

# **G·N·L RUSSELL BEDFORD AUDITORS S.L.**

ECONOMISTAS · CENSORES JURADOS DE CUENTAS

**MANAGEMENT SYSTEM SOLUTIONS S.L.**

**BARCELONA, 31 JULY OF 2018**



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G.N.L. RUSSELL BEDFORD  
AUDITORS S.L.

## INDEPENDENT AUDITOR'S REPORT

To the member of MANAGEMENT SYSTEM SOLUTIONS, S.L.UNIPERSONAL,

We have audited the accompanying financial statements of MANAGEMENT SYSTEM SOLUTIONS, S.L.UNIPERSONAL (the Company), which comprise the balance sheet as at March 31, 2018 and 2017, and the profit loss account, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and presentation of these financial statements in accordance with the purpose of the financial statements as detailed in section 1.f) of the attached annual report whereby the financial statements for the periods closed in March 31, 2017 and 2018 have been prepared by the administrator of the company in order that the financial information included may serve as the basis for preparing the consolidated financial statements. For legal purposes the financial year of the company corresponds to the closing date December 31, however, these financial statements have been prepared at closing of March 31. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial and equity position of the company, as at March 31, 2017 and 2018, and its financial performance and its cash flows for the year then ended in accordance with the normative framework of financial information that is applied (identified in note 2 of the annual report) and, in particular, with the accounting principles and criteria contained therein.

## Emphasis paragraph

The financial statements of the closing period March 2016 were not audited.

## Restriction on Use [and Distribution]

As indicated above, the financial statements are prepared in accordance with the in order that the financial information included may serve as the basis for preparing the consolidated financial statements. For legal purposes the financial year of the company corresponds to the closing date December 31, however, these financial statements have been prepared at closing of March 31. The financial statements and related auditor's report may not be suitable for another purpose.

Report issued in Barcelona, on July 31, 2018

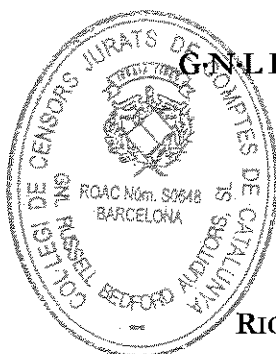
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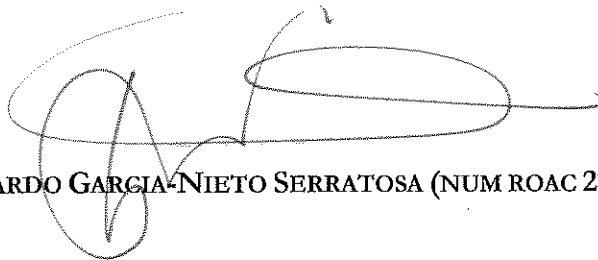
IMPORT COL·LEGIAL: 96,00 EUR

Informe d'auditoria de comptes subjecte  
a la normativa d'auditoria de comptes  
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G·N·L RUSSELL BEDFORD AUDITORS S.L. (NUM ROAC S0648)

CENSORS JURATS DE COMPTES-AUDITORS



RICARDO GARCIA-NIETO SERRATOSA (NUM ROAC 21849)

<b>MANAGEMENT SYSTEM SOLUTIONS, S.L.Unipersonal</b> <b>BALANCE SHEET STATEMENT</b> <b>AS OF 31 MARCH 2016, 2017 AND 2018</b>
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<u>ASSETS</u>	<u>Notes</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>A) NON CURRENT ASSETS</b>		<b>33.426</b>	<b>16.490</b>	<b>22.185</b>
I. Intangible assets	4; 5	22.004	3.667	5.348
II. Property, plant and equipment	4; 5	8.237	9.638	13.652
V. Non-current investments	4; 7	3.185	3.185	3.185
<b>NON CURRENT ASSETS</b>		<b>33.426</b>	<b>16.490</b>	<b>22.185</b>
 <b>D) CURRENT ASSETS</b>		 <b>1.432.500</b>	 <b>1.254.435</b>	 <b>1.442.162</b>
III. Trade and other receivables	4; 7	462.296	319.662	354.228
VII. Cash and cash equivalents	4	970.204	934.774	1.087.934
 <b>CURRENTS ASSETS</b>		 <b>1.432.500</b>	 <b>1.254.435</b>	 <b>1.442.162</b>
 <b>TOTAL ASSETS</b>		 <b>1.465.926</b>	 <b>1.270.926</b>	 <b>1.464.347</b>

