

International Foam Technologies Spain, S.L.U and subsidiaries

Consolidated Annual Accounts and Directors' Report for three-month fiscal year
ended March 31, 2020

Including the Audit Report on the Consolidated Annual Accounts

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED ANNUAL ACCOUNTS

To the sole partner of International Foam Technologies Spain, S.L.U.

Report on the consolidated annual accounts

Qualified opinion

We have audited the consolidated annual accounts of International Foam Technologies Spain, S.L.U. (the Parent company) and its subsidiaries, (The Group) which comprise the balance sheet at 31 March 2020, the income statement, the statement of changes in equity, the statement of cash flows and the notes to the annual accounts, all of them consolidated, for the three-month financial year ended March 31, 2020.

In our opinion, except for the effects of the matter described in the *Basis for qualified opinion* section of our report, the accompanying consolidated annual accounts present, in all material respects, a true and fair view of the equity and the financial position of the Company at 31 March 2020, and of the results of its operations and cash flows, all of them consolidated, for the three-month financial year ended March 31, 2020, in accordance with the applicable framework of financial reporting standards (which is identified in note 2.a) to the consolidated annual accounts) and, in particular, in compliance with the accounting principles and criteria contained in that framework.

Basis for qualified opinion

As indicated in note 2 of the accompanying consolidated report, on July 29, 2019, the Group signed with the former owners of Interplasp, S.L. a contract for the sale of corporate shares for 93,66% of its capital social. Once the closing actions for the transfer of the shares were completed, said contract was released to the public on October 14, 2019, which is why it was established as the date of first consolidation on September 30, 2019. However, both the Group, as the sellers agreed in said act, to sign an escrow contract and create a deposit charged to the purchase price amounting to 6.874 thousand euros, which would be released in favor of the sellers as the purchase conditions were fulfilled agreed, a situation that was pending resolution as of the date of preparation of these consolidated annual accounts. In this context, the obtaining of an urban identification document and the appraisal of part of the land where Interplasp, S.L. is pending. carries out its activities and which have been valued at 3,000 thousand in its consolidated annual accounts despite not having supporting documentation for its quantification. For all these reasons, we have not been able to determine the reasonableness of the number of headings "Land and buildings" for the amount of 3.000 thousand euros and "Goodwill on consolidation" for the amount of 27.553 thousand euros.

As indicated in note 5 of the attached report, a goodwill has been generated for consolidation with the subsidiary Interplasp, S.L. for the amount of 27,553 thousand euros, without having had the necessary information to validate the reasonableness of said balance. Additionally, the Group has not amortized said goodwill, which constitutes a breach of the applicable financial reporting regulatory framework. This is the result of a decision made by management at the beginning of the previous year. Based on a linear amortization method and an annual rate of 10%, the results for the financial years 2020 and 2019, the goodwill and reserves are overvalued, without being able to accurately determine the correct amount of such excesses of valuation.

We conducted our audit in accordance with the current Spanish standards for consolidated auditing accounts. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated annual accounts section of our report.

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

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

Key audit matters

The key audit matters are those that, in our professional judgement, were of most significance in our audit of the consolidated annual accounts of the current period. These matters were addressed in the context of our audit of the consolidated annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the issue described in the *Basis for adverse opinion* section, we have determined that the risks described below are the most significant risks considered in the audit that should be reported:

Revenue recognition

The turnover includes a multitude of transactions and corresponds mainly to the sale of polyurethane foam. Product sales revenue recognition occurs when the significant risks and rewards inherent in the ownership of the good sold have been transferred to the buyer. Given the relevance and nature of the sales made by the Group (note 17 a) of the attached report), we consider the revenue area to be an area of significance and susceptible to material misstatement, particularly at the beginning and end of the financial year in relation to its adequate temporary imputation.

