issue the certifications of the Board's resolutions.

4. The formalisation of the resolutions and their recording as a public deed shall be the responsibility of any of the Board members, as well as the Secretary or Vice Secretary of the same, even though they are not Directors, provided they hold current posts registered in the Mercantile Register.

Article 39 Term of office of the Directors.

1. Shareholder status will not be required to be elected as a director. The General Meeting shall appoint directors for a term of (6) six years, being able to be indefinitely re-elected for terms of the same duration. Those subject to situations of legal debarment or incompatibility may not be directors, especially those provided for by Law 3/2015, of 30 March

2. If vacancies occur during the term for which they were appointed, the Board may designate from among the shareholders the persons who will occupy them until the first General Meeting.

Article 40 Remuneration.

1. The position of director shall be remunerated and consist of a set amount that will be determined for each fiscal year by resolution of the General Meeting of Shareholders. The director's position is compatible with any executive position or role in the Company and with the remuneration that, by resolution of the Board of Directors, shall be considered appropriate for performing other roles in the Company. Unless otherwise determined by the General Meeting, distribution between the different administrators will be established by agreement between the same, and in the case of the Board of Directors, by decision of the same, which must consider the roles and responsibilities granted each director.

Article 41 Committees of the Board of Directors.

1. The Board of Directors may set up the executive and advisory bodies it deems appropriate to deal with matters within its competence, appointing the Directors that should be part of them.

2. An Administration Committee, an Audit and Control Committee, an Appointments and Remuneration Committee, an Executive Committee and a Strategy and Corporate Governance Committee may be established, when deemed appropriate by the Board of Directors, whose organisation shall be established by the Regulations which, if applicable, the Board of Directors approves.

Chapter VI.- Corporate Accounts.

Article 42 Fiscal Year.

1. The fiscal year will start on the first of January and end on 31 January [sic: December] of each year, with the exception of the first fiscal year, which will begin on the day of the granting of foundational deed.

Article 43 Annual Accounts.

1. The Board of Directors shall be required to prepare, within three months, from the close of the fiscal year, the annual accounts, the management report and its proposal for the distribution of profits, as well as, where applicable, consolidated accounts and the consolidated management report, which will include, where applicable, the non-financial information statement of the Company.

2. Annual accounts will consist of the Balance Sheet, the Profit and Loss Account, a statement reflecting changes in fiscal year net equity, a cash flow statement and the Management Report. These documents, which form a unit, must be clearly written and show the true status of the assets, the financial situation and the company results.

3. The annual accounts and management report must be signed by all directors, and if any signature is missing, it will be noted in each of the documents where it is missing, stating the reason.

4. From the call for the General Meeting, any shareholder may obtain at the registered office, immediately and free, a copy of the documents that have been submitted for approval of the same.

Article 44 Appropriation of the Result.

1. The General Meeting will decide the appropriation of the result of the fiscal year, according to the approved Balance Sheet.

2. In any case, a figure equal to ten percent of the profit for the year will be allocated to the legal reserve, until it reaches at least twenty percent of the share capital. The legal reserve, provided it does not exceed the indicated limit, can only be used for compensation of losses, if there are no other available reserves available for this purpose.

3. Once the legal reserve is covered, dividends may only be distributed charged to the profit for the fiscal year or to voluntary reserves, provided that the value of the net accounting equity is not or, as a result of the distribution, does not become less than the share capital. If there were losses from previous years, which would cause that value of the net equity of the company to be lower than the amount of the share capital, the profit will be used to offset these losses.

Article 45 Distribution of Dividends.

1. The distribution of dividends to shareholders will be made in proportion to the capital that they have paid out.

2. In the dividend distribution resolution, the General Meeting will establish the time and form of payment.

Article 46 Payment of Dividends.

1. The distribution among the shareholders of dividend payments may be agreed by the General Meeting or by the Board of Directors, in accordance with the legal requirements.

Article 47 Depositing the Annual Accounts.

1. Within the month following the approval of the annual accounts, a certificate shall be submitted of the resolution of the General Meeting on the approval of the accounts and the appropriation of the result, to which a copy of those accounts will be attached, as well as the management report and the Auditors' report, if applicable.

Chapter VII.- Dissolution and Liquidation of the Company.

Article 48 Dissolution of the Company.

1. The company will be dissolved by resolution of the General Meeting of Shareholders for the reasons and with the majorities considered by Law.

Article 49 Liquidation of the Company.

1. Once the company is dissolved, the liquidation period will begin, except in cases of merger, complete division or any other overall assignment of assets and liabilities.

2. From the time the Company is declared in liquidation, the Board of Directors will cease to have capacity to enter into new contracts and assume new obligations, with the Liquidators assuming the functions established by Law.

3. However, the former directors must lend their support for the liquidation operations if so required.

4. The appointment of Liquidators shall correspond to the General Meeting. The number of Liquidators will always be an odd number.

5. During the liquidation period, the provisions of these Articles of Association will be observed regarding the convening and holding of Ordinary and Extraordinary Meetings, to which the Liquidators will report on the progress of the liquidation, so that they may agree on what is convenient for the corporate interest.

6. Once the liquidation is completed, the Liquidators shall prepare the Final Balance for approval by the General Meeting. The resulting liquidity, once all the creditors have been satisfied or the amount of their credits assured, will be distributed among the shareholders proportionally to the nominal value of their shares.

