

Elsamex
Internacional, S.L.U.

Financial statements for the
year ended 31st December, 2017
and Management Report,
along with the
Auditor's Report

**FINANCIAL STATEMENTS AUDIT REPORT ISSUED BY AN
INDEPENDENT AUDITOR**

To the Sole Shareholder of ELSAMEX INTERNACIONAL, S.L. (Sole Shareholder Entity)

Opinion

We have audited the attached Financial Statements of the Company ELSAMEX INTERNACIONAL, S.L. (Sole Shareholder Entity), that include the balance sheet as of December 31st 2017, the profit and loss account, the statement of changes in equity, the statement of cash flow and the Notes to the Financials for the year then ended.

In our opinion, the attached Financial Statements express, in all material respects, a true and fair value of the Company's equity and financial position as of December 31st, 2017, as well as its results and cash flows for the year then ended, in accordance with the regulatory framework for financial information that results from application (which is identified in Note 2.1 of the Notes) and, in particular, with the accounting principles and criteria contained therein.

Basis of opinion

We have carried out our audit in accordance with the Spanish standard audit regulations. Our responsibilities in accordance with these standards are described in the *Auditor's Responsibility regarding to the audit of the Financial Statements* caption of this report.

We are independent of the Company in accordance with the requirements of ethics, including those of independence, which are applicable to our audit of the Financial Statements in Spain as required by the regulations governing the activity of auditing. In this sense, we have not provided services other than those of the audit of financial statements nor have concurred situations or circumstances that, in accordance with the provisions of the aforementioned regulatory regulations, have affected the necessary independence so that it has been compromised.

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

Emphasis of matters

Without qualifying our audit opinion, we draw attention to what is mentioned in Note 2.4 of the attached Notes, which mentions that the Board of Directors has formulated the accompanying financial statements for the year ended December 31, 2017 following the principle of going concern to understand that the measures and actions detailed in the Business Plan approved by the Directors enable it to continue normal development of the Company and to meet its obligations, also getting results and positive cash flows in the next exercises to recover the asset and offset the deferred tax assets activated. It should be noted that, as it is described in the aforementioned Note, as of December 31st, 2017 there are several participative loans formalized with the Sole Shareholder for a total amount of Euro 11,500,000 which, in accordance with current Spanish mercantile regulation, are considered as Net Equity for the purposes that there is no legal cause for dissolution.

The Company ELSAMEX INTERNACIONAL, S.L. (Sole Shareholder Company) is a subsidiary company of to the "Elsamex" Group and, depending on the Group cash-pooling policy, the Company provides and receives financial support from those companies of the group that require to the extent and period necessary. At December 31, 2017 the balance presented by the financial statements in respect of credit lines delivered and / or received is classified in the balance sheet items denominated "*Current investments in group companies and associates*" or "*Current Payable to Group Companies and associates*" as appropriate.

Without qualifying our audit opinion, we draw attention to what is mentioned in Note 21 of the attached Notes, which mentioned the existence of various litigations for and against the Company, where the outcome is uncertain and could have significant effect in the financial statement attached.

The Company undertakes significant transactions with the parent company of the Group due to the usual operations of their business as described in Note 19.1 to the attached Notes.

Key audit matters

The key audit matters are those that, according to our professional judgment, have been considered as the most significant material misstatement risks in our audit of the Financial Statements of the current period. These risks have been addressed in the context of our audit of the Financial Statements as a whole, and in the formation of our opinion on them, and we do not express a separate opinion on those risks. We have determined that there are no significant risks considered in the audit that should be reported.

Other information: Management report

The other information comprises exclusively the management report for the year 2017, whose formulation is the responsibility of the Company's Board of Directors and is not an integral part of the Financial Statements.

Our audit opinion on the Financial Statements does not cover the management report. Our responsibility for the management report, in accordance with what is required by the regulations governing the audit activity, consists of evaluating and reporting on the concordance of the management report with the financial statements, based on the knowledge of the entity obtained in carrying out the audit of the aforementioned financials and without including information other than that obtained as evidence during the same. Likewise, our responsibility is to evaluate and report if the content and presentation of the management report is in accordance with the regulations that result from application. If, according on the work we have done, we conclude that there are material inaccuracies, we are obliged to report it.

Based on the work carried out, as described in the previous paragraph, the information contained in the management report agrees with that in the Financial Statements for the year 2017 and its content and presentation are in accordance with the applicable regulations.

Responsibility of the Board of Directors in relation to the financial statements

The Board of Directors of the Company is responsible for preparing the accompanying Financial Statements, so as to give a true and fair value of the assets, financial position and results of the Company, in accordance with the regulatory framework of financial information applicable to the entity in Spain, and the internal control that they consider necessary to allow the preparation of the Financial Statements free of material misstatement, due to fraud or error.



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In the preparation of the Financial Statements, the Company's Board of Directors is responsible for assessing the Company's ability to continue as a going concern, revealing, as appropriate, the issues related to the company in operation and using the accounting principle of operating company except the Board of Directors intends to liquidate the company or cease its operations, or there is no other realistic alternative.

Auditor's responsibility regarding to the audit of the Financial Statements

Our objectives are to obtain reasonable assurance that the Financial Statements taken as a whole are free of material misstatement, due to fraud or error, and to issue an audit report that contains our opinion. Reasonable assurance is a high degree of security, but does not guarantee that an audit carried out in accordance with current auditing regulations in Spain will always detect a material error when it exists. The misstatements may be due to fraud or error and are considered material if, individually or in an aggregate way, it can reasonably be expected to influence the economic decisions that users make based on the Financial Statements.

As part of an audit in accordance with the regulatory rules for auditing accounts in Spain, we apply our professional judgment and maintain an attitude of professional skepticism throughout the audit. As well:

- We identify and address the risks of material misstatement in the 2017 Financial Statements, due to fraud or error, design and apply audit procedures to respond to such risks and obtain sufficient and adequate audit evidence to provide a basis for our opinion. The risk of not detecting a material misstatement due to fraud is higher than in the case of a material misstatement due to error, since the fraud may involve collusion, falsification, deliberate omissions, intentionally erroneous statements, or circumvention of internal control.
- We obtain knowledge of the internal control relevant to the audit in order to design audit procedures that are appropriate according to the circumstances, and not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- We value if the accounting policies applied are adequate and the reasonableness of the accounting estimates and the corresponding information disclosed by the management.
- We conclude on whether the use, by the Board of Directors, of the accounting principle of the operating company is adequate and, based on the audit evidence obtained, we conclude on whether there is a material uncertainty related to events or conditions that may generate significant doubts about the Company's ability to continue as a going concern basis. If we conclude that there is material uncertainty, we are required to draw attention in our audit report to the corresponding information disclosed in the Financial Statements or, if such disclosures are not adequate, that we express an amended opinion. Our conclusions are based on the audit evidence obtained to date from our audit report. However, future events or conditions may cause the Company to cease on a going concern basis.
- We evaluate the overall presentation, structure and content of the 2017 Financial Statements, including the disclosed information, and whether the 2017 Financial Statements represent the underlying transactions and events in a way that manages to express the fair value.
- We obtain sufficient and adequate evidence in relation to the financial information of the entities or business activities within the Company to express an opinion about the Financial Statements. We are responsible for the direction, supervision and performance of the Company's audit. We are solely responsible for our audit opinion.

We communicate with the Company's Management regarding, among other matters, the scope and timing of the audit and the significant findings of the audit, as well as any significant internal control deficiencies that we identified during the course of the audit.

Among the significant risks that have been reported to the Board of Directors of the entity, we determine those that have the greatest significance in the audit of the Financial Statements of the current period and that are, consequently, the risks considered most significant.

We describe these risks in our audit report unless legal or regulatory layouts banned publicly disclosing the issue.

April 27th 2018

CABALLERO AUDITORES, S.L.
R.O.A.C. n° S-2265

Angel Caballero
Partner (R.O.A.C. N° 17601)



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ELSAMEX INTERNACIONAL, S.L.U.

BALANCE SHEET AS AT DECEMBER 31ST 2017

(Euros)

ASSETS	Notes	Year 2017	Year 2016	NET EQUITY & LIABILITIES	Notes	Year 2017	Year 2016
NON-CURRENT ASSETS				NET EQUITY			
Intangible assets	Note 5	8.584.114	9.499.942	STOCKHOLDERS' EQUITY	Note 12	(4.083.113)	193.328
Goodwill		1.760.276	1.980.311	Capital		76.592	2.842.720
Property, plant and equipment	Note 6	1.760.276	1.980.311	Registered capital		14.310.555	14.310.555
Land and buildings		112.711	182.079	Reserves		757.700	1.156.088
Technical installations and other items	Note 7	94.816	112.844	Legal and statutory reserves		146.527	146.528
Real state investments		17.894	69.236	Other reserves		611.172	1.009.560
Buildings		186.956	358.081	Prior period's losses		(12.623.757)	(10.791.987)
Non-current investments in group companies and associates	Note 8	3.238.289	3.228.734	Prior period's losses		(12.623.757)	(10.791.987)
Equity instruments		2.997.652	2.988.097	Profit/(loss) for the year		(2.367.905)	(1.831.936)
Loans to companies		240.637	240.637	VALUATION ADJUSTMENTS		(4.159.705)	(2.649.392)
Non-current investments		1.767.187	1.767.327	Foreign Exchange Fluctuation Reserve		(4.159.705)	(2.649.392)
Other financial assets		1.767.187	1.767.327				
Deferred tax assets	Note 15	1.518.695	1.983.409	NON-CURRENT LIABILITIES			
				Non Current provisions		11.521.374	7.529.416
				Long-term debts		20.421	28.330
				Other financial liabilities		953	1.086
				Group companies and associates long term	Note 14	11.500.000	7.500.000
CURRENT ASSETS							
Inventories	Note 11	16.318.224	20.225.906				
Raw materials and other supplies		816.651	1.341.377				
Advances to suppliers		804.784	942.504				
Trade and other receivables	Note 9	11.866	398.873				
Trade receivables		10.685.100	13.590.477				
Trade receivables from group companies and associates	Note 19	9.219.537	11.511.097				
Other receivables		586.007	408.016				
Personnel		5.314	7.487				
Current tax assets	Note 15	639.453	764.238				
Other receivables from Public Entities	Note 15	135.466	145.257				
Current investments in group companies and associates	Note 19	3.800.620	4.852.097				
Other financial assets		3.800.620	4.852.097				
Current investments	Note 9	268.374	297.232				
Other financial assets		268.374	297.232				
Prepayments for current assets		7.140	9.008				
Cash and cash equivalents		740.340	135.715				
Cash		740.340	135.715				
TOTAL ASSETS		24.902.338	29.725.848	TOTAL EQUITY AND LIABILITIES		24.902.338	29.725.848

Notes 1 to 23 of the attached Report form an integral part of the balance sheet as at 31 December 2017

ELSAMEX INTERNACIONAL, S.L.U.