Our audit procedures have included:

- We have performed a revenue cycle analysis to gain a better understanding of when revenue should be recognized.
- We have identified key controls and have evaluated their design and implementation.
- We have performed analytical procedures to identify and analyze unusual trends in sales.
- We have analyzed the balances of clients pending collection at the end of the year, performing alternative verification procedures by examining the invoices issued or supporting documents for subsequent collection.
- We have carried out an analysis of the accounting entries recorded by the company.
- We have performed documentary tests for a sample of income transactions close to the closing date verifying that they have been recorded in the correct period.
- Understanding of the accounting policy used by management to determine the presentation of accounting effects in the consolidated annual accounts.

Other information: Consolidated directors' report

Other information comprises exclusively the consolidated directors' report for the three-month ended March 31, 2020 financial year. The directors of the Parent company are responsible for preparing this report, which does not form an integral part of the consolidated annual accounts.

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

Based on the work performed, as described in the preceding paragraph, the information contained in the consolidated directors' report is consistent with that disclosed in the consolidated annual accounts for the three-month ended March 31, 2020 financial year and its content and presentation meet the requirements of the applicable regulations.

As described in the section basis of qualified opinion, we have not been able to obtain sufficient and adequate audit evidence to determine the reasonableness of the amount of the headings "Land and buildings" for the amount of 3,000 thousand euros and "Goodwill of consolidation" for an amount of 27,553 thousand euros and also the Group has not amortized in goodwill in the years 2020 and 2019 the registered consolidation goodwill.

Responsibility of the directors of the Parent company for the consolidated annual accounts

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

In preparing the consolidated annual accounts, the directors of the Parent company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Parent company either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the consolidated annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the current Spanish regulations for auditing accounts will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated annual accounts.

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of the Parent company.
- Conclude on the appropriateness of the directors of the Parent company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention to this in our auditor's report to the related disclosures in the consolidated annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated annual accounts, including the disclosures, and whether the consolidated accounts represent the underlying transactions and events in a manner that achieves a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated annual accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

We describe these risks in our auditor's report unless law or regulation precludes public disclosure about the matter.

Grant Thornton, S.L.P. Sociedad Unipersonal

ROAC nº S0231



Antonio Marín Martínez

ROAC nº 21642

June 22, 2020



GRANT THORNTON, S.L.P.

2020 Núm. 18/20/00105

Informe de auditoría de cuentas sujeto
a la normativa de auditoría de cuentas
española o internacional

Consolidated Annual Accounts

INTERNATIONAL FOAM TECHNOLOGIES SPAIN, S.L.
Y SOCIEDADES DEPENDIENTES
Consolidated Balance Sheet
at 31 March 2020
(expressed in euros)

ASSETS	Note	31.03.20	31.12.19
NON-CURRENT ASSETS		42.596.516	42.703.562
Intangible assets	5	27.554.344	27.555.640
Goodwill on consolidation		27.552.615	27.552.615
Other intangible assets		1.729	3.025
Property, plant and equipment	6	14.956.435	15.094.385
Land and buildings		10.424.732	10.470.400
Plant and other PPE		4.357.486	4.472.607
Under construction and prepayments		174.217	151.378
Deferred tax assets	16	85.737	53.537
CURRENT ASSETS		10.571.795	9.791.451
Inventories	8	3.187.285	2.813.687
Trade and other receivables	9	6.092.750	5.784.929
Trade receivables for sales and services rendered		6.092.532	5.784.929
Trade receivables, Group companies	20	218	-
Current financial investments	7	62.920	62.920
Prepayments and accrued income		48.225	48.230
Cash and cash equivalents		1.180.615	1.081.685
TOTAL ASSETS		53.168.311	52.495.013
EQUITY AND LIABILITIES	Note	31.03.20	31.12.19
EQUITY		14.289.360	13.601.348
Capital and reserves	11	13.343.418	12.710.848
Capital		12.003.000	12.003.000
Authorised capital		12.003.000	12.003.000
Reserves		702.732	-
Profit/(loss) for the year attributed to the Parent company		637.686	707.848
Minority shareholders	12	945.942	890.500
NON-CURRENT LIABILITIES		28.390.211	29.260.905
Non-current debts		18.581.855	19.441.587
Bank borrowings	13	18.573.375	19.388.872
Other financial liabilities		8.479	52.715
Not-Current debts, Group companies	20	8.000.000	8.000.000
Deferred tax liabilities	16	1.808.356	1.819.318
CURRENT LIABILITIES		10.488.740	9.632.760
Current debts		5.628.385	6.181.420
Bank borrowings	13	5.566.399	6.148.270
Other financial liabilities		61.986	33.150
Current debts, Group companies	20	561.462	482.569
Trade and other payables	14	4.298.893	2.968.771
Suppliers		3.072.293	2.038.677
Suppliers, Group companies		25.115	-
Other payables		602.658	568.250
Current tax liabilities	16	598.826	361.844
TOTAL EQUITY AND LIABILITIES		53.168.311	52.495.013