Barcelona, june 30, 2018

<b>MANAGEMENT SYSTEM SOLUTIONS, S.L.Unipersonal</b> <b>BALANCE SHEET STATEMENT</b> <b>AS OF 31 MARCH 2016, 2017 AND 2018</b>
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<u>LIABILITIES</u>	<u>Notes</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>A) EQUITY</b>		<b>1.255.157</b>	<b>1.084.494</b>	<b>1.172.553</b>
I. Capital	9	3.005	3.005	3.005
III. Reserves	9	1.081.489	969.548	985.354
VII. Profit or loss for the period	9	170.663	111.941	184.195
<b>EQUITY</b>		<b>1.255.157</b>	<b>1.084.494</b>	<b>1.172.553</b>
<b>B) NON-CURRENT LIABILITIES</b>		<b>0</b>	<b>0</b>	<b>37.010</b>
II. Non-current payables		0	0	37.010
<b>NON-CURRENT LIABILITIES</b>		<b>0</b>	<b>0</b>	<b>37.010</b>
<b>C) CURRENT LIABILITIES</b>		<b>210.770</b>	<b>186.432</b>	<b>254.784</b>
V. Trade and other payables	4; 8	210.770	186.432	254.784
<b>CURRENT LIABILITIES</b>		<b>210.770</b>	<b>186.432</b>	<b>254.784</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1.465.926</b>	<b>1.270.926</b>	<b>1.464.347</b>

Barcelona, june 30, 2018

<b>MANAGEMENT SYSTEM SOLUTIONS, S.L.Unipersonal</b> <b>PROFIT AND LOSS STATEMENT</b> <b>AS OF 31 MARCH 2016, 2017 AND 2018</b>
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<b>(DEBIT)/CREDIT</b>	<b>Notes</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
1. Revenue	11	1.983.789	2.015.826	2.116.282
4. Supplies	11	(713.371)	(897.466)	(858.290)
5. Other operating income		0	26.862	0
6. Personnel expenses	11	(859.388)	(877.872)	(866.976)
7. Other operating expenses	11	(119.964)	(131.270)	(125.738)
8. Amortisation and depreciation	5	(7.360)	(5.695)	(6.564)
13. Other losses or profits		0	0	0
<b>A) RESULTS FROM OPERATING ACTIVITIES</b>		<b>283.705</b>	<b>130.385</b>	<b>258.714</b>
14. Finance Income		12	4.990	1.636
15. Finance expenses		(1.438)	(1.430)	(5.015)
17. Foreign exchange differences		(54.729)	15.309	(9.742)
<b>B) NET FINANCE</b>		<b>(56.155)</b>	<b>18.869</b>	<b>(13.121)</b>
<b>C) PROFIT (LOSS) BEFORE INCOME TAX</b>		<b>227.550</b>	<b>149.254</b>	<b>245.593</b>
20. Corporative tax		(56.888)	(37.314)	(61.398)
<b>D) NET PROFIT FOR THE PERIOD</b>		<b>170.663</b>	<b>111.941</b>	<b>184.195</b>

Barcelona, june 30, 2018

**MANAGEMENT SYSTEM SOLUTIONS, S.L.Unipersonal**  
**STATEMENT OF TOTAL CHANGES IN EQUITY**

**A) STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR THE PERIOD**  
**FOR THE PERIOD ENDED**  
**31st March 2016, 2017 and 2018**  
**(Expressed in euros)**

	<i>2.018</i>	<i>2.017</i>	<i>2.016</i>
Profit for the period	170.663	111.941	184.195
Total income and expense recognised directly in equity			
Total amounts transferred to the income statement			
Total recognised income and expense	170.663	111.941	184.195

**MANAGEMENT SYSTEM SOLUTIONS, S.L. Unipersonal**  
**B) STATEMENT OF TOTAL CHANGES IN EQUITY FOR THE PERIOD ENDED**  
**31st March 2016, 2017 and 2018**  
**(Expressed in euros)**

	Capital	Reserves	Prior periods' profit and loss	Profit/(loss) for the period	Total
Balance at 31 March 2015	3.005	709.832	275.522	-	988.359
Adjusted balance at 31 march 2015	3.005	709.832	275.522	-	988.359
Total recognised income and expense	-	-	-	-	-
Transactions with equity holder or owners	-	-	-	-	-
Capital increases	-	-	-	-	-
Other transactions with equity	-	-	-	-	-
Balance at 1 April 2015	3.005	709.832	275.522	-	988.359
Total recognised income and expense	-	-	-	184.195	184.195
Transactions with equity holder or owners	-	-	-	-	-
Capital increases	-	-	-	-	-
Other transactions with equity	-	275.522	(275.522)	-	-
Balance at 31 March 2016	3.005	985.354	-	184.195	1.172.554
Total recognised income and expense	-	-	-	111.941	111.941
Transactions with equity holder or owners	-	(200.000)	-	-	(200.000)
Capital increases	-	-	-	-	-
Increase (reduction) in equity resulting from a business combination	-	-	-	-	-
Other changes in equity	-	184.195	-	(184.195)	0
Balance at 1 April 2017	3.005	969.549	-	111.941	1.084.494
Total recognised income and expense	-	-	-	170.663	170.663
Other changes in equity	-	111.941	-	(111.941)	-
Balance at 31 March 2018	3.005	1.081.489	-	170.663	1.255.157