INCOME STATEMENT FOR THE PERIOD ENDED DECEMBER 31ST 2017

(Euros)

	Notes	Year 2017	Year 2016
CONTINUING OPERATIONS			
Revenue	Note 17 a)	441.704	2.782.583
Sales		742.062	1.454.654
Services rendered		(300.358)	1.327.929
Supplies	Note 17 b)	(609.271)	(1.701.449)
Raw material and other consumables used		(626.779)	(1.341.540)
Subcontracted works		17.508	(359.909)
Other operating income		37	4.498
Non-trading and other operating income		37	4.498
Personnel expenses	Note 17 c)	(951.968)	(1.033.649)
Salaries and wages		(415.054)	(580.137)
Employee benefits expense		(536.914)	(453.511)
Other operating expenses	Note 17 e)	(764.084)	(1.518.754)
External services		(759.877)	(1.309.708)
Taxes		(4.207)	(5.370)
Losses, impairment and changes in trade provisions		-	(203.280)
Other operating expenses		-	(395)
Amortisation and depreciation	Note 5,6 y 7	(240.153)	(263.342)
Impairment and gains/(losses) on disposal of fixed assets		188.575	4.068
Gain/(losses) on disposal and others		188.575	4.068
Other profit/(loss)		(142.494)	(1.351.753)
PROFIT/(LOSS) FROM OPERATIONS		(2.077.654)	(3.077.798)
Finance income		254.021	1.105.625
Marketable securities and other financial instruments		250.000	1.105.625
- Group companies and associates	Note 19	250.000	1.105.280
- Other			346
Of negotiable securities and other financial instruments		4.021	-
-Group companies		3.799	-
-Thirds		222	-
Finance expenses	Note 19	(909.946)	(923.920)
Group companies and associates		(904.524)	(919.825)
Other		(5.422)	(4.095)
Exchange gains/(losses)		(49.462)	1.876
Deterioro y resultados enajenaciones instrumentos financieros		(279.195)	48.658
NET FINANCE INCOME/(EXPENSE)		(984.582)	232.239
PROFIT/(LOSS) BEFORE INCOME TAX		(3.062.235)	(2.845.559)
Income tax expenses	Note 15	694.330	1.013.623
PROFIT/(LOSS) FROM CONTINUING OPERATIONS		(2.367.905)	(1.831.936)
PROFIT/(LOSS) FOR THE PERIOD		(2.367.905)	(1.831.936)

Notes 1 to 23 of the attached Report form an integral part of the profit and loss account as at 31 December 2016



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STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED DECEMBER 31ST, 2017

A) STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR THE PERIOD ENDED DECEMBER 31ST, 2017 (Euros)

	Notes	Year 2017	Year 2016
PROFIT AND LOSS FOR THE PERIOD (I)		(2.367.905)	(1.831.936)
Income and expenses recognised directly in equity	Note 12.4	(1.510.314)	1.155.721
Foreign exchange fluctuations		(1.510.314)	1.155.721
TOTAL INCOME AND EXPENSES RECOGNISED DIRECTLY IN EQUITY (II)		(1.510.314)	1.155.721
TOTAL TRANSFERS TO THE PROFIT AND LOSS ACCOUNT (III)		-	-
TOTAL RECOGNISED INCOME AND EXPENSE (I+II+III)		(3.878.219)	(676.215)

Notes 1 to 23 of the attached Report form an integral part of the assigned income and expenditure in relation to accounting period 2017



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STATEMENT OF CHANGE IN THE NET WORTH OF THE YEAR ENDED DECEMBER 31ST 2017

B) STATEMENT OF CHANGES IN TOTAL NET WORTH

(Euros)

	Notes	Capital	Reserves	Prior period's losses	Profit/ (loss) for the period	Adjustments for changes in value	TOTAL
CLOSING BALANCE FOR PERIOD 2015		14.310.555	1.155.922	(8.001.653)	(2.790.169)	(1.121.891)	3.552.764
Total recognise income and expense		-	-	-	(1.831.936)	(1.527.500)	(3.359.436)
Prior period's profit/(loss) distribution		-	-	(2.790.334)	2.790.169	-	(166)
Other changes in net equity		-	166	-	-	-	166
CLOSING BALANCE FOR PERIOD 2016		14.310.555	1.156.088	(10.791.987)	(1.831.936)	(2.649.391)	193.328
Total recognise income and expense		-	-	-	(2.367.905)	(1.510.314)	(3.878.219)
Prior period's profit/(loss) distribution		-	-	(1.831.936)	1.831.936	-	-
Other changes in net equity		-	(398.388)	166	-	-	(398.222)
CLOSING BALANCE FOR PERIOD 2017		14.310.555	757.700	(12.623.757)	(2.367.905)	(4.159.705)	(4.083.113)

Notes 1 to 23 of the attached Report form an integral part of the statement changes in total net worth relating to period 2017



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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31ST, 2017

(Euros)

	Notes	Year 2017	Year 2016
CASH FLOW FOR OPERATING ACTIVITIES (I)		(936.373)	(1.560.995)
Profit/(loss) for the period before tax		(3.062.235)	(2.845.559)
Adjustments for:		1.036.160	1.582.068
- Amortisation and depreciation (+)	Notas 5,6 y 7	240.153	263.342
- Losses, impairment and changes in trade provisions(+/-)		-	203.280
- Proceeds from disposals of fixed assets (+/-)		(188.575)	(4.068)
- Resultados por bajas y enajenaciones de instrumentos financieros		279.195	(48.658)
- Finance income (-)		(254.021)	(1.105.625)
- Finance expenses (+)		909.946	923.920
- Exchange gains/(losses) (+/-)		49.462	(1.876)
- Other income and expenses (+/-)		-	1.351.753
Changes in operating assets and liabilities		1.723.199	(424.944)
- Inventories (+/-)		524.726	848.799
- Trade and other receivables (+/-)		2.905.377	161.446
- Other current assets (+/-)		28.858	(1.041.839)
- Trade and other payables (+/-)		(807.956)	(145.877)
- Other current liabilities (+/-)		-	(246.452)
- Other non-current assets and liabilities (+/-)		(927.807)	(1.021)
Other cash flows from operating activities		(633.496)	127.440
- Interest paid (-)		(909.946)	(923.920)
- Interest received (+)		254.021	1.105.625
- Income tax received (paid) (+/-)		22.429	(54.265)
CASH FLOW FOR INVESTING ACTIVITIES (II)		1.321.665	319.022
Payments for investments (-)		(9.555)	(2.704)
- Group companies and associates		(9.555)	-
- Property, plant and equipment		-	(2.704)
- Other financial assets		-	-
Collections proceed from divestments (+)		1.331.220	321.726
- Group companies and associates		1.051.477	48.658
- Other financial assets		28.858	-
- Property, plant and equipment		250.885	273.068
CASH FLOW FOR FINANCING ACTIVITIES (III)		268.796	1.284.930
Proceeds from and payments for equity instruments		-	-
- Redemption of equity instruments (-)		-	-
Proceeds and payments for financial liability instruments		268.796	1.284.930
- Group companies and associates		437.171	1.163.225
- Debt with financial institutions		703	(17.743)
- Other debts		(169.078)	139.448
EFFECT OF EXCHANGE RATE FLUCTUATIONS (IV)		(49.462)	1.876
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (I+II+III+IV)		604.625	44.833
Cash and cash equivalents at beginning of period		135.715	90.882
Cash and cash equivalents at end of the period		740.340	135.715

Notes 1 to 23 of the attached Report form an integral part of the statement changes in total net worth relating to period 2017



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Elsamex Internacional S.L.U.

Notes for the
year ending
31 December 2017

1. Incorporation and activity

Incorporation

The Company was incorporated on 28th December 2001 under the name Elsamex Internacional, S.L., as a limited liability company for an indefinite period of time. Its corporate offices are in calle San Severo 18, Madrid. The Company develops its activities in the national and international markets.

On 22 June 2011, the Company was declared as a sole shareholdership, and it was renamed as Elsamex Internacional S.L.U. The sole shareholder is Elsamex S.A.

Corporate Purpose

The purpose of the Company is:

- a. The drafting of projects, quality control and technical management of all types of public or private works, including industrial, agricultural, civil engineering, railway and roads projects, anywhere in the world.
- b. The technical support, business counselling and management and administration of all kinds of companies, enterprises or businesses; the transfer of technology of any kind of product or construction system, anywhere in the world.
- c. The purchase, sale and lease of construction or building materials, vehicles and machinery, anywhere in the world.
- d. The subscription, acquisition, holding and transfer of shares and stakes in the equity of any type of civil or trade company, both civil or trading companies, national or international, on its own behalf, and excluding the activities regulated by the Law on Investment Funds and Capital Markets.
- e. The provision of informative, administrative, communication and maintenance services, especially heating, air-conditioning, domestic hot water (DHW), plumbing, electricity, low-voltage, fire protection, conservation, cleaning or performance of works, providing or not providing materials, on their own or on third party's behalf.
- f. The performance of any type of public works, of construction, agriculture, livestock, forest and industrial projects, commissioned by both private or public companies and bodies, as well as the manufacturing and supply of any type of product or merchandise required for the performance of these activities in Spain and abroad.
- g. The promotion, purchase and sale, leasing, construction and renovation of all types of real estate, excluding all activities for which special requirements are required by Law and not fulfilled by the Company. If required by Law, any activity subject to the holding of some sort of professional title shall be carried out by a person holding said required title.
- h. The management and administration of securities representing the equity of non-resident companies in Spanish territory.

These activities could also be indirectly performed by the Company, totally or partially, through the holding of shares in other company or companies engaging in analogous activities.



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The company develops its activities in Spain and in different regions of South America through its branches in Ecuador, Colombia and the Dominican Republic.