INTERNATIONAL FOAM TECHNOLOGIES SPAIN, S.L.

Y SOCIEDADES DEPENDIENTES

Consolidated Income Statement of

Three-month fiscal year ending on March 31, 2020

(expressed in euros)

	Note	01.01.20 to 31.03.20	12.06.19 to 31.12.19
CONTINUING OPERATIONS:			
Revenues:	17.a)	6.480.536	6.358.611
Sales		6.480.536	6.358.611
Changes in inventories of finished products and work in progress		651.268	55.428
Supplies:	17b)	(4.747.916)	(3.860.792)
Consumption of raw materials and other consumables		(4.747.916)	(3.860.792)
Other operating income:		49.298	1.541
Non-trading and other operating income		49.298	1.541
Personnel expenses:		(641.059)	(734.948)
Wages, salaries and similar compensation		(484.963)	(585.397)
Employee benefit expense	17.c)	(156.096)	(149.552)
Other operating expenses:		(580.068)	(563.389)
Losses, impairment and changes in provisions for commercial transactions	9	(60.660)	(560.260)
Other ordinary expenses		(519.409)	(3.128)
Amortisation/depreciation	5, 6	(171.084)	(135.902)
Attribution of subsidies for non-financial assets and other		3.873	3.873
Other profit/(loss)		(13.393)	883
OPERATING PROFIT/(LOSS)		1.031.454	1.125.305
Finance income:		701	1.334
Marketable securities and other financial instruments		701	1.334
Finance cost		(151.574)	(109.662)
Net monetary gain/(loss)	15	5.138	(5.420)
FINANCIAL INCOME/(EXPENSE)		(145.735)	(113.748)
PROFIT/(LOSS) BEFORE TAX		885.719	1.011.558
Corporate income tax	16	(197.706)	(255.794)
PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS		688.013	755.763
PROFIT/(LOSS) FOR THE YEAR	17 e)	688.013	755.763
Profit/(loss) attributed to Parent company		637.686	707.848
Profit/(loss) attributed to minority shareholders		50.327	47.915




INTERNATIONAL FOAM TECHNOLOGIES SPAIN, S.L.
Y SOCIEDADES DEPENDIENTES
Statement of Consolidated Changes in Equity of
three-month fiscal year ended on March 31, 2020
(expressed in euros)

A) CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR THE YEAR ENDED MARCH 31, 2020.

	Note	01.01.20 to 31.03.20	12.06.19 to 31.12.19
Consolidated profit/(loss) for the year	17.e)	688,013	755,763
Total income and expense attributed directly to consolidated equity		—	—
Total transfers to the consolidated income statement		—	—
TOTAL CONSOLIDATED RECOGNISED INCOME AND EXPENSE	17.e)	688,013	755,763
Total income and expense attributed to Parent company		637,686	707,848
Total income and expense attributed to minority shareholders		50,327	47,915

B) CONSOLIDATED STATEMENT OF TOTAL CHANGES IN EQUITY FOR THE YEAR ENDED ON MARCH 31, 2020.