MANAGEMENT SYSTEM SOLUTIONS, S.L.Unipersonal  
STATEMENT OF CASH FLOWS FOR THE PERIOD  
FOR THE PERIOD ENDED  
31st March 2016, 2017 and 2018  
(Expressed in euros)

	<i>Note</i>	<i>2.018</i>	<i>2.017</i>	<i>2.016</i>
<i>Statement of Cash Flows</i>				
Profit/(loss) for the period before tax	10	227.551	149.254	245.593
Adjustments		63.515	(13.174)	19.685
Amortisation	5	7.360	5.695	6.564
Finance income		(12)	(4.990)	(1.636)
Finance expenses		1.438	1.430	5.015
Exchange gains/losses		54.729	(15.309)	9.742
Changes in operating assets and liabilities		(118.296)	(35.206)	(37.327)
Trade and other receivable	7	(142.634)	34.566	(57.491)
Trade and other payables	8	24.338	(69.772)	20.164
Other cash flows from operating activities		(133.743)	(170.185)	(27.889)
Interest paid		(1.438)	(1.430)	(5.015)
Dividends received		12	4.990	1.636
Interest received		(24.379)	(58.811)	(38.440)
Other amounts paid (received)		(107.938)	(114.934)	13.930
Cash flows from/used in operating activities		<u>39.027</u>	<u>(69.311)</u>	<u>200.062</u>
<i>CASH FLOWS FROM INVESTING ACTIVITIES</i>				
Payments for investments		(3.597)	153.161	(7.132)
Intangible assets	5	-	-	(6.017)
Property, plant and equipment	5	(3.597)	-	(1.115)
Other assets	5	-	153.161	-
Cash flows from investing activities		<u>(3.597)</u>	<u>153.161</u>	<u>(7.132)</u>
<i>C) CASH FLOWS FROM FINANCING ACTIVITIES</i>				
Proceeds from and payments for financial liability instruments		-	(37.010)	-
Issues		-	(37.010)	-
Debt with financial institutions		-	(37.010)	-
Dividends and interest on other equity instruments paid		-	(200.000)	-
Dividends		-	(200.000)	-
Effect of financing activities		<u>-</u>	<u>(237.010)</u>	<u>-</u>
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS		<u>35.431</u>	<u>(153.161)</u>	<u>192.930</u>
Cash and cash equivalents at beginning of period		<u>934.774</u>	<u>1.087.934</u>	<u>895.004</u>
Cash and cash equivalents at end of period		<u>970.204</u>	<u>934.774</u>	<u>1.087.934</u>

**Management System Solutions, S.L.Unipersonal**

Annual report

March 2016- March 2018 Accounting period

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**1. General information and Company's activity**

A). Trade name: Management System Solutions, S.L.Unipersonal

B). Fiscal Identification Number: B-60.440.740

C). Registered Office: Calle Galileo número 303, 6ª planta, Barcelona.

D). The Company was registered on December 22<sup>th</sup>, 1993 before the Public Notary Mr. Eduard Nebot Tirado as a Private Limited Company.

E) Company's authorized objects and Business Activities:

The company statutory activity consists on the realization of translations of different categories in any format, and services related to them, such as layout, publication, content adaptation (software and others), test functional and linguistic; also the creation and or marketing of computer programs or communications, the presentation of training and information services of any kind, and the purchase, sale and distribution of computer and communication equipment, as well as their components and accessories.

F). Accounting Period: For legal purposes from January first to December thirty first, calendar year but in accordance with the following note is from April to March.

*G) The purpose of the financial statements*

At the date of 15<sup>th</sup> Juny 2018 the company was acquired by the Straker Group, specifically the company Straker Spain S.L. In that context, the financial statements for the periods closed as of March 31, 2017 and 2018 have been prepared by the administrator of the company in order that the financial information included may serve as the basis for preparing the consolidated financial statements by the Straker Group.

For comparative purposes, the financial statements of the previous period have been prepared, that is, on March 31, 2016.