The Company is part of Elsamex Group, whose parent company is Elsamex, S.A., with corporate address in San Severo, 18, Madrid; this is the company that prepares the consolidated financial statements. The consolidated financial statements of Elsamex Group for period 2017 have been prepared by the Directors in the meeting of the Board of Directors held on 31 March 2018. The consolidated financial statements for period 2016 were approved at the General Shareholders' Meeting of Elsamex, S.A., held on 30 June 2017, and they were deposited in the Business Registry of Madrid. In turn, Elsamex Group is controlled by an international group whose controlling company is "Infrastructure Leasing & Financial Services Limited (IL&FS)", with business address in Bombay [Mumbai] (India) Bandra – Kurla Complex.

2. Presentation principles for the financial statements

2.1 Financial Information Framework applicable to the Company

These financial statements have been carried out by the Directors in accordance with the financial information framework applicable to the Company, established in:

- a) Code of Commerce and other additional mercantile legislation.
- b) General Accounting Plan, approved by Royal Decree 1514/2007, and sector adaptations.
- c) Mandatory regulations approved by the Institute of Accounting and Accounts Auditing in the development of the General Accounting Plan and complementary rules.
- d) Other applicable Spanish accounting regulations.

2.2 True and fair view

The attached financial statements have been obtained from the Company's account registers and are presented in accordance with the financial information framework described in Note 2.1, so as to show a true view of the assets, the financial situation, the results of the Company and the cash flows during the corresponding period. These financial statements, which have been prepared by the Company Directors, will be submitted for the approval of the Sole Shareholder, and are expected to be approved without any amendment.

2.3 Non-obligatory accounting principles applied

Non-obligatory accounting principles have not been applied. In addition, the Directors have prepared these financial statements taking into consideration all the obligatory accounting principles and standards of application that have a significant effect on said financial statements. There is not any obligatory accounting principle that has not been applied.

2.4 Critical aspects of valuation and estimation of uncertainty

In preparing the attached abridged financial statements estimates were made by the Company's Directors in order to measure certain of the assets, liabilities, income, expenses and obligations reported herein. Basically these estimations refer to:

- The useful life of the intangible and tangible assets (see Notes 4.1 and 4.2)
- The evaluation of possible losses by impairment of certain assets (see Notes 4.1, 4.2, 4.4 and 4.5).
- The calculation of supplies (see Note 4.11).
- The calculations for works certified in advance and work pending certification.



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Although these estimates were made on the basis of the best information available at 2017 year-end, events that take place in the future might make it necessary to change these estimates (upwards or downwards) in coming years. Changes in accounting estimates would be applied prospectively.

The Company has incurred in recurring losses during the last financial years, which have meant a significant reduction in shareholders' equity, and there is a negative working capital. These reasons question the continuance of the accounting principle of the operating company, and in consequence, the capacity of the Company to settle its assets and liabilities for the amounts and according to the classification found on the attached balance sheet, which was prepared assuming that such activity will continue. There are several reasons which contribute to reduce or eliminate any doubts about the capacity of the Company to continue as going concern. These reasons are the financial support of the Sole Shareholder, having formalised during financial year 2017 a participating loan amounting to EUR 11.5 Mn to rebalance the asset position, as well as the possibility of reducing expenses without decreasing the operating capacity of the Company, as it can be inferred from the budget for year 2018 and the business plan approved by the Company's Directors. Said Business Plan is based on certain ideas and trends of the market, namely: a market expansion plan focused on specific market niches; an increase in the sales of the subsidiaries of the Company; clients search outside the Group; works management in all types of market; it includes obtaining a positive EBITDA for upcoming years, as well as generating positive cash flows in the same period.

2.5 Comparative information

The information contained in these notes to the financial statements concerning financial year 2016 is presented alongside the information for financial year 2017 only for comparative purposes.

2.6 Grouping of entries

Certain items in the balance sheet, income statement, statement of changes in equity and statement of cash flows are grouped together to facilitate their understanding; however, whenever the amounts involved are significant, the information is broken down in the related notes to the financial statements. There are not any equity items entered in two or more entries.

2.7 Changes in accounting principles

During the accounting period 2017 no changes in accounting principles have arisen with regards to the principles applied in the accounting period 2016.

2.8 Correction of errors

In the preparation of the attached financial statements no significant error has been detected that might involve the recalculation of the amounts included in the financial statements of the accounting period 2016.

2.9 Consolidated financial statements

Pursuant to current legislation, which requires to submit financial statements for each company, these financial statements refer exclusively to the stand-alone statements of Elsamex Internacional S.L.U., and do not intend to present the consolidated statements of the Company with its dependent company (see Note 11). The Company is exempted from the obligation to present consolidated financial statements by virtue of the requirements established for this purpose in article 43.2 of the Code of Commerce and Royal Decree 1159/2010 on the Preparation of Consolidated Financial Statements, as it belongs to a group of companies whose parent company presents consolidated financial statements in the Companies Registry of Madrid.



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3. Distribution of profits

The Company's directors will propose to the Sole Shareholder to apply the loss of the period to negative results in previous years.

	Euros
Distribution basis:	
Profit and loss (Loss)	(2,367,905)
	(2,367,905)
Distribution:	
To negative results from previous periods	(2,367,905)
	(2,367,905)

4. Accounting standards and measurement bases

The principal accounting standards and measurement bases used by the Company in the preparation of their financial statements, in accordance with those set out by the General Accounting Plan, were the following:

4.1 Intangible assets

As a general rule, intangible assets are recognised initially at acquisition or production cost. They are subsequently measured at cost less any accumulated amortization and any accumulated impairment losses, if applicable. These assets are amortised over their years of useful life.

a) Goodwill:

The Company recognises in this heading a goodwill already existing at the date of transition to the General Accounting Plan, approved by Royal Decree 1514/2007. The goodwill is recognized at its net accounting value at 1st January 2008, that is, at its cost less the accumulated amortization and impairment recognized at said date, according to accounting standards in force at that moment.

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

After the initial assessment, the goodwill shall be assessed based on its acquisition price minus the accumulated amortisation and, if applicable, the accumulated amount due to value correction due to impairment.

The goodwill is amortised throughout its useful life, which is estimated to be 10 years (unless proven otherwise), with a linear recovery. Said useful life has been determined separately for each cash-generating unit which has been allocated goodwill.

The cash-generating units which have been allocated goodwill are measured for impairment at least once a year. If there are any indications of impairment, they are measured for a fall in value and, if applicable, the impairment correction is registered. During 2017 there have not been any value adjustments for impairment.

Any value adjustments for impairment acknowledged as goodwill may not revert in subsequent years.

b) Computer software:

The Company enters in this account the costs incurred in the acquisition and development of computer programs. The maintenance cost for the IT applications is entered in the profit and loss account for the period in which they are incurred. Amortization of the IT applications is done by applying the linear method over a term of between 4 and 5 years.

4.2 Property, plant and equipment

The assets grouped under this heading are valued by their acquisition price or cost of production and subsequently reduced by the corresponding accrued amortization and losses through impairment, should there be any.

If there are indications of loss of value, the Company estimates by means of the "Impairment test" the possible losses of value that reduce the redeemable value of said assets to an amount below their book value.

The Company, as well as the branches included in the balance sheet, amortizes property, plant and equipment following the linear method, applying annual amortization percentages calculated depending on the estimated years of useful life of the respective assets, in accordance with the following detail:

	Percentage
Other installations, tools and furniture	10-25
Machinery	12
Computer equipment	25
Transport items	12

The expenses for conservation and maintenance of property, plant and equipment elements are allocated to the profit and loss account of the period in which they are incurred. However, the amounts invested in improvements that contribute to increasing the capacity or efficiency or to expanding the useful life of said assets are registered as a higher cost.

4.3 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. The rest of leases are classified as operating leases.

When the Company is the lessee – Finance lease

In finance leases in which the Company acts as the lessee, the cost of the leased assets is presented in the balance sheet, based on the nature of the leased asset, and, simultaneously, a liability is recognised for the same amount. This amount will be the lower of the fair value of the leased asset and the present value, at the inception of the lease, of the agreed minimum lease payments, including the price of the purchase option, when it is reasonably certain that it will be exercised. The minimum lease payments do not include contingent rent, costs for services and taxes to be paid by and reimbursed to the lessor. The total capital charge of the contract is allocated to the profit and loss account for the period in which it is accrued, the effective interest rate method being applied. Contingent rent is recognised as an expense for the period in which it is incurred.

Leased assets are depreciated, based on their nature, using similar criteria to those applied to the items of property, plant and equipment.

When the Company is the lessee – Operating lease

Expenditure arising from operating lease agreements is charged on the profit and loss statement in the year in which they accrue.

Any collection or payment that might be made when arranging an operating lease will be treated as a prepaid lease collection or payment which will be allocated to profit or loss over the lease term in accordance with the time pattern in which the benefits of the leased asset are provided or received.

4.4 Financial Instruments

4.4.1 Financial assets

Classification –

Financial assets of the Company are classified in the following categories:

- a) Loans and items receivable: financial assets originating in the sale of goods or in the provision of services through the Company's trading operations, or those that do not have a commercial origin, are not equity instruments or derivatives and the charges of which are a fixed or specific amount and are not negotiated in an active market.
- b) Investments in the equity of the companies of the group, associates and multi-group: those companies considered to be part of the group are those connected to the Company through a relationship of control, and associated companies are those over which the Company exerts significant influence. In addition, within the multi-group category those companies are included over which, under an agreement, control is exercised in conjunction with one or more partners.

Initial recognition-

Financial assets are initially recognised at the fair value of the consideration given, plus any directly attributable transaction costs.

Subsequent measurement –

Loans and receivables are measured at amortized cost.

Investments in the group's companies, associates and multi-group are valued by their cost, reduced, if required, by the amount accrued from the corrections to value through impairment. These corrections are calculated as the difference between their book value and the amount redeemable, this being understood as the larger amount between their reasonable value minus the costs of sale and the actual value of the future cash flow resulting from the investment. Unless there is better evidence of the amount redeemable, the net equity of the participating entity is taken into consideration, corrected by the capital gains implied on the date of valuation (including any goodwill there may be).

At least at the close of each period the Company tests financial assets not measured at fair value through profit or loss for impairment. Objective evidence of impairment is considered to exist when the recoverable amount of the financial asset is lower than its carrying amount. When it occurs, this impairment is entered in the profit and loss account.

The Company derecognises a financial asset when it expires or when the rights to the cash flows from the financial asset have been transferred and substantially all the risks and rewards of ownership of the financial asset have been transferred.

However, the Company does not derecognise financial assets, and recognises a financial liability for an amount equal to the consideration received, in transfers of financial assets in which substantially all the risks and rewards of ownership are retained.

4.4.2 Financial liabilities

Financial liabilities are those debits and items payable that the Company has and which originate in the purchase of goods and services through the Company's trading operations, and also those which do not have a commercial origin and cannot be considered as derivative financial instruments.