Note	Authorised capital	Reserves and prior years ^(*) profit/(loss)	Profit/(loss) for the year attributed to Parent company	Minority shareholders	TOTAL
ADJUSTED OPENING BALANCE OF THE YEAR JUNE 12, 2019	11	3,000	—	—	3,000
I Total recognised income and expense	17.e)	—	707,848	47,915	755,763
II Transactions with shareholders or owners		—	—	—	—
Capital increases (reductions)	11)	12,000,000	—	—	12,000,000
Increase (decrease) in equity due to a business combination	12	—	—	842,583	842,583
CLOSING BALANCE December 31, 2019		12,003,000	707,848	890,500	13,601,348
I Total recognised income and expense	17.e)	—	637,686	50,327	688,012
II Transactions with shareholders or owners		—	—	—	—
Other movements	12	—	(5,116)	5,116	—
Increase (decrease) in equity due to a business combination	13	—	707,848	(707,848)	—
CLOSING BALANCE March 31, 2020		12,003,000	702,732	945,942	14,289,360

(*) Includes reserves in consolidated companies and reserves in equity consolidated companies

[Handwritten signature]

[Handwritten signature]

**INTERNATIONAL FOAM TECHNOLOGIES SPAIN, S.L.
Y SOCIEDADES DEPENDIENTES**
Consolidated Statement of Cash Flows of
three-month fiscal year ending on March 31, 2020
(expressed in euros)

	Note	01.01.20 to 31.03.20	12.06.19 to 31.12.19
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) for the year before tax		885.719	1.011.558
Adjustments:		318.084	240.357
Amortisation/depreciation (+)	5,6	171.084	135.902
Attribution of subsidies (-)		(3.873)	(3.873)
Finance income (-)		(701)	(1.334)
Finance cost (+)		151.574	109.662
Changes in working capital:		411.726	(588.966)
Inventories (+/-)		(373.598)	(688.930)
Trade and other receivables (+/-)		(307.821)	925.403
Other current assets (+/-)		5	(15.832)
Trade and other payables (+/-)		1.093.140	(809.607)
Other cash flows from operating activities:		(79.952)	(779.958)
Interest paid (-)		(80.640)	(85.942)
Interest received (+)		701	1.334
Income tax received (paid) (+/-)		(13)	(695.350)
Cash flows from operating activities		1.535.577	(117.010)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for investments (-):		(31.839)	(37.049.633)
Group companies, net of cash in consolidated companies		--	(36.966.521)
Property, plant and equipment	6	(31.839)	(83.112)
Proceeds from sale of investments (+):		--	--
Cash flows from investing activities		(31.839)	(37.049.633)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments made and received for equity instruments		--	12.003.000
Issue of equity instruments	11	--	12.003.000
Payments made and received for financial liability instruments:		(1.404.808)	26.245.327
Issue:			
Bank borrowings (+)	13	--	20.000.000
Other debts (-)	20	60.959	8.000.000
Return and repayment of:			
Bank borrowings (-)		(1.450.368)	(71.673)
Other debts (-)		(15.399)	(1.683.000)
Dividends and interest on other equity instruments paid:		--	--
Cash flows from financing activities		(1.404.808)	38.248.327
EQUIVALENTS		98.930	1.081.684
Cash and cash equivalents at the beginning of the year		1.081.685	--
Cash and cash equivalents at the end of the year		1.180.615	1.081.685

R. Genbauer

[Signature]

**INTERNATIONAL FOAM TECHNOLOGIES OF SPAIN, S.L.U.
AND SUBSIDIARIES**
Consolidated Report for the three-month ended March 31, 2020

1. Activities of the Parent Company

The Group's parent company, INTERNATIONAL FOAM TECHNOLOGIES SPAIN S.L.U. (IFTS), was incorporated on 12 June 2019. Its registered address is in street Monte Esquinza, nº 30 Bajo Izquierda, 28010 Madrid (Spain), and it carries out its activities in Carretera de Villena s/n Yecla (Murcia). On January 2, 2020, its Sole Shareholder agreed to change its accounting close to March 31, 2020.