Chapter VIII. Single Shareholder Company

Article 50 Sole Shareholder Responsibility

1. When the Company is single shareholder, the sole shareholder shall exercise the powers of the General Meeting.

2. After six months from when a single shareholder become owner of all shares, without this circumstance being recorded in the Mercantile Registry, the former will respond personally, unlimitedly and jointly and severally for the corporate debts incurred during the single-shareholder period. Once the single shareholder status is registered, the sole shareholder will not answer for subsequent debts.

Chapter IX. Arbitration

Article 51 Jurisdiction

1. All corporate issues and conflicts and any matters arising from the same, that are between company and its administrators, liquidators or associates, or any one of them with each other, will be subject to the institutional arbitration of the Arbitration Court of Barcelona (TAB), or whatever it is called in the future, of the Catalan Association for Arbitration, which shall be responsible for the appointment of an arbitrator or arbitrators and the administration of arbitration in accordance with its regulations. Challenges against corporate resolutions, corporate and individual liability action against directors and disputes concerning the convening of corporate bodies and the dissolution and liquidation of the company are included, among others.

1.15 Significant contracts

- **Exclusive Distribution Agreement signed between Quadpack Industries, S.A and Yonwoo Co.Ltd:**

  By signing this agreement Quadpack Group becomes exclusive distributor of Yonwoo's products within Europe. This agreement allows Quadpack Group to to sell the airless system to the major players in the European cosmetic industry.

  The agreement enters into force on December 31, 2011 for an initial term of 60 calendar months and renewed for further periods of 36 months.

- **Licensing Agreement signed between Inotech Cosmetich Gmbh and INOTECH Kunststofftechnik GmbH**

  By signing this agreement, the Licensor INOTECH Kunststofftechnik GmbH grants Inotech Cosmetics Gmbh and entitles Quadpack Group to make use of the intellectual property rights of the Licensor by manufacturing, offering and placing on the market licensed products.

1.16 Documents accessible to the public

Company Website – Investor Section

https://www.quadpack.com/investors/

Press Releases – Finance Related

https://www.quadpack.com/investors/investor-information/

Press Releases – Company Related

https://www.quadpack.com/about-us/press/

2. Listing

2.1 Listing procedure on the Euronext Growth Paris market

The Shares, which constitute the Company's entire share capital as of the date of this Information Document, are subject to the Company's application for admission to trading on Euronext Growth.

Prior to the admission to trading on Euronext Growth, the shares have been traded on Euronext Access Paris under the trading symbol MLQP since 20/04/2016.

2.1.1 Main objective of the listing and admission to trading

The admission to trading described in the present document will allow the Company to:

- increase its visibility on the market by listing on Euronext Growth, located in Paris,
- allow the Company to achieve better access to the capital markets
- offer more liquidity to its shareholders

2.1.2 Shares to be admitted on the Euronext Growth market

Number of Shares to be listed	4,203,926
Par value of the Shares	EUR 1 per Share
Nature and form of the Shares	Bearer shares
Currency	Euro
Shares denomination	QUADPACK
ISIN code	ES0105118006
Mnemonic	ALQP
Quotation method	Continuous

2.1.3 Private Placement(s) prior to the admission on the Euronext Growth market

The request for admission to trading of the Shares on Euronext Growth is requested also considering the implementation of two private placements conducted during 2019 as follows:

Date	Notarisation Date	Total amount (€m)	Number of investors	Number of new shares issued	Price per share (€)	Pre-money valuation (€m)
May 31 2019	July 18 2019	3,75	4	150.000	25,00	94,97
July 24 2019	August 01 2019	6,507	1	255.057	25,51	96,92

2.1.4 Share price at the admission

The share price of the Company's shares on the date of admission for trading on the Euronext Growth market will be the price recorded the day before the closing of the Access market of Euronext Paris, on which the share is currently traded.

2.1.5 Lock-up Agreements

None

2.2 Technical information

2.2.1 Equity research provider

The Company and Invest Securities S.A. have already entered (on 28/4/2016) into an equity research coverage and marketing agreement, pursuant to which Invest Securities S.A. performs various tasks in relation to financial analysis and marketing.

2.2.2 Liquidity provider

On the Listing Date, the Company and Invest Securities S.A. will enter into a liquidity provision contract, according to which Invest Securities S.A. will act as a liquidity provider and will intervene on the Company's behalf to increase the free float and provide liquidity to facilitate active trading.

The liquidity contract to be implemented with Invest Securities S.A. will comply with the Code of Ethics established by the AMAFI and approved by the decision of the French Autorité des Marchés Financiers of March 21, 2011.

Liquidity provider
Invest Securities S.A. 73 boulevard Haussmann 75008 Paris

2.2.3 Listing sponsor

The Company and Invest Corporate Finance SAS entered into a listing sponsor agreement pursuant to which Invest Corporate Finance SAS have agreed to assist the Company as its listing sponsor in connection with the Listing of the Shares on Euronext Growth, including due diligence, organization, assistance to the drafting of required documentation and the listing sponsor declaration.

The Company and Invest Securities S.A. will assist the Company as its listing sponsor as long as the Company will be listed on Euronext Growth.

Listing sponsor before the Listing Date	Listing sponsor from the Listing Date
Invest Corporate Finance SAS 73 boulevard Haussmann 75008 Paris	Invest Securities S.A. 73 boulevard Haussmann 75008 Paris

2.2.4 Schedule of the next publication and annual general shareholder meeting

29/11/2019: unaudited half-year consolidated financial statement as at 31/7/2019

26/05/2020: first annual general shareholder meeting following the admission on Euronext Growth