Accounts payable are initially recognised at the fair value of the consideration received, adjusted by the directly attributable transaction costs. These liabilities are subsequently measured at amortised cost.

The Company derecognises financial liabilities when the obligations giving rise to them cease to exist.

4.4.3 Equity instruments

An equity instrument represents a residual sharing in the Company Equity once all liabilities have been deducted.

Capital instruments issued by the Company are entered in the net equity for the amount received, net of issuing costs.

4.5 Stock

Inventories are measured at the lower of acquisition or production cost and net realisable value. Trade discounts, rebates, other similar items and interest included in the face value of the related payables are deducted in determining the costs of purchase.

Production cost includes the costs of direct materials and, where applicable, direct labour and production overheads.

Net realisable value is the estimated selling price less the estimated costs of completion and costs to be incurred in marketing, selling and distribution.

The cost of inventories is assigned by using the weighted average cost formula.

The Company makes the appropriate value corrections, entering them as a cost in the profit and loss account when the net realisable value of the stock is lower than its acquisition price (or than its cost of production).

Also grouped under this heading are advance payments to suppliers for services to be received.

4.6 Transactions in currency other than Euro

The Company's functional currency is the Euro. However, the functional currency of the company's branches is the functional currency of the countries where the Company operates through its branches (Dominican Peso mainly). Consequently, operations in currencies other than Euro are considered as foreign currency and entered in accordance with the exchange rates prevailing on the dates of the operations.

At the close of the period, the monetary assets and liabilities denominated in foreign currency are converted by applying the exchange rate on the date of the balance sheet. The profits or losses shown are directly allocated to the profit and loss account for the period in which they occur.

4.7 Corporate tax

Tax expense (tax on profits) comprises current tax expense (current tax income) and deferred tax expense (deferred tax income).

The current tax expense is the amount payable by the Company as a result of tax on profits settlements for a given year. Tax credits and other tax benefits, excluding tax withholdings and pre-payments, as well as tax loss carryforwards from prior years effectively offset in the current year, reduce the current income tax expense.

The deferred tax expense or income relates to the recognition and derecognition of deferred tax assets and liabilities. These include temporary differences measured at the amount expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities and their tax bases, as well as the negative tax bases pending compensation and the credits for tax credit not fiscally applied. These amounts are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled.



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Deferred tax liabilities are recognised for all taxable temporary differences, except for those arising from the initial recognition of goodwill or of other assets and liabilities in a transaction that is not a business combination and affects neither accounting profit nor taxable profit, and except for those associated with investments in subsidiaries, associates and joint ventures in which the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets, on the other hand, are only recognised to the extent that it is considered probable that the Company will have sufficient taxable profits in the future against which it will be possible to recover them.

Deferred tax assets and liabilities arising from transactions charged or credited directly to equity are also recognised directly in net equity.

By decision of the Sole Shareholder on 26th December 2011, it was chosen to tax in the Corporate Tax through the tax consolidation regime in accordance with Chapter VII of Title VII of the Corporate Tax Act since October 1st 2007; the parent Company Elsamex S.A. is responsible for filing and paying the Corporate Tax of the tax group. For this reason, at the end of the financial year the payable or receivable balances for the Corporate Tax are included classified in deposit accounts with companies of the group at short term.

4.8 Environment

Assets of environmental nature are those used long-term in the Company's activity. Their main purpose is the minimization of environmental impact and the protection and improvement of the environment, including the reduction or elimination of future pollution.

Due to its nature, the Company's activity does not have a significant environmental impact.

4.9 Joint ventures (Joint business)

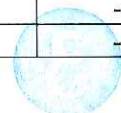
The Company's financial statements include the effect of the proportional integration of the Joint Ventures in which either the Company or its branches participate.

Temporary joint ventures (UTE's) have been incorporated under each heading of the balance sheet, the profit and loss account and the statement of cash flows, using the method of proportional consolidation, according to the percentage of participation of the Company.

The main figures that the Joint Ventures contribute to the balance sheet and the profit and loss account for the accounting periods ending on 31 December 2017 and 2016 are:

Concepts	Euros	
	2017	2016
Total Assets	-	186.659
Non-current assets	-	-
Current assets	-	186.695
Net amount turnover	-	-

Name of Joint Venture:	Percentage participation	Euros
		Sales
Consorcio. Carreteras del Sur	60%	-
Consorcio Internariño	50%	-
		-



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4.10 Revenue and expenditure

Revenue and expenses are recognised on an accrual basis, i.e. when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises. Revenue is measured at the fair value of the consideration received, net of discounts and taxes, incorporated interests or similar items.

In order to adjust revenues in the period in which they are accrued, the Company adopts the principle of provisioning the revenues of projects in progress at year-end, in accordance with their level of advancement, notwithstanding the date of issue of the invoice.

The estimations used in calculating the level of advancement include the effect that the margin of certain liquidations under process might have, and that the Company estimates at the moment as reasonably achievable.

The account "Clients by works or services pending certification or invoice", included in the heading "Clients by sales and provision of services" of the asset of the balance sheet, represents the difference between the amount of the contract work executed, including the adjustment to registered margin by applying the level of advancement, and that certified until the date of the balance sheet.

If the amount of the production at origin of a work is below the amount of the certifications issued, the difference is contained in heading "Advances Clients" of liabilities in the balance sheet.

The interest received from financial assets is included using the effective interest rate method. In any case, the interest on financial assets accrued after the date of acquisition is recognized as income on the profit and loss account.

The rest of the revenues are accounted for at the time of transfer of the ownership of the goods or services provided to the customer.

4.11 Provisions and contingencies

In preparing the financial statements, the Company Directors differentiate between:

- a) Provisions: credit balances covering present obligations arising from past events, whose cancellation will probably cause an outflow of resources, although they are uncertain in their amount and/or timing of cancellation.
- b) Contingent liabilities: possible obligations arising as a consequence of past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more future events, not wholly within the Company's control and which are not reasonably calculable.

The financial statements include all the provisions regarding which it is considered that the probability of having to meet the obligation is very high. Contingent liabilities are not included in the financial statements, but the information about them can be found in the report notes, provided they are not considered as very unlikely.

Provisions are measured at the present value of the best possible estimate of the amount required to settle or transfer the obligation, taking into account the information available on the event and its consequences; adjustments made to provisions are recognised as a financial cost on an accrual basis.

Compensation receivable from a third party at the time the obligation is settled, provided that there are no doubts as to whether this reimbursement should be made, is entered as a credit, unless there is a legal link by which the risk part has been externalised and under which the Company is not obliged to respond. In this situation, the compensation will be taken into account for the purpose of estimating the amount of the related provision that should be recognised.



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4.12 Termination benefits

Under current legislation, the Company is required to pay termination benefits to employees terminated under certain conditions. Therefore, termination benefits that can be reasonably quantified are recognised as an expense in the year in which the decision to terminate the employment relationship is taken. The accompanying financial statements do not include any provision in this connection, since no situations of this nature are expected to arise.

4.13 Principles used in transactions between related parties

One party is considered linked to another when one of them or a group acting together exercises or has the power to exercise, directly or indirectly or in accordance with agreements between shareholders or participants, control over another or has significant influence over the other in the making of financial or operational decisions.

In any case, related parties are:

- a) Companies which are considered to be a company of the group, associate or multi-group, in accordance with article 42 of the Commercial Code.
- b) Natural persons who, directly or indirectly, hold participation in the voting rights of the Company, or in its dominant entity, to enable them to exercise a significant influence over one or another. Close relatives of these natural persons are also included.
- c) The key staff of the Company or of its dominant entity, understood as the natural persons with authority and responsibility over the planning, management and control of the Company's activities, either directly or indirectly, including the directors and executive managers. Close relatives of these natural persons are also included.
- d) Companies over which any of the persons mentioned in b) and c) above can exercise a significant influence.
- e) Companies that share any director or manager with the Company; except in case this person does not have any significant influence in the financial and management policies of the Company.
- f) Persons who are considered as close relatives of the Company administration's agent, if this person is a legal person.
- g) The pension plans for the employees of the Company or of any other which is a party linked to this.

For the purposes of this rule, close relatives are understood to be those who could exercise influence in, or be influenced by, this person in his/her decisions relating to the Company. These include:

- a) The spouse or person with an analogous relationship;
- b) The ascendants, descendants and siblings and the respective spouses or persons with an analogous relationship;
- c) The ascendants, descendants and siblings of the spouse or persons with an analogous relationship;
- d) Persons for whom the spouse or person with an analogous relationship is responsible for or persons with an analogous relationship;

The Company as its branches carry out all their operations with entities linked to market values. In addition, transfer prices set in operations are adequately supported so that the Company Directors consider that there are not any significant risks related to this aspect from which liabilities for future consideration could be derived.

5. Intangible assets

The movements occurring under this heading of the balance sheet during accounting periods 2017 and 2016 are the following:

Financial year 2017

	Euros		
	31/12/2016	Additions	31/12/2017
Cost			
Goodwill	2.200.346	-	2.200.346
	2.200.346	-	2.200.346
Acumulated depreciation:			
Goodwill	(220.035)	(220.035)	(440.069)
	(220.035)	(220.035)	(440.069)
Valor neto	1.980.311	(220.035)	1.760.276

The additions correspond to the depreciation booked during the year.

The goodwill registered in the society started after the constitution of the same society in 2001.

At the end of 2017 it has been calculated the value of the participations of the societies Inteval and Elsamex Portugal and the estimation of the valuation of the business in Mexico trough Macovi. The valuation has estimated a projection of cash flows of these societies where the society participates 10 years.

It has not been considered to book the impairment of the goodwill.

Financial year 2016

	Euros				
	31/12/2015	Additions	Exchange differences	Disposals	31/12/2016
Cost					
Goodwill	2.200.346	-	-	-	2.200.346
Computer applications	3.587	-	133	(3.720)	-
	2.203.932	-	133	(3.720)	2.200.346
Depreciation acumulated					
Goodwill	-	(220.035)	-	-	(220.035)
Computer applications	(3.587)	-	(133)	3.720	-
	(3.587)	(220.035)	(133)	3.720	(220.035)
Net value	2.200.346	(220.035)	-	-	1.980.311

The impairment test performed on the Goodwill upon closing of the financial year has been explained further in Note 4.1. As of 31 December 2016 the Company had the following investments in intangible fixed assets located abroad:



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Description	Country	Euros		
		Book Value (gross)	Accumulated depreciation	Net value
Computer software	Ecuador	3,587	(3,587)	-

Upon closing of financial year 2016 the Group held elements of intangible fixed assets fully amortised for a value of EUR 3,587.