The Company engages in the acquisition, holding, management and administration of securities and shares or any form of representation of shares in the capital of resident and non-resident entities in Spanish territory and financing of the entities involved. Likewise, the provision of complementary services or accessories to the management of the activities carried out by the entities involved.

The Company is part of the SHEELA FOAM Group whose parent company is SHEELA FOAM. Ltd. The registered office of SHEELA FOAM. Ltd. is in 14 Sector 135, Noida, Uttar Pradesh - 201301 (India). In accordance with current legislation, the company INTERNATIONAL FOAM TECHNOLOGIES SPAIN S.L.U. is not obliged to formulate separate consolidated accounts because of their size, however, the 2019 annual accounts were voluntarily formulated by their administrators, approved by their sole partner on 2 June 2020 and are pending to be deposited in the commercial register.

2. Subsidiaries

The subsidiaries included in consolidation are not listed on a stock market and the information relating to them at the end of the three-month financial year ended March 31, 2020 and at the end of the 2019 financial year, is as follows:

31.03.20							
Name/ Address/ Activity	Value in books of participation	% participation	Share Capital	Reservation	Other equity items	Result	
		Direct				Operating	Net
Interplasp, S.L. / Ctra. de Villena s/n 30510 Yecla (Murcia) / Manufacture of polyurethane foams	40.000.000	93,66	1.773.125	6.627.055	689.037	1.078.358	826.692

31.12.19							
Name/ Address/ Activity	Value in books of participation	% participation	Share Capital	Reservation	Other equity items	Result	
		Direct				Operating	Net
Interplasp, S.L. / Ctra. de Villena s/n 30510 Yecla (Murcia) / Manufacture of polyurethane foams	40.000.000	93,66	1.773.125	2.159.510	885.680	5.801.613	4.282.521

The contract relating to the sale of the shares of Interplasp, S.L. was signed by the sole partner of the parent company and the former owners dated 29 July 2019 and raised to the public on 14 October 2019. As a result, The Group has set a first consolidation date of September 30, 2019. Interplasp, S.L., like its parent company, has modified its accounting close by setting the end date of the year on March 31 of each year, and has been included in the consolidation using the global integration method.

[Handwritten signature]

[Handwritten signature]

**INTERNATIONAL FOAM TECHNOLOGIES OF SPAIN, S.L.U.
AND SUBSIDIARIES
Consolidated Report for the three-month ended March 31, 2020**

3. Basis of presentation of the consolidated annual accounts

a) True and fair view and consolidation policies

The consolidated annual accounts, consisting of the consolidated balance sheet, consolidated income statement, consolidated statement of changes in equity, consolidated cash flow statement and the notes to the consolidated annual accounts consisting of Notes 1 through 23, have been prepared based on the accounting records kept by each of the companies forming part of the consolidated group and the legal provisions established for accounting purposes have been applied. Specifically, Royal Decree 1159/2010 (17 September), which approves the Rules for Preparing Consolidated Annual Accounts, in order to give a true and fair view of the equity, financial situation, results, changes in equity and the cash flows that arose during the year concerned.

Unless otherwise indicated, all the figures in the consolidated report are expressed in euro.

b) Non-mandatory accounting principles applied.

No non-mandatory accounting principles have been applied. The consolidated annual accounts have been prepared in accordance with mandatory accounting policies. All accounting principles having a significant effect on the accounts have been applied.

c) Key aspects of the measurement and estimation of uncertainty

When preparing the accompanying consolidated annual accounts estimates made by the Group's Directors have been used in order to measure some assets, liabilities, income, expenses and commitments recorded in the accounts. These estimates relate mainly to the following:

- The evaluation of possible impairment losses affecting certain assets (Notes 4.g), 4.h) y 4i)).
- The useful life of property, plant and equipment and intangible assets (nota 4.e) y 4.f)).
- The fair value of certain financial instruments (Note 4h)).