For legal purposes the financial year of the company corresponds to the closing date December 31, however, these financial statements have been prepared for the following periods:

- April 2015 to March 2016
- April 2016 to March 2017
- April 2017 to March 2018

This change has been made for temporary homogenization with the aim of meeting the objective of group consolidation by the Straker group.

In addition, these financial statements have been prepared in accordance with the International Financial Reporting Standards adopted by the European Union (IFRS).

*Currency*

The currency used by the Company is the Euro.

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**2. Annual Accounts basis of display**

**a) True Reflection**

These financial statements have been issued under the International Financial Reporting Standards adopted by the European Union (IFRS), in order to show the true and fair image of the group's equity and financial situation as of March 31, 2016, 2017 and 2018. As these financial statements are the first prepared in accordance with IFRS-EU, IFRS 1 "First-time Adoption of International Financial Reporting Standards" is applicable. The date of first application is 1 April 2015. There are no impacts derived from the first formulation under IFRS.

**b) Critical features of the valuation and estimation of the uncertainty**

There are no outstanding data on the estimation of the uncertainty as for the closing date of the accounting period, since there is not any important risk associated which may result in outstanding changes within the value of the assets and liabilities of the following accounting period.

**c) Comparison of information**

The information contained in this memory referred to the exercise 2018 appears, to comparative effects, with the information of the exercises 2017 and 2016.

**d) Elements included within several items**

No element has been included within two or more items of the balance sheet.

**e) Changes in accounting criteria**

Any changes have been made within the accounting criteria.

**f) Correction of errors**

During the accounting period any value correction has been made.

**3. Application of results**

Given that the present financial statements, do not correspond to the closing of the fiscal year, there is no distribution of results according to the General Shareholders' Meeting. For presentation purposes, the transfer of the results of each year to voluntary reserves has been considered.

**4. Recording and valuation rules**

The valuation rules applied by the Company when drawing up the annual accounts for the accounting period ended on March 31<sup>st</sup>, 2018 and 2017, in accordance with those rules established by the general Accounting Plan, have been the following:

**a) Intangible Fixed Assets**

The intangible fixed assets are initially recorded by their acquisition price or production price, depreciated by the corresponding accumulated amortization (calculated according to their useful life) and the losses caused by deterioration, if any.

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*Amortization*

The corresponding amortizations have been applied on the Intangible fixed assets elements, the amounts of such amortizations are reflected within the Balance Sheet. Such have been assigned following a systematic criterion according to the useful life of the corresponding items or rights.

The Company amortizes the applications in 3 years time.

**b) Tangible Fixed Assets**

Tangible fixed assets are valued at acquisition price, which includes, besides the price invoiced by the supplier, all the necessary expenses incurred in order to have the product in working conditions, or else, at production cost subtracting the accumulated depreciation and, in this case, the accumulated amount from the value corrections arising from recognized deterioration.

*Depreciation*

The elements included under the Tangible Fixed Assets have been depreciated on the basis of their estimated useful life, in accordance with the depreciation suffered due to physical wear and tear, obsolescence and legal limits or others, which may affect such assets.

The depreciation is calculated applying the straight-line method on the acquisition cost of the assets subtracting their residual value.

The depreciation charges of the Tangible Fixed Assets are made with a balancing entry in the Profit and Loss Account, and basically are equivalent to the depreciation percentages established according to their estimated useful life, as average, of the different elements, and following the herein below chart:

	<u>Amortization</u> <u>years</u>
Technical Installations / Machinery	6 - 10
Furniture	10
Vehicles	6
Equipment for data processing	4

**c) Financial Instruments: Assets**

The financial assets are included within the balance sheet the moment they are acquired, and they are initially registered at reasonable value, including the operation costs in general.

The financial assets kept by the Company are classified as:

*Provided guarantees*

Correspond to amounts paid in this concept, and the amount of which does not differ significantly from the fair value.

*Accounts receivable*

Correspond to credits, loans (either commercial or non commercial) incurred by the Company when directly supplying cash, goods or services and where the amount to be collected is determinate or determinable and is not negotiable within an active market. The company applies impairment criteria in

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this concept, as customer debts exceed 180 days from the expiration date, if there is no renegotiation of the terms of payment.

*Cash and other equivalent liquid assets*

Demand deposits and other short-term highly liquid investments that are readily convertible into cash and have no risk of changes in value.

Subsequently they are valued at their amortized cost including in the profit and loss account the accrued interests according to their effective interest rate.

*Disposal of financial assets*

In the analysis of the financial assets transfer not only the legal form or the agreement designation must be taken into account but the economic reality as well.

**d) Equity and financial liabilities**

The financial liabilities and the equity instruments are classified according to the contents of the agreed contractual agreements and taking into account the economic situation. An equity instrument is an agreement which represents a residuary participation within the group equity once all liabilities have been deducted.