6. Property, plant and equipment

The movements occurring under this heading of the balance sheet during periods 2017 and 2016, as well as the most significant information affecting this section are as follows:

Financial year 2017

	Euros				
	Saldo al 31/12/2016	Increases (Allocations)	Conversion Differences Adjustments	Write offs	Saldos al 31/12/2017
Gross value					
Lands and buildings	112.844	-	(18.028)	-	94.816
Technical instalations and machinery	1.459.940,39	-	(22.558)	(32.601)	1.404.781
Other instalations, tolos and furniture	21.966	-	(2.734)	-	19.232
Equipment for information proceseing	17.850	-	(2.469)	-	15.381
Vehicles	415.269	-	(64.006)	(179.130)	172.133
	2.027.868	-	(109.795)	(211.732)	1.706.342
Acumulated depreciation:					
Technical installations and machinery	(1.445.296)	(1.864)	20.135	30.286	(1.396.739)
Other installations, tools and furniture	(19.423)	(577)	2.463	-	(17.537)
Equipment for information processing	(18.394)	(617)	2.511	-	(16.500)
Vehicles	(362.676)	(5.052)	55.917	148.956	(162.855)
	(1.845.789)	(8.111)	81.026	179.242	(1.593.631)
Property, plant and equipment	182.079	(8.111)	(28.769)	(32.489)	112.711

Reductions in financial year 2017 correspond to the disposition of machinery to third parties. The positive net result amounts to EUR 188,575 registered in section "Other results" in the attached profit and loss account.

Financial Year 2016



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	Euros					Balance at 31/12/2016
	Balance at 31/12/2015	Increases (Allocations)	Transfers	Conversion Differences Adjustments	Write-offs	
Gross value:						
Land and buildings	111,067	-	-	1,777	-	112,844
Technical installations and machinery	2,482,749	794	(298,917)	23,585	(748,270)	1,459,940
Other installations, tools and furniture	29,240	1,910	19,977	-	(29,161)	21,966
Equipment for information processing	104,201	-	(36,562)	3,899	(53,689)	17,850
Vehicles	734,342	-	315,502	16,602	(651,177)	415,269
	3,461,599	2,704	-	45,863	(1,482,297)	2,027,868
Accumulated Amortization:						
Technical installations and machinery	(2,215,089)	(6,333)	196,697	(25,663)	605,092	(1,445,296)
Other installations, tools and furniture	(20,323)	(924)	(19,263)	(1,471)	22,557	(19,423)
Equipment for information processing	(84,377)	(1,581)	27,737	(6,804)	46,630	(18,394)
Vehicles	(659,190)	(17,356)	(203,439)	(21,709)	539,017	(362,676)
	(2,978,979)	(26,193)	1,732	(55,646)	1,213,297	(1,845,789)
Property, plant and equipment	482,620	(23,489)	1,732	(9,784)	(269,000)	182,079

As of 31 December 2017 the Company had the following investments in tangible fixed assets located abroad:

Description	Country	Euros		
		Book Value (gross)	Accumulated depreciation	Net value
Land and buildings	Dominican R.	341,486	(59,714)	281,772
Technical installations and machinery	Dominican R.	72,329	(67,187)	5,142
Vehicles	Dominican R.	117,593	(108,316)	9,278
Equipment for information processing	Dominican R.	8,282	(7,214)	1,068
Furniture	Dominican R.	10,558	(10,176)	382
Technical installations and machinery	Ecuador	15,975	(15,560)	415
Vehicles	Ecuador	54,539	(54,539)	-
Equipment for information processing	Ecuador	4,935	(4,935)	-
Other installations, tools and furniture	Ecuador	3,924	(3,620)	304
Equipment for information processing	Colombia	1,454	(1,157)	297
Furniture	Colombia	420	(402)	17
Total		631,495	(332,820)	298,676

The Company applies the exchange rate at close to the immovable assets of the subsidiaries located abroad expressed in an operating currency other than the Euro. The difference that arises with respect to the amount by which they are included in the Company's equity, is accounted directly against the net equity, given that the entries denominated in operating currency are not converted into Euros in the short term and, consequently, will not affect the Company's cash flow.

The Company takes out insurance policies to cover the possible risks to which its property, plant and equipment elements are subject. The Company Directors consider that the coverage of these risks on 31 December 2017 and 2016 is the appropriate.

7. Real Estate Investment

The movements occurring in this heading of the attached balance sheet during periods 2015 and 2014 are the following:

Financial Year 2017



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	Euros				
	31/12/2016	Dif. Exchange and adjustments	Increases (Allocations)	Transfers	31/12/2017
Gross value:					
Real Estate Investment	448,830	(71,704)	-	(130,456)	246,670
	448,830	(71,704)	-	(130,456)	246,670
Accumulated Amortization:					
Land and buildings	(90,749)	14,498	(12,008)	28,545	(59,714)
	(90,479)	14,498	(12,008)	28,545	(59,714)
Real Estate Investment	358,081	(57,206)	(12,008)	(101,910)	186,956

Financial year 2016

	Euros				
	31/12/2015	Dif. Exchange and adjustments	Increases (Allocations)	Transfers	31/12/2016
Gross value:					
Real Estate Investment	441,764	7,066	-	-	448,830
	441,764	7,066	-	-	448,830
Accumulated Amortization:					
Land and buildings	(70,771)	(1,132)	(17,114)	(1,732)	(90,749)
	(70,771)	(1,132)	(17,114)	(1,732)	(90,749)
Real Estate Investment	370,993	5,934	(17,114)	(1,732)	358,081

The real estate investments are mainly related to two apartments acquired in lieu of payment and located in Playa Bávaro (Dominican Republic). These assets are kept in the balance sheet in order to obtain profits in their sale, even though they are occasionally used by the staff of the Company.

8. Long-term investments with Group companies and associates

8.1. Equity instruments

The detail of shares in Group companies, multi-group and associate companies and the most relevant information for periods 2017 and 2016 is shown below in EUR:

Financial Year 2016

Investee	Address	Activity	% Participatio n	Euros			
				Amount	Equity		
					Corporate Capital	Reserves	Result
Inteval Gestao Integral Rodoviaria, S.A.	Edif. Atlas II Av. José Gomes Ferreira, 11, 11495-139 Alges (Portugal)	Construction	100.00	2,210,698	1,400,000	3,072,649	1,076,554
ESM Mantenimiento Integral de S.A. de CV	Presidente Masaryk, 61 piso 7 Colo. Chapultepec Morales CP 11570 deleg. Miguel	Construction	29.99	173,847	345,689	121,085	21,535

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Mantenimiento y Conservación de Vialidades S.A. de C.V.	Hidalgo (Mexico) Mauricio Garces 855, Frac. La Joya 76180 Querétaro (Mexico)	Construction	64.00	381,686	594,553	301,488	35,934
Elsamex Portugal Engenharia e Sistemas de Gestao, S.A.	Rua Quinta das Romeiras Edif.Eduardo Vian,104 6º 1495-236 Alges (Portugal)	Consulting	70.00	251,078	350,000	1,234,403	107,539
Consortio de Obras Civiles, S.R.L.	Avenida 27 de febrero nº272, Edificio J.P., La Julia, Santo Domingo DN, Dominican Republic	Construction	34.00	-	2,011	2,448,959	(157)
Vías y Construcciones, S.R.L.	Avenida 27 de febrero nº272, Edificio J.P., La Julia, Santo Domingo DN, Dominican Republic	Construction	50.00	-	-	53,520	(36,448)
				3,017,309			



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Financial Year 2016

Investee	Address	Activity	% Participatio n	Euros			
				Amount	Equity		
					Corporate Capital	Reserves	Result
Inteval Gestao Integral Rodoviaria, S.A.	Edif. Atlas II Av. José Gomes Ferreira, 11, 11495-139 Alges (Portugal)	Construction	100.00	2,210,698	1,400,000	2,402,174	920,475
ESM Mantenimiento Integral de S.A. de CV	Presidente Masaryk, 61 piso 7 Colo. Chapultepec Morales CP 11570 deleg. Miguel Hidalgo (Mexico)	Construction	29.99	173,847	345,689	118,116	2,712
Mantenimiento y Conservación de Vialidades S.A. de C.V.	Mauricio Garces 855, Frac. La Joya 76180 Querétaro (Mexico)	Construction	64.00	381,686	594,553	141,215	90,308
Elsamex Portugal Engheneria e Sistemas de Gestao, S.A.	Rua Quinta das Romeiras Edif. Eduardo Vian, 104 6º 1495-236 Alges (Portugal)	Consulting	70.00	251,078	350,000	1,119,756	113,471
Consortio de Obras Civiles, S.R.L.	Avenida 27 de febrero nº272, Edificio J.P., La Julia, Santo Domingo DN, Dominican Republic	Construction	34.00	-	2,011	2,450,525	(1,625)
Vías y Construcciones, S.R.L.	Avenida 27 de febrero nº272, Edificio J.P., La Julia, Santo Domingo DN, Dominican Republic	Construction	50.00	-	-	86,466	(31,971)
				3,017,309			

During 2016, the participation in the societies Elsamex India Private Ltd and Yala Construction Company Ltd has been transferred to Elsamex S.A. This transfer has not generated a result for the society, because it has been transferred by the net book value.

The society additionally has a 23,44% of the participations of the society Elsamex Road Technology Company Ltd. These participations were acquired by an amount of 352,243 Euros and the closing of 2017 and 2016 are fully deteriorated.

The detail of the Provision for written-off investments of Group companies at 31 December 2016 and 2015 is the following:

Investee	Euros	
	31/12/2017	31/12/2016
ESM Mantenimiento Integral de S.A. de CV	19,657	29,212
	19,657	29,212

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9. Long and short-term financial assets

The breakdown of the Company's financial assets is the following at the close of the periods 2017 and 2016:

	Euros	
	2017	2016
Group companies credits (Note 19)	240,637	240,637
Other financial assets with third parties	1,767,327	1,767,327
Total Long-term financial assets	2,007,964	2,007,964
Customers for sales and provisions of services:		
Customers	9,219,537	11,511,097
Delinquent Customers	827,633	845,403
Impairment of value of credits for commercial operations	(824,633)	(845,403)
	9,219,537	11,511,097
Other financial assets in group companies (Note 19):	3,800,620	4,852,097
Clients, group companies and associate companies (Note 18)	99,322	754,380
Other debtors	586,007	408,016
Other financial assets with third parties	268,374	297,232
Total Short-term financial assets	13,973,860	17,822,824

The point Credits of long term includes credits to societies abdicated in China where are currently in liquidation. The amount to recover in long term is guaranteed trough the sale of real estate assets of these societies.