At the time of the formulation of these annual accounts, Spain, like many other countries, is immersed in a critical situation arising from the infection caused by Coronavirus (COVID-19). The Government adopted Royal Decree 463/2020 of 14 March declaring the state of alarm for the management of the health crisis situation caused by COVID-19. The initial expected duration of this state, based on the aforementioned Decree, was 15 days, although after this first approval has been renewed on 4 occasions.

In accordance with the regulatory framework for financial information applicable to The Group, and in relation to the three-month financial accounts ended 31 March 2020, the consequences arising from COVID-19 are considered a fact affecting the annual accounts for that financial year as they were circumstances that already existed at the end of the financial year.

The Group as a result of these developments has carried out the appropriate steps, taking measures both to preserve the health of people, as well as measures to contain all their expenses, in particular the costs of staff through the realization of an ERTE (temporary employment regulation file) of its staff, with the aim of addressing this situation and minimizing its impact. Despite the state of alarm and the fall in sales in the last fifteen days of March, as a result of the closure of the commercial sector, The Group has only seen its sales and results reduced in the three-month financial year ended March 31, 2020, by approximately 20% compared to normal sales and it is not estimated that there are other significant impacts that should be recorded at the end of the exercise.

**INTERNATIONAL FOAM TECHNOLOGIES OF SPAIN, S.L.U.
AND SUBSIDIARIES
Consolidated Report for the three-month ended March 31, 2020**

Despite the fact that these estimates have been made based on the best information available on March 31, 2020, it is possible that events may take place in the future which will require them to be changed (upwards or downwards) in future years, which would be done on a prospective basis.

d) Classification of balances as current and non-current

Current items are classified as such when they fall due or mature within one year after the date of these consolidated annual accounts.

e) Comparative information

As indicated in note 1 above, The Group modified its accounting close that coincided with the calendar year, becoming the new closing date on March 31 of each year, therefore the year closed on March 31, 2020 covers only a three-month period. Additionally, the Parent Company of The Group, was incorporated on June 12, 2019, so the comparative figures cover the period from June 12, 2019 to December 31, 2019.

In addition, The Group during the three-month financial year ended March 31, 2020 has obtained an valuation appraisal of its land and constructions in order to establish its fair value and complete the valuation of assets and liabilities in the purchase of shares of Interplasp, S.L. by International Foam Technologies Spain, S.L.. That valuation has resulted in a change in the value of goodwill and in the value of land and construction amounting to 149.505 euros and 211.833 euros, respectively. Consequently, the accounts of external partners for the amount of 10.120 euros and the account of deferred liabilities for the amount of 53.209 euros have been modified (see notes 5, 6, 12 and 16). The Group has recorded this retroactively, modifying the comparative figures for the previous year.

The parent company of the Company, "Sheela Foam Ltd" promised to pay a certain financial institution commissions and expenses at the cost of the Company in the amount of 463,574 euros, (paid at March 31, 2020 368,848 euros) as a result of the formalization of the loan of 20 million euros signed by the Company. Following the provisions of the General Accounting Plan in this regard, the Company has registered this debt (368,848 euros) with its parent company and has proceeded to adjust the amount of the loan signed for the registration at fair value of the consideration received adjusted for the transaction costs that are directly attributable, calculating for this an effective interest rate. The balance that forms the item "Group Companies" has also been included as financial debt. The annual accounts for the year beginning on June 12, 2019 and ending on December 31, 2019 did not include this effect, which is why the Company has proceeded to modify its comparative balance sheet figures as of December 31, 2019 to include such reclassification. The detail of the reclassifications made is as follows:

**INTERNATIONAL FOAM TECHNOLOGIES OF SPAIN, S.L.U.
AND SUBSIDIARIES**
Consolidated Report for the three-month ended March 31, 2020

	Figures according to annual accounts at 31.12.19	Reclassification	Comparative figures restated at 31.12.19
FIXED LIABILITIES			
Long-term debt			
Debts to financial entities	19.641.496	(252.624)	19.388.872
CURRENT LIABILITIES			
Short-term debt			
Debts to financial institutions	6.264.495	(116.225)	6.148.270
Short-term debts with group companies and associates	-	482.569	482.569
Trade and other payables			
Group companies suppliers	113.720	(113.720)	-

f) Consolidation principles

All subsidiaries have been consolidated using the full consolidation method, as effective control is held through a majority of votes in their governing bodies. Associates have been consolidated using the equity method. The consolidation method applied to companies is determined by whether or not significant influence is held and their relative importance within the scope of consolidation.