The main financial liabilities are initially registered according to the cash received, once all costs incurred during the transaction have been subtracted. In subsequent accounting periods such shall be valued according to their depreciated cost, using the effective interest rate therefore.

**e) Liabilities instruments**

*Trade creditors and other accounts payable*

Are short term financial liabilities and which are valued at reasonable value fail to accrue interests and are registered at nominal value. Non-current debts are considered those whose maturity date is over twelve months.

**f) Foreign Currency transactions**

*Valuation Criteria and registering of foreign exchange differences*

The Company records all its foreign currency business activity in Euros; having a debt in a foreign currency; therefore, positive and negative exchange rates differences are generated the moment when the payment is done. Likewise, when closing the accounting period, the existing exchange rate difference of such debt is regularized, charging to expenses the losses or making a credit entry in case of profit or positive exchange rate difference.

*Changes to functional currency and criteria followed in order to convert into presentation currency*

The Balance Sheet does not include any amount which refers to such concept.

**g) Corporate Income Tax**

The existing differences between the book result and the fiscal result have been considered, and the latter has been considered as the tax assessment basis for the Corporate Income Tax. Such differences arise due to the different definition of the concepts to be applied to revenues and expenses given

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either by the financial or by the tax basis and to the different temporary criteria of revenues and expenses given by the before mentioned basis.

The differences are classified as follows:

- Permanent differences appearing between the tax assessment basis of such tax and the book result before taxes of the accounting period, and which fail to revert in subsequent periods, excluding compensated losses.
- Timing differences are those derived from the different valuation applied, from the accounting or the tax point of view, for the assets, liabilities and certain instruments of the company's own equity, as long as they have incidence within the future tax charge.

The fiscal valuation of an asset, liability or instrument of the own equity, named tax assessment basis, is the amount attributed to such element in accordance with the prevailing applicable fiscal law. There may an element which may have tax assessment basis and fail to have book value, and therefore such element is not reflected within the balance sheet.

**h) Revenues and expenses**

The accounting of the revenues and expenses of the Company has been carried out independently from the moment the payment is to be made, in accordance with the accruals principle.

The VAT accounting has been entered in separate accounts, distinguishing between the Collected and Paid VAT. The nondeductible paid VAT has been incorporated to the group of expenses where it stemmed from.

The income is calculated at the reasonable value of the collected or to be collected payment, and they represent the amounts to be collected in change of goods supplied or services rendered within the business activity, subtracting the discounts, VAT and other taxes related to the sales.

**i) Provisions and contingencies**

*Provisions*

Provisions are those liabilities which cover present obligations as of the date of the balance sheet, arising as a consequence of past actions from which equity damages may derive from, likely to materialize and whose amount and cancellation period are indeterminate.

Provisions are valued on the date the accounting period is closed; reflecting the present value of the amount which the Company considers shall have to pay in order to cancel such obligation.

The Balance Sheet does not include any amount which refers to such concept.

*Contingent liabilities*

Likely obligations resulting as a consequence of past actions, whose materialization is conditioned to whether or not, one or more future events take place, independently from the Company's control.

The Company's annual accounts include therein all outstanding provisions whereon it is considered likely the probability to have to meet such obligations. The contingent liabilities are not included within the annual accounts, but they are reported according to the accounting rules.

There are no contingent liabilities to be reported in the herein annual accounts.

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**j) Criteria applied in transactions between linked parties**

The operations made between companies belonging to the same group, independently from the binding degree the participant companies may have among them, are accounted following the general rules.

The elements subject matter of the transaction shall be accounted at the beginning according to their reasonable value. In case the agreed price in an operation may be different from the reasonable price, the difference shall be registered according to the financial reality of the operation. The subsequent valuation shall be made in accordance with the corresponding prevailing rules.

**5. Tangible fixed assets, Intangible fixed assets and Real estate investments**

**a) Tangible fixed assets**

The movements of tangible fixed assets during the period ended March 2.018 were:

	Equipment	Furniture and other equipment	Vehicles	Total
<u>Gross Values</u>				
Balance at 01.04.17	34.301	159.477	20.851	214.629
Additions		2.654		2.654
Balance at 31.03.18	34.301	162.131	20.851	217.283
<u>Accumulated Amortisation</u>				
Balance at 01.04.17	(34.301)	(157.902)	(12.789)	(204.992)
Provision for amortisation		(718)	(3.336)	(4.055)
Balance at 31.03.18	(34.301)	(158.621)	(16.125)	(209.046)
Net Book Value at 31.03.18	-	3.510	4.726	8.237