The Company's accounts receivable deterioration policy establishes that the amounts receivable from Public Administrations are not impaired. At year-end 2017, the Company keeps amounts receivable from South American Entities with which it is in litigation at the close of the fiscal year.

10. Information on the nature and level of risk of financial instruments

The management of the financial risks of the Company is centralized in Financial Management, which has established the necessary mechanisms to control exposure to variations in the interest rates, as well as to the credit and liquidity risks. The main financial risks that impact on the Company are mentioned below:

a) Credit risk:

In general, the Company holds its treasury and equivalent liquid assets in financial bodies with a high credit level.

In addition, it must be pointed out that, despite the fact that it maintains a significant volume of operations with a significant number of customers, the solvency of most of them is guaranteed as they are largely Public Bodies, and therefore there is no high credit risk with third parties.

b) Liquidity risk:

In order to guarantee the liquidity and to be able to fulfil all the payment commitments deriving from its activity, the Company relies on the Treasury shown in its balance, as well as on short-term financial investments which are detailed in Note 9.

c) Market risk:

Both the Treasury and the short-term financial investments of the Company are exposed to the interest rate risk, which could have an adverse effect on the financial results and on the cash flow. Therefore, the Company has a policy of investing in financial assets which are almost not exposed to interest rate risks.

The Company is subject to exchange risk; this risk is mainly focused in the contracting of works through subsidiaries in Latin America and South East Asia, denominated in the local currency of the country.

11 Stock

The movements in this heading of the attached balance sheet during periods 2017 and 2016 are the following:

Financial Year 2017

	Euros			
	31/12/2016	Additions	Withdrawals	31/12/2017
Raw materials and other provisions	942,504	-	(137,720)	804,784
Advances to suppliers	398,873	3,487	(390,494)	11,866
Total	1,341,377	3,487	(528,214)	816,651

The stock located outside of Spain as of closing of financial years 2017 and 2016 is:

Country	Euros	
	31/12/2017	31/12/2016
Dominican R.	789,972	923,267
Colombia	-	184,464
Total	789,972	1,107,731

12 Shareholders' Equity

12.1 Share capital

At the close of period 2017 the Company's share capital amounted to 14,310,555 Euros, represented by 2,862,111 shares of 5 Euros nominal value each, all of the same class, in accordance with the following detail:

	% Participation
Elsamex, S.A.	100%
	100%

12.2 Legal reserve



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In accordance with the Corporations Act, an amount equal to 10% of the period's profit must be allocated to the legal reserve until this reaches, at least, 20% of the share capital. Such reserve can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased share capital amount. Otherwise, until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for that purpose.

12.3 Conversion differences

The movements in this heading of the attached balance sheet during periods 2017 and 2016 are the following:

Financial Year 2017

	Euros			
	31/12/2016	Additions	Transfers	31/12/2017
Conversion differences	(2,649,392)	(1,510,313)	-	(4,159,705)
Conversion differences	(2,649,392)	(1,510,313)	-	(4,159,705)

Financial Year 2016

	Euros			
	31/12/2015	Additions	Transfers	31/12/2016
Conversion differences	(1,121,891)	(1,344,595)	107,467	(2,649,392)
Conversion differences	(1,121,891)	(1,344,595)	107,467	(2,649,392)

The conversion differences for periods 2017 and 2016 are brought about integrally by the impact of the inclusion in the Company's balance sheet of balances coming from the inclusion of Company's subsidiaries in Ecuador, Dominican Republic and Colombia due to exchange rate variations in said countries.

12.5 Equity Situation

Pursuant to article 363 of the Corporate Enterprises Act, a corporate enterprise shall be dissolved due to losses that reduce its equity to an amount lower than one half of the share capital, except where the capital is increased or decreased as required and application for insolvency protection is not warranted.

In accordance with article 36 of the Spanish Code of Commerce, for the purposes of distribution of profit, for mandatory reduction of the share capital and mandatory dissolution due to losses, the net assets shall be considered the amount classified as such to the criteria to prepare the annual accounts, increased by the amount of the share capital underwritten but not called, as well as the amount of the face value and issue premiums, or share capital undertakings underwritten, which is registered on the books as a liability. Also for said purposes, adjustments for changes in value resulting from hedging instruments of cash flow hedges pending to be attributed to the profit and loss statement shall not be considered as net assets.

Moreover, in compliance with Law 16/2007 dated 4 July, participating loans are considered assets for the purposes of reducing and liquidating Companies, In this regard, on 17 December 2015 the Company signed a participating loan contract with its Sole Shareholder (Elsamex, S.A.) amounting to EUR 7,500,000 and in December 2017 was signed a participative loan with Elsamex S.A amounted to 7,500,000 Euros, registered both in the section "Long-term debts with Group companies and associates" of the balance sheet attached, with the following terms and conditions:

- 1) Amortisation subject to a future profit obtained according to the Company's business plan.
- 2) Interest in two parts:
 - 2.1 A fixed annual rate of Euribor + 1.75% of the amount drawn.



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2.2 A variable rate of 2% subject to an increase based on the positive results obtained before tax.

In consequence, upon closing of financial year 2017, the Company is not in process of dissolution in compliance with Article 36 of the Corporation Law. Moreover, Note 2.4 includes all key aspects with regards to the future business plan expected to be continued by the Management of the Company in the following financial year, which are financially supported by the Sole Shareholder.

13. Provisions

The changes in the provisions in the balance sheet during this financial year are as follows:

Long-term provisions

Year 2017

	Euros		
	31/12/2016	Additions	31/12/2017
Variable remuneration	28,330	(7,909)	20,421
	28,330	(7,909)	20,421

Short-term provisions

During 2017 have not been registered any movement.

14. Financial liabilities

The Company's financial liabilities are itemized as follows at close of years 2017 and 2016:

Debit and items payable

	Euros	
	2017	2016
Non-current financial liabilities:		
Long-term debts with Group companies and associates (see Note 12.5)	11,500,000	7,500,000
Total long-term financial liabilities	11,500,000	7,500,000
Current financial liabilities:		
Short-term debts-		
Debts with credit institutions	1,647	944
Other financial liabilities	5,743	174,89
	7,390	175,633
Debts with group companies (Note 18):	13,725,250	17,297,633

Trade creditors and other accounts payable-		
Suppliers	3,090,297	3,884,418
Suppliers group companies and associates	544,626	508,179
Various creditors	-	630
Personnel	46,862	46,977
Advances Clients	4,340	36,405
	3,686,125	4,476,610
Total short-term financial liabilities	17,918,765	21,949,876

Debts with credit institutions

The detail on debts with credit institutions and their expirations upon closing of financial years 2017 and 2016 is as follows:

Financial Year 2017

Company	Bank liabilities	Original currency	Euros		
			Expiration		
			2018	2019	2020
AMEX card (Spain)	Conciliation in current account	Euros	319	-	-
Bank BHD (Dominican Republic)	Conciliation in current account	Dominican Pesos	625	-	-
			944	-	-

Financial Year 2016

Company	Bank liabilities	Original currency	Euros		
			Expiration		
			2017	2018	2019
La Caixa (Spain)	Conciliation in current account	Euros	941	-	-
Bank BHD (Dominican Republic)	Conciliation in current account	Dominican Pesos	706	-	-
			1,647	-	-

15. Public Administrations and fiscal situation

The composition of this section of the attached balance sheet at 31 December 2017 and 2016 is as follows:

	Euros			
	2017		2016	
	Balances Debtors	Balances Creditors	Balances Debtors	Balances Creditors
Deferred tax assets	1,518,695	-	1,983,409	-

Liabilities due to deferred tax	-	-	-	-
Long-term balances with Public Administrations	1,518,695	-	1,983,409	-
Public Treasury, debtor for VAT, IGIC, IPSI	132,517	-	141,877	-
Public Treasury, debtor for Corporate Tax	639,453	-	764,238	-
Public Treasury, debtor for other concepts	-	-	-	-
Public Treasury, creditor for VAT, IGIC	-	17,181	-	-
Public Treasury, withholdings Income Tax (IRPF)	-	16,789	-	-
Tax payable, Corporate Tax	-	208	-	-
Social Security institutions payable	2,949	11,133	3,371	62,783
Short-term balances with Public Administrations	774,919	45,311	909,495	62,783

Under current legislation, taxes cannot be deemed to have been definitively settled until the tax returns filed have been reviewed by the tax authorities or until the four-year statute-of-limitations period has expired. At. The Directors consider that the above-mentioned tax obligations have been adequately settled. Therefore, in the event of a fiscal inspection and considering there were any disagreements in the usual prevailing interpretation because of the fiscal treatment granted to operations, future resulting liabilities, if any, would not significantly affect these abridged financial statements.

Value Added Taxes

By decision of the Sole Shareholder's Meeting on 26th December 2011, it was chosen to tax in the Value Added Tax through the tax consolidation regime in accordance with Chapter IX of Title IX of the Value Added Tax Act since 1st January 2008; the parent Company, Elsamex S.A., is responsible for filing and paying the Value Added Tax of the tax group. For this reason, at the end of the period the payable or receivable balances for the Value Added Tax are included classified in current accounts with group companies.

Tax on Profits

By decision of the Sole Shareholder on 26th December 2011, it was chosen to tax in the Corporate Tax through the tax consolidation regime in accordance with Chapter VII of Title VII of the Corporate Tax Act since 1st October 2007; the parent Company, Elsamex, S.A., is responsible for filing and paying the Corporate Tax of the tax group. For this reason, at the end of the financial year the payable or receivable balances for the Corporate Tax are included classified in current accounts with group companies.