4. Accounting and measurement policies

The main accounting and measurement standards applied when preparing the consolidated annual accounts are as follows:

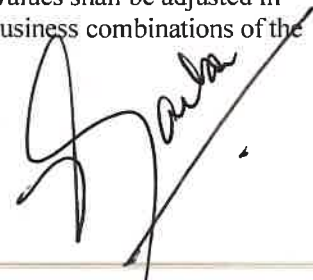
a) Difference on first consolidation

The difference on first consolidation has been calculated as the difference between the carrying value of the interest held in the subsidiaries and the value of the proportional part of their consolidated equity at the date of the first consolidation.

In the event of a positive difference on consolidation, which consists of the excess amount between the cost of the investment and the theoretical carrying amount attributable to the investee company at the date it joined The Group, it is directly attributed to the subsidiary's equity to the extent possible, without exceeding their market value.

If it cannot be assigned to equity items it is considered to be goodwill on consolidation. In the event that this difference is negative, it is called a negative difference on consolidation and it is recognized in full in the income statement on first consolidation.

If, on the year-end closing date in which a business combination has occurred, the valuation process required to calculate the first consolidation difference cannot be completed, the consolidated annual accounts shall be drawn up using securities provisional. In this case, these values shall be adjusted in accordance with paragraph 2.6 of the registration and valuation rule 19th Business combinations of the General Accounting Plan.

**INTERNATIONAL FOAM TECHNOLOGIES OF SPAIN, S.L.U.
AND SUBSIDIARIES**

Consolidated Report for the three-month ended March 31, 2020

b) Minority shareholders

The value of the interest held by minority shareholders in the equity and the results for the year obtained by subsidiaries are presented, respectively, under the headings "Minority shareholders" of the consolidated balance sheet and under "Profit/(loss) attributable to minority shareholders" in the consolidated income statement.

c) Transactions between companies included in the scope of consolidation

The elimination of reciprocal debits and credits, reciprocal expenses and income, and results obtained on internal transactions has taken place in accordance with the relevant provisions of Royal Decree 1159/2010 (17 September).

d) Uniformity

The various items in the individual accounts for each of the companies have been measured in a uniform manner by adapting the standards applied to those used by the Parent Company in its own annual accounts, provided that this has a significant effect.

e) Intangible assets

As a general rule, intangible assets are initially recognized at acquisition or production cost and are subsequently reduced by any accumulated amortization and, where applicable, impairment losses.

The following specific methods are used:

e1) Goodwill

Goodwill may only be recorded when its value is revealed through an acquisition for consideration, within the context of a business combination.

Goodwill is assigned to each cash generating unit that is expected to receive the benefits of the business combination and, if applicable, the relevant adjustment is made.

Subsequent to the initial recognition of goodwill, it is carried at acquisition cost, less cumulative amortisation and impairment losses, where applicable.

Goodwill is amortised on a straight-line basis over ten years. Useful life is determined separately for each cash-generating unit to which goodwill has been allocated.

At the end of each year, analyses are undertaken to determine if there is evidence of impairment of the cash-generating units to which goodwill has been allocated and, if there is any evidence, impairment loss is checked. Measurement adjustments for impairment recognized in goodwill are not reversed in subsequent years.

e2) Computer software



INTERNATIONAL FOAM TECHNOLOGIES OF SPAIN, S.L.U.
AND SUBSIDIARIES
Consolidated Report for the three-month ended March 31, 2020

Software that meets recognition criteria is capitalized at its cost of acquisition or development. Computer software is amortized on a straight-line basis over 3 years from the entry into service of each application. Software maintenance costs are expensed in the year they are incurred.

f) Property, plant and equipment

Property, plant and equipment is recognized at acquisition or production cost and is subsequently reduced by any accumulated depreciation and by any impairment losses recognized.