Analysis of the movements made within the tangible fixed assets during the period ended March 2.017:

	Equipment	Furniture and other equipment	Vehicles	Total
<u>Gross Values</u>				
Balance at 01.04.16	34.301	159.477	20.851	214.629
Balance at 31.03.17	34.301	159.477	20.851	214.629
<u>Accumulated Amortisation</u>				
Balance at 01.04.16	(34.301)	(157.224)	(9.453)	(200.977)
Provision for amortisation		(678)	(3.336)	(4.015)
Balance at 31.03.17	(34.301)	(157.902)	(12.789)	(204.992)
Net Book Value at 31.03.17	-	1.575	8.062	9.638



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Analysis of the movements made within the tangible fixed assets during the period ended March 2.016:

	Equipment	Furniture and other equipment	Vehicles	Total
<u>Gross Values</u>				
Balance at 01.04.15	34,301	158,363	20,851	213,514
Additions		1,115		1,115
Balance at 31.03.16	34,301	159,477	20,851	214,629
<u>Accumulated Amortisation</u>				
Balance at 01.04.15	(34,301)	(156,181)	(6,116)	(196,598)
Provision for amortisation		(1,043)	(3,336)	(4,379)
Balance at 31.03.16	(34,301)	(157,224)	(9,453)	(200,977)
Net Book Value at 31.03.16		2,254	11,399	13,652

**b) Intangible fixed assets**

The movements of intangible fixed assets during the period ended March 2.018 were:

	Computer software	Total
<u>Gross Values</u>		
Balance at 01.04.17	50,890	50,890
Additions	21,642	21,642
Balance at 31.03.18	72,531	72,531
<u>Accumulated Amortisation</u>		
Balance at 01.04.17	(47,223)	(47,223)
Provision for amortisation	(3,304)	(3,304)
Balance at 31.03.18	(50,527)	(50,527)
Net Book Value at 31.03.18	22,004	22,004

Analysis of the movements made within the intangible fixed assets during the period ended March 2.017:

	Computer software	Total
<u>Gross Values</u>		
Balance at 01.04.16	50,890	50,890
Balance at 31.03.17	50,890	50,890
<u>Accumulated Amortisation</u>		
Balance at 01.04.16	(45,542)	(45,542)
Provision for amortisation	(1,681)	(1,681)
Balance at 31.03.17	(47,223)	(47,223)
Net Book Value at 31.03.17	3,667	3,667

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Analysis of the movements made within the tangible fixed assets during the period ended March 2.016:

	Computer software	Total
<u>Gross Values</u>		
Balance at 01.04.15	44,873	44,873
Additions	6,017	6,017
Balance at 31.03.16	50,890	50,890
<u>Accumulated Amortisation</u>		
Balance at 01.04.15	(43,357)	(43,357)
Provision for amortisation	(2,185)	(2,185)
Balance at 31.03.16	(45,542)	(45,542)
Net Book Value at 31.03.16	5,348	5,348

## 6. Leasing

The Company has an operating lease for the installations where the offices are in Galileo 303-305, 6<sup>TH</sup> in Barcelona. The expense in the period ended March 2018, 2017 and 2016 for this item was 39.744 euros, 39.532 euros and 39.756 euros. The renew of the contract is to be extended on an annual basis.

## 7. Financial Assets

### a) Financial assets: kinds and categories

Financial assets by category and class (except for equity investments in group companies, joint ventures and associates and cash and other liquid assets).

#### *Classification by maturity*

For financial assets that have fixed or determinable maturity have to report of the amounts due in each of the five following years at the end of the exercise and the rest of their final maturity. These indications are listed separately for each of the items of financial assets according to the balance sheet.

Classes	Long-term financial instrument			Short-term financial instrument			Total		
Categories	Outstanding debt values			Outstanding debt values					
	mar-18	mar-17	mar-16	mar-18	mar-17	mar-16	mar-18	mar-17	mar-16
Deposits	3.185	3.185	3.185	-	-	-	3.185	3.185	3.185
Receivables				441.836	273.519	354.218	441.836	273.519	354.218
Total	3.185	3.185	3.185	441.836	273.519	354.218	445.021	276.705	357.403

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Detail 2018:

Assets	2018	2019	Rest	Total
Deposits and guarantees			3.185	3.185
Other Financial debtors				-
Customers	441.836			441.836
Customers, Group Company				-
<b>Total Current assets</b>	<b>441.836</b>			<b>441.836</b>
<b>Total Non-Current assets</b>		-	3.185	3.185

Detail 2017:

Assets	2017	2018	Rest	Total
Deposits and guarantees			3.185	3.185
Other Financial debtors				-
Customers	273.519			273.519
Customers, Group Company				-
<b>Total Current assets</b>	<b>273.519</b>			<b>273.519</b>
<b>Total Non-Current assets</b>		-	3.185	3.185

Detail 2016:

Assets	2016	2017	Rest	Total
Deposits and guarantees			3.185	3.185
Other Financial debtors				-
Customers	354.218			354.218
Customers, Group Company				-
<b>Total Current assets</b>	<b>354.218</b>			<b>354.218</b>
<b>Total Non-Current assets</b>		-	3.185	3.185

The movement of financial assets deterioration, the amount of doubtful debts for the periods March 2018, 2017 and 2016 is:

Doubtful debts	2018	2017	2016
Opening Balances	(4.379)	(3.449)	(3.842)
Inputs for deterioration	(3.081)	(4.379)	(3.449)
Outputs for bad debts	4.379	3.449	3.842
Closing balances	(3.081)	(4.379)	(3.449)

## 8. Financial Liabilities

### a) Financial liabilities: kinds and categories

Class Categories	Short-term financial instruments						Total		
	Debts to credit institutions			Derived and others					
	mar-18	mar-17	mar-16	mar-18	mar-17	mar-16	mar-18	mar-17	mar-16
Debit and payable items				101.854	134.495	125.223	101.854	134.495	125.223
<b>Total</b>	-	-	-	<b>101.854</b>	<b>134.495</b>	<b>125.223</b>	<b>101.854</b>	<b>134.495</b>	<b>125.223</b>

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*Classification by maturity*

For financial liabilities that have fixed or determinable maturity have to report of the amounts due in each of the five following years at the end of the exercise and the rest of their final maturity.

The company has no long-term maturities.

Detail 2018:

Liabilities	2018	Total
Debts, Group Company		-
Debts to credit institutions		-
Suppliers	99.397	99.397
Suppliers, Group Company		-
Other creditors		-
Personnel (salaries payable)	2.457	2.457
<b>Total Current Assets</b>	<b>101.854</b>	<b>101.854</b>

Detail 2017:

Liabilities	2017	Total
Debts, Group Company		-
Debts to credit institutions		-
Suppliers	139.883	139.883
Suppliers, Group Company		-
Other creditors		-
Personnel (salaries payable)	- 5.388	- 5.388
<b>Total Current Assets</b>	<b>134.495</b>	<b>134.495</b>

Detail 2016:

Liabilities	2016	Total
Debts, Group Company		-
Debts to credit institutions		b) -
Suppliers	121.186	121.186
Suppliers, Group Company		c) -
Other creditors		-
Personnel (salaries payable)	4.038	4.038
<b>Total Current Assets</b>	<b>125.223</b>	<b>125.223</b>

e)

**Guarantees committed with third parties and other contingent liabilities**

The company has not granted nor given any guarantee.

**9. Equity/Company's own funds**

The Company's share capital is established in 3.005,06 Euros divided in 500 shares of 6,01 Euros nominal value each, cumulative and indivisible. The Share Capital is fully subscribed and paid by the sole Company's shareholder.

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**a) Legal Reserve**

The transfer to that reserve is made according to the Amended Text of the Limited Companies Law applicable to the Private Limited Companies and concerning such reserve, which establishes that companies shall have the obligation to deduct from the profit obtained during the accounting period a 10% in order to establish a reserve which shall reach at least 20% of the share capital. Such reserve may be used in order to increase the capital in the part exceeding the 10% of the share capital already increased and in order to compensate losses, provided there are not any other reserves established for such objective.

The balance of that legal reserve in the period ended March 2018, 2017 and 2016 was 24.292 euros, in all periods.

**b) Voluntary reserve**

It is a reserve of free disposal.

Voluntary reserves at the period ended March 2018, 2017 and 2016 was 971.666 euros, 915.831 euros, 961.062 euros.

During the period closed in 2017 the company distributed dividends by the amount of 200.000 euros.

**10. Tax situation**

**Corporate Income Tax**

The Corporate Income Tax is calculated from the accounting profit obtained by the application of generally accepted accounting principles, which doesn't need necessarily to coincide with taxable income understood as the tax base.

The Corporate Income Tax liquidation of the exercises 2018, 2017 and 2016 is the next:

Liquidation Corporate Income Tax	Exercise 2018	Exercise 2017	Exercise 2016
Result of the exercise	170.663	111.941	184.195
Corporate Income Tax	56.888	37.314	61.398
<b>Profit before tax</b>	<b>227.550</b>	<b>149.254</b>	<b>245.593</b>
Prior Tax Base	227.550	149.254	245.593
Taxable final	56.888	37.314	61.398
<b>Full Quota</b>	<b>56.888</b>	<b>37.314</b>	<b>61.398</b>

The company does not hold any corporate tax-losses pending to be offset.