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Accounting reconciliation and taxable base result

The reconciliation between accounting result and taxable base of the Corporate Tax is as follows:

Financial year 2017

	Euros	
	Share payable	Expense
Result before taxes	(3.062.235)	765.559
Permanent differences		
- Foreign branches exemption	177.091	44.273
- Result of branches abroad	102.882	86.387
- Permanent differences: non-deductible expenses	921.323	230.331
Non-deductible expenses		
- Other permanent differences	243.108	60.777
Correction tax 2016		487.831
Adjustments inspection		166.738
Tax expenses sales of indian companies		29.608
Individual taxable income (Tax result)	2.104.047	756.830
Fee to recover individually 25%		
Deduction by Double Taxation	-	62.500
Corporate Tax to be recovered Individual		694.330

Financial Year 2016

	Euros	
	Share Payable	Revenue/(Expense)
Results before tax	(2,845,559)	711,390
Permanent differences:		
Dividend double taxation deduction	(1,100,000)	275,000
Adjustment due to permanent establishments abroad	184,133	(2,837)
Adjustments to base	1,685,840	(406,460)
Adjustments IS 2015		436,530
Taxable base (Tax result)	2,075,586	
Gross tax accrued (25% of the taxable base)	518,897	
Last year's corporation tax adjustment and taxes for branches		
Withholdings		
Corporate tax receivables of Consolidated Group	518,897	
(Expense) Income due to Corporate Tax	-	1,013,623

The movements booked against Net Equity have not been considered deductible by the society, so the expense registered against net equity is not presented net of taxes.



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The differences of the tax of the previous year are created in consequence of the differences between the provision of the Corporation Tax in the date of the formulation of the financial statements and the amount presented in the declaration.

Temporary differences originated in financial year 2017 arise as a result of the different consideration, for accounting and tax purposes, of the expenditure recorded by the Company during the period of technical amortization of the properties and rights of use from financial leases, by application of Royal Decree 4/2004 of 5 March, of Corporate Tax. Royal Decree 4/2004, of 5 March, regarding Corporate Tax.

Deferred tax assets

The detail of the balance of Assets for deferred tax on profits upon closing of financial years 2017 and 2016 is as follows:

	Euros	
	Balance at 31/12/2017	Balance at 31/12/2016
Temporary differences in accounting amortisation	118,211	44,512
Tax credits due to negative tax bases	1,400,484	1,938,897
Total deferred tax assets	1,518,695	1,983,409

Temporary differences originating in previous years arise because, during year 2008, the Company decided to include in equal parts in the taxable base of the Corporate Tax, and during the first three tax periods, accounting adjustments recognized in Equity due to the first application of the new General Accounting Plan.

The movements have been as follows:

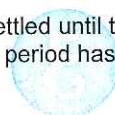
	Euros			
	Balance at 31/12/2016	Additions	Disposals	Balance at 31/12/2017
Temporary differences in accounting amortisation	44,512	76,947	(3,248)	118,211
Tax credits due to negative tax bases	1,938,897	-	(538,413)	1,400,484
Total deferred tax assets	1,983,409	76,947	(541,661)	1,518,695

At the end of year 2017, the details of negative tax bases (capitalized or not capitalized) pending use is as follows:

	Amount (EUR)
Year 2007	3,732,655
Year 2008	24,196
Year 2009	78,857
Year 2011	1,722,227
	5,557,935

In compliance with the law in force, fiscal losses of a financial year may be offset, for tax purposes, against the profits of tax periods in future financial years for an indefinite period of time. However, the final amount to be offset by these fiscal losses may be amended in consequence of the comparison of the accounting periods in which they occur.

Under current legislation, taxes cannot be deemed to have been definitively settled until the tax returns filed have been reviewed by the tax authorities or until the four-year statute-of-limitations period has expired.



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At the end of financial year 2015 different inspections of Elsamex Internacional, S.L.U. were started with regards to the Corporate Tax and the Value Added Tax for 2011, 2012 and 2013 and the negative taxable bases declared by the Company. in years 2007, 2008 and 2009. As of today, the outcome of said inspections are not yet known. However, as a result of the different possible interpretations of the fiscal law in force, additional liabilities may arise from the inspection. Anyhow, the Managers consider that said liabilities would not have a negative impact on the annual accounts.

16. Contingent Liabilities

As of 31 December 2017 there are contingencies of the Company and the branches due to ongoing legal procedures with third parties. The Company is being advised by independent professionals who have stated that there are virtually no possibilities of the sentences being unfavourable for the Company, so the future outflow of funds would not be material.

17. Revenue and expenditure

a) Net turnover amount

The distribution of net turnover for periods 2017 and 2016, by business categories is as follows:

Division	Euros	
	2017	2016
Services and sales to third parties	836,197	1,454,654
Provision of services to Group companies (Note 19)	(394,493)	1,327,929
	441,704	2,782,583

The distribution of net turnover for periods 2017 and 2016 by geographical markets is as follows:

Geographical Markets	Euros	
	2017	2016
Spain	-	145,878
Rest of Europe	9,484	54,407
Dominican Republic	149,678	285,277
Colombia	-	-
Ecuador	85,455	420,405
Rest of world	197,087	1,876,616
Total	441,704	2,782,583

b) Purchases

The breakdown of this section of the profit and loss account for periods 2017 and 2016 is as follows:

	Euros	
	2017	2016
Purchase of other materials	626,779	1,341,540
Works carried out by other companies	(17,508)	359,908
	609,271	1,701,448

The breakdown of purchases in years 2017 and 2016 by geographical markets is as follows:



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Geographical Markets	Euros	
	2017	2016
Spain	19,562	29,699
Rest of Europe	26,636	22,890
Dominican Republic	94,198	245,199
Colombia	-	(125,316)
Ecuador	71,910	201,813
Rest of world	396,965	1,327,163
Total	609,271	1,701,448

c) Personnel expenditure

The breakdown of the "Personnel expenditure" entry in the profit and loss account as of 31 December 2017 and 2016 is as follows:

	Euros	
	2017	2016
Wages, salaries and similar expenses	415,054	580,137
Employer social security costs	536,914	453,513
Total	951,968	1,033,650

The average number of persons employed during accounting periods 2017 and 2016, broken down into categories, is as follows:

Categories	2017	2016
Managers	2	1
Technical personnel and middle management	5	13
Administration personnel	6	6
Unqualified personnel	10	12
Total	23	32

Out of which, these are used by the foreign branches of the Company:

Categories	2017	2016
Technical personnel and middle management	4	8
Administration personnel	5	5
Unqualified personnel	10	12
Total	19	25

In accordance with the requirements of Art. 260.9 of the Capital Corporation Law, distribution by sex is shown for the end of the period for the Company's personnel, broken down by category for the closing of accounting periods 2017 and 2016:



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Categories	2017		2016	
	Men	Women	Men	Women
Managers	2	-	1	-
Technical personnel and middle management	-	1	2	3
Administration personnel	-	1	-	1
Unqualified personnel	-	-	-	-
Total	2	2	3	4

Out of which, these are used by the foreign branches of the Company:

Categories	2017		2016	
	Men	Women	Men	Women
Technical personnel and middle management	4	-	7	1
Administration personnel	3	2	4	1
Unqualified personnel	10	-	12	-
Total	17	2	23	2

d) Other operating expenses

The detail for this section of the attached profit and loss account for accounting periods 2017 and 2016 is as follows:

	Euros	
	2017	2016
Leases and royalties	50,895	69,013
Repairs and maintenance	30,924	29,980
Independent professional services	175,017	120,416
Transport	27,465	66,151
Insurance premiums	21,765	58,834
Bank services and other similar	1,162	14,898
Publicity, advertising and public relations	1,372	1,335
Supplies	451,277	949,081
Other services	4,207	5,370
Other taxes	-	203,280
Other current management expenses	-	395
	764,084	1,518,753



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During financial years 2017 and 2016, the fees for account auditing services and other services provided by the auditor of the Company have been as follows:

Description	Euros 2017	Euros 2016
Auditing Services	18,450	20,000
Other verification services	200	200
Total auditing and related services	18,650	20,200
Other services	-	-
Total professional services	18,650	20,200

18. Environmental aspects

In view of the main business activities carried out by the Company, it does not have any significant responsibilities, expenses, assets or provisions or contingencies of an environmental nature in relation to the equity, financial situation and results. For this reason, they are not included in the specific breakdowns in this report.

The Company's Directors consider that there are no contingencies related to the protection and improvement of the environment and do not consider it necessary to enter any resource to the provision for risks and expenses of an environmental nature as at 31 December 2017 and 2016 in the financial statements.

19. Operations with related parties

19.1 Balances and transactions with group companies

The detail of the balances and transactions made during accounting periods 2017 and 2016 between the Company and Elsamex Group companies is as follows:



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Financial year 2017

	Euros									
	Accounts receivable					Accounts payable			Profit and loss	
	Long-term credits to Group companies (Note 9)	Clients, group companies and associates (Note 9)	Other short-term financial assets in group companies (Note 9):	Debits with companies of group in long term	Suppliers, group companies and associate companies (Note 14)	Short-term debts with Group companies and associates (Note 14)	Services provided	Services received and staff expenses	Expenditure	Income
Elsamex Road Technologies, Co. Ltd	240.637	-	-	-	-	-	-	-	-	-
Ciesm-Intevia S.A.U.	-	-	-	-	189.416	1.660.211	24.644	198.405	54.061	-
Intevial Gestao Integral Rodoviaria, S.A.	-	-	40.017	-	7.288	-	-	-	865	250.000
Grusamar Albania SHPK	-	-	-	-	-	-	-	-	-	-
Elsamex India Privated LTD	-	-	-	-	285.693	-	-	-	-	-
Elsamex Portugal Engenharia e Sistemas de Gestao	-	2.506	-	-	-	-	-	-	-	-
Yala Construction CO. Private Ltd. (India)	-	-	-	-	-	170.016	-	-	-	-
ESM Mantenimiento Integral de S.A. de CV	-	-	-	-	-	-	157.611	-	-	-
Mantenimiento y Conservacion de Viales S.A. de CV	-	-	105	-	-	-	57.690	-	-	-
Control 7,S.A.U.	-	-	-	-	-	15.641	-	-	654	-
Elsamex, S.A.U.	-	(1.343)	243.184	11.500.000	60.866	11.472.282	154.548	561.646	848.943	-
Elsamex Maintenance Services Limited	-	98.159	-	-	-	-	-	-	-	-
Señalización de viales e Imagen, S.A.U.	-	-	26.791	-	-	-	-	-	-	1.120
Atenea Seguridad y Medio Ambiente, S.A.U.	-	-	6.667	-	-	-	-	-	-	280
Grusamar Ingeniería y Consulting, S.L.	-	-	68.505	-	1.363	407.100	-	7.110	-	2.380
Alicantarilla Fotovoltaica, S.L.U	-	-	109	-	-	-	-	-	-	5
Beasolarta, S.L.U	-	-	97	-	-	-	-	-	-	-
Área de Servicios Coiros, S.L.U	-	-	176	-	-	-	-	-	-	7
Área de Servicios Punta Umbria, S.L.U	-	-	1119	-	-	-	-	-	-	5
Vias y Construcciones, S.R.L	-	-	1.314.624	-	-	-	-	-	-	-
Consorcio de Obras Civiles, S.R.L	-	-	2.100.226	-	-	-	-	-	-	-
TOTAL	240.637	99.322	3.800.620	11.500.000	544.626	13.725.250	(394.493)	(767.161)	(904.524)	253.799



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Financial Year 2016:

	Euros											
	Accounts receivable					Accounts payable			Income	Expenditure	Interests Group	
	Long-term credits to Group companies (Note 9)	Clients, group companies and associate companies (Note 9)	Other short-term financial assets in group companies (Note 9):	Suppliers, group companies and associate companies (Note 14)	Short-term debts with Group companies and associates (Note 14)	Services provided	Services received and staff expenses	Expenditure	Income	Expenditure	Income	
Elsamex Road Technologies, Co. Ltd	240.637	-	-	-	2.117.977	-	-	-	-	-	-	
Ciesm-Intevia S.A.	-	-	-	11.997	27.995	386.592	-	-	-	40.250	-	
Intevial Gestao Integral Rodoviaria, S.A.	-	-	40.017	6.423	-	6.423	-	-	-	-	1.100.000	
Grusamar Albania SHPK	-	-	1.000	-	-	-	-	-	-	-	-	
Elsamex India Privated LTD	-	61.089	105.921	357.927	-	-	-	78.745	-	-	-	
Elsamex Portugal Engenharia e Sistemas de Gestao	-	73.840	-	-	-	-	-	-	-	-	-	
Yala Construcion CO. Private Ltd. (India)	-	201.154	153.138	-	-	-	-	-	-	-	-	
ESM Mantenimiento Integral de S.A. de CV	-	-	-	-	170.016	-	-	239.888	-	-	-	
Mantenimiento y Conservacion de Viales S.A. de CV	-	-	105	-	-	-	-	-	-	591	-	
Control 7,S.A	-	-	-	-	14.986	-	-	-	-	879.042	-	
Elsamex, S.A.	-	320.138	399.604	129.172	14.532.849	854.898	-	727.926	-	-	-	
Elsamex Maintenance Services Limited	-	98.159	-	-	-	-	-	-	-	-	1.182	
Señalización de viales e Imagen, S.A.U.	-	-	25.670	-	-	-	-	-	-	-	298	
Atenea Seguridad y Medio Ambiente, SA,	-	-	6.469	-	-	-	-	-	-	-	3.602	
Grusamar Ingeniería y Consulting, S.L.	-	-	-	3.161	461.804	36.014	-	30.795	-	-	33	
Alicantarilla Fotovoltaica, S.L.U	-	-	104	-	-	-	-	-	-	-	84	
Beasolarta, S.L.U	-	-	98	-	-	-	-	-	-	-	48	
Area de Servicios Coiros, S.L.U	-	-	169	-	-	-	-	-	-	-	32	
Area de Servicios Punta Umbría, S.L.U	-	-	115	-	-	-	-	-	-	-	-	
Vias y Construcciones, S.R.L	-	-	1.540.321	-	-	-	-	-	-	-	-	
Consorcio de Obras Civiles, S.R.L	-	-	2.498.514	-	-	-	-	-	-	-	-	
TOTAL	240.637	754.380	4.852.097	508.179	17.297.633	1.105.349	1.283.927	919.825	1.105.280	1.105.280		

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35 Miembro N.º 4.825



The nature of the transactions of the societies of the Elsamex Group is the following:

- Provision of services (subcontracting): certain Elsamex Group companies provide ancillary services to the Company so that they can carry out their activity. The Company also provides services to other group companies that correspond to the Company's normal operations.
- Financial operations: there are monetary transactions between the entities of the Elsamex Group that take place to the extent that the companies have a need for liquidity. These intra-group transactions earn interest of 5%.
- Administrative, financial and human resources services: the Elsamex Company, S.A.U. from its central offices in Madrid it provides administrative, legal, legal and fiscal services to the rest of the group's entities. These amounts are re-invoiced through a cost-sharing agreement between the companies in the group according to their level of billing.

The loans granted to the Companies Vías y Construcciones, S.R.L and Consorcio de Obras Civiles, S.R.L are guaranteed with a housing promotion in the Dominican Republic and do not accrue interest.

During the year, dividends were received from the Company of the Integral Group Gestao Integral Rodoviaria, S.A. amounting to 250,000 euros (1,100,000 euros in 2016).

The rest of the transactions with the Group companies correspond to the sale of emulsifiers and services provided at market prices.

For structural expenses charged by the Parent Company, the Company has supported in its accounts in 2017 the amount of 28,842 euros (44,950 euros in 2016).

19.2 Remuneration to the Board of Directors and Senior Management

During periods 2017 and 2016, no amount has been incurred for allowances or remunerations of any kind in favour of the Company's Directors. Also, there is not any kind of loan advance, life insurance, pension plan or benefit for any other concept.

There is no senior management in the Company. The managers of the Group, Elsamex, carry out the management of this Company. Elsamex, S.A. invoiced to the Company in financial year 2017 a total amount of 20,048 Euro for direction and administration services (20,072 Euro in period 2016).

19.3 Detail of shares in companies with similar activities and performance of the Administrative Body of similar activities on their own or another's behalf

Pursuant to Article 229.2 and 3 of the Spanish Corporate Law, in order to reinforce corporate transparency, it is informed that at the close of accounting periods 2017 and 2016 the members of the Board of Directors of Elsamex Internacional, S.L.U. have not held shares in companies with the same, analogous or complementary type of activity of the corporate purpose of the company. Similarly, no activities have been carried out or are being carried out, on their own or another's behalf, with the same, analogous or complementary type of activity of the Company's corporate purpose, except for those activities which the company may carry out in other Group companies.

20. Payments to suppliers

Below, the information required by the Additional Third Disposition of Law 15/2010 of 5 July is detailed.



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	PAYMENTS MADE AND PENDING PAYMENT AT THE CLOSE DATE OF THE BALANCE SHEET			
	2017		2016	
	Amount	% (a)	Amount	% (a)
Within the maximum legal term (b)	124,792	13%	265,751	15%
Rest	808,055	87%	1,537,596	85%
Total payments of the year	932,846		1,803,347	
PMPE (days) of payments	28		73	
Postponements that at closing date exceed the maximum legal term	64,995		179,503	

Data contained in the chart above on payments to suppliers refer to those which, by nature, are commercial creditors by debts with suppliers of goods and services, so they include data related to the item "Suppliers" of the current liabilities of the balance sheet.

The excess pondered average term (PMPE) of payments has been calculated as the quotient formed in the numerator by adding the products of each payment to suppliers made in the period with a deferment above the legal term of payment and the number of days of deferment which exceeds the term, and in the denominator the total amount of payments made in the period with a deferment above the legal term of payment.

The maximum legal term of payment applicable to the Company for period 2017 according to Law 3/2004 of 29 December, which establishes measures against delinquency in commercial operations, is 60 days.

21. Other information

Both the Company and its branches have the normal litigations inherent to their activities, both with clients (mainly International Public Organisations) and suppliers. The Legal Advisor claims they are difficult to estimate, although the Directors consider that, in case these litigations materialized, they would not affect the Financial Statements significantly, taken as a whole.

22. Currency other than Euro

The detail of balances and most significant transactions in foreign currency, valued at the exchange rate at close and average exchange rate, respectively, are the following for periods 2017 and 2016:

	Euros	
	2017	2016
Balances:		
Accounts receivable	9,912,843	11,370,795
Other assets	4,867,413	6,777,660
Accounts payable	2,811,544	3,376,481
Other liabilities	10,527,915	9,697,988
Transactions:		
Sales and provision of services	454,888	705,682
Purchases and services received	166,108	323,696

23. Subsequent Events

After the close of the period, and until the date of preparation of these financial statements, no significant subsequent events have occurred that should be mentioned.



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Elsamex Internacional S.L.U.

Management Report for the

year ending on

31 December 2017

Development of business and Company situation

Sales figures for year 2017 are as follows:

* With Joint Ventures and Subsidiaries 0,84 million Euros

Sales by activity during the year: 70% in Sale of Products and Technology Transfer; 30% in Infrastructure Maintenance.

International expansion has continued; there is large potential to Mexico, Bolivia, Peru, Kazakistan, India and Maghreb.

To summarize, the aforementioned suggests that the results of this year could be well improved in 2018.

Subsequent Events

At the date of preparation of this Management Report, there have not been any significant subsequent facts which may affect the Financial Statements for year 2016.

Activities concerning research and development

The Company does not carry out any research and development activities.

Operations with Company shares

During the year there has not been any sale or purchase of Company shares in the Group.

Company use of financial instruments

The management of the financial risks of the Group is centralized in the Financial Direction, which has established the necessary mechanisms to control exposure to variations in the interest rates, as well as to the credit and liquidity risks. The main financial risks that have an impact on the Group are mentioned below:

a) Credit risk:

In general, the Company holds its treasury and equivalent liquid assets in financial bodies with a high credit level.

In addition, it must be pointed out that, despite the fact that it maintains a significant volume of operations with a significant number of customers, the solvency of the majority of them is guaranteed as they are largely Public Bodies and so there is no high credit risk with third parties.

b) Liquidity risk:

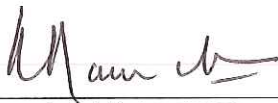
In order to guarantee liquidity and to be able to fulfil all the payment commitments resulting from its activity, the Company relies on the Treasury shown in its balance, as well as on short-term financial investments which are detailed in Note 9 of the attached Notes.

c) Market risk:

Both the Treasury and the financial debt of the Company are exposed to the interest rate risk, which could have an adverse effect on the financial results and on the cash flow. Therefore the Company follows the policy of investing in financial assets that are practically not exposed to interest rate risks and uses derivative financial instruments to cover the risks to which its activities, operations and future cash flows are exposed. On the other hand, the financial instruments used have been chosen for the solidity of their financial worth and the issuing institutions.

PROCEDURE FOR PREPARATION OF FINANCIAL STATEMENTS AND MANAGEMENT REPORT

In compliance with the provisions established in the Corporations Act, the Board of Directors of Elsamex Internacional, S.L.U. prepared on 31 March 2018 the Financial Statements and Management Report for period 2017. These Financial Statements will be submitted for the approval of the Sole Shareholder.



Ramchand Karunakaran



Mukund Gajaran Sapre