**Exercises pending to be inspected by the tax authorities**

According to the prevailing legislation in force, the tax settlements cannot be considered final until they have been inspected by the tax authorities or else the period of prescription or maturity has elapsed.

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In general, for the main applicable taxes, the Company has pending to inspection by the tax authorities the last four years. Due to the different interpretation of the applicable legislation, there may be some contingent liabilities which are not liable to objective quantification.

However, the Management considers that the materialization of such liabilities may be unlikely and, in any case, defensible; furthermore, such liabilities may not reach outstanding amounts in relation to the annual accounts. Therefore, they have not considered necessary to make a transfer to extra provisions under this concept.

## **11. Revenues and expenses**

### **a) Net Turnover**

The net turnover of the Company is the following:

	2018	2017	2016
Revenue	1.983.789	2.015.826	2.116.282
<b>Total</b>	<b>1.983.789</b>	<b>2.015.826</b>	<b>2.116.282</b>

### **b) Supplies**

The supplies of the Company is the following:

	2018	2017	2016
Supplies	713.371	897.466	858.290
<b>Total</b>	<b>713.371</b>	<b>897.466</b>	<b>858.290</b>

### **c) Staff welfare expenses**

The breakdown is as follows:

Breakdown	2018	2017	2016
Salaries and wages	690.256	707.189	703.359
Employer's Social Security contribution	169.132	170.683	163.618
<b>Total</b>	<b>859.388</b>	<b>877.872</b>	<b>866.976</b>

### **d) Other operating expenses**

The operating expenses of the company are the following:

Breakdown	2018	2017	2016
Leases and royalties	41.367	41.136	41.364
Repairs and maintenance	11.495	10.997	15.178
Independent professional services	7.915	7.684	7.363
Utilities	15.324	15.373	14.362
Other services	43.136	53.116	45.538
Other taxes	2.025	2.034	2.325
<b>Subtotal</b>	<b>121.262</b>	<b>130.340</b>	<b>126.131</b>
Losses on irrecoverable trade receivables	3081	4.379	3.449
Losses for deterioration of commercial	(4.379)	-3.449	-3.842
<b>Total</b>	<b>119.964</b>	<b>131.270</b>	<b>125.738</b>

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**12. Subsidies, Donations and Legacies**

During the year ended in March 2017 the company received a subsidy for the development of the computer platform from de CDTI (Centro para el Desarrollo Tecnológico Industrial).

**13. Operations made with group companies**

**a) Information on operations with group companies**

The company does not have operations with group companies.

**b) Administrative Bodies**

The Company's Administrative Body has received remuneration for their task in the management of the Company amounting 120.000 Euros in all three periods.

The Company does not have personnel making up the management; the tasks of the managers are carried out by the administrative bodies.

No compensation or redundancy payments have been accrued due to lay-offs or payments based on equity instruments.

No loan or prepayment has been granted to the personnel of the Administrative Body.

No obligations concerning pensions or life insurance have been taken on in relation to any member of the Administrative Bodies.

The Company's directors and persons related to them as defined in Article 229 of the Corporations Law, have not had relations with other societies which by their activity represent a conflict of interest for them or for the Company.

**14. Other Information**

**a) Staff information**

The average number of employees and the professional category is as follows:

Category	Personnel 2016	Personnel 2017	Personnel 2018
Director/Manager	1,00	1,00	1,00
Higher level graduates	17,08	18,24	19,95
Medium level graduates	2,75	2,00	1,25
No category	1,00		1,00
<b>TOTAL</b>	<b>21,827</b>	<b>21,239</b>	<b>23,20</b>

**b) Audit information**

The company has undergone audit the financial statements forming part of this report being made by GNL RUSSELL BEDFORD SL thereby earning a fee of 10.500 Euros for the periods ended in March 2017 and March 2018.

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**c) Environmental information**

The Company does not include or own within their assets any element with environmental characteristics or features.

The Company has not made any transfer to provisions nor does it have any provision for environmental risk or expenses.

There are no environmental contingencies.

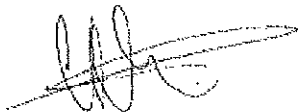
There are no responsibilities of environmental character.

The Company has not received any subsidy in order to make environmental investments.

**d) Post balance sheet events**

There are no outstanding post balance sheet events which may affect the financial position of the Company.

Barcelona, June 30<sup>st</sup> 2018.



**Sole Administrator**

**Mr. Grant Owen Straker**