Indirect taxes levied on property, plant and equipment are only included in the acquisition price or production cost when they are not directly recoverable from the Treasury. In addition, the value of property, plant and equipment will include the initial estimate of the present value of obligations assumed for the dismantling or retirement and other costs associated with the asset, such as the cost of rehabilitating the place at which the assets were located, provided that these obligations give rise to the recording of significant provisions.

Costs relating to extensions, modernization or improvements which increase productivity, capacity or efficiency, or extend the useful lives of the assets are recorded as an increase in the cost of the assets concerned. Repair and maintenance expenses are charged to the income statement in the year in which they are incurred.

The Group depreciates its property, plant and equipment on a straight-line based on the estimated useful lives of the assets concerned. The following depreciation rates are applied:

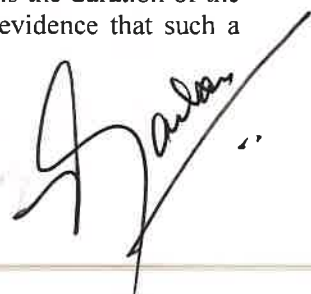
Asset	Depreciation rates
Buildings	1,5-3%
Technical installations	5-10%
Machinery	5-12%
Furnishings	15%
Other facilities	10%
Tooling	10%
Data processing equipment	15-25%
Vehicles	15%
Other assets	12%

Investments made for assets associated with operating leases and other similar transactions that cannot be separated from those items used under leases classified as operating leases are recognized as property, plant and equipment when they meet the definition for assets.

The depreciation of these assets takes place based on their useful lives which is the duration of the lease or assignment agreement including any renewal period when there is evidence that such a renewal will take place and when it is less than the economic life of the asset.

The following specific standards are also applied:





**INTERNATIONAL FOAM TECHNOLOGIES OF SPAIN, S.L.U.
AND SUBSIDIARIES
Consolidated Report for the three-month ended March 31, 2020**

f1) Land and natural assets

Their acquisition price includes preparation expenses such as fencing, earthworks, sewerage and drainage, demolition of buildings when necessary in order to start new construction, inspection expenses and the drawing up of blueprints when prepared before acquisition, as well as any initial estimate of the present value of obligations deriving from the cost of rehabilitating the plot of land.

f2) Tooling and tools

Tooling and tools that are incorporated into mechanical assets are measured and depreciated using the same rules applicable to the assets taken as a whole. In general, those that do not form part of a machine and which are expected to be used for less than one year must be expensed during that year. When the period of use exceeds one year, they are recognized as an asset upon acquisition and an adjustment is applied at the end of the year based on the physical inventory that is carried

out and all reasonable eliminations due to wear and tear are applied.

Templates and moulds used permanently in line manufacturing are also included and their depreciation is calculated based on their estimated useful lives. Custom moulds used for isolated manufacturing processes are not considered to form part of inventory unless they have a net realizable value.

f3) Assets associated with operating leases and other similar transactions.

Investments made that cannot be separated from those items used under leases classified as operating leases are recognized as property, plant and equipment when they meet the definition for assets.

The depreciation of these assets takes place based on their useful lives which is the duration of the lease or assignment agreement including any renewal period when there is evidence that such a renewal will take place and when it is less than the economic life of the asset.

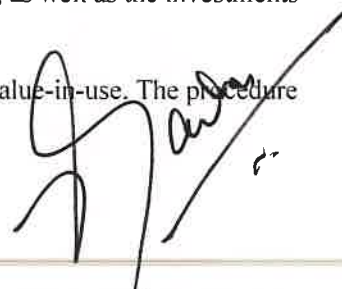
f4) Assets under construction and prepayments

All interim payments made on the purchase of buildings, plant and other assets before their effective delivery or they become available for use.

g) Impairment of intangible assets and property, plant and equipment

Provided there is any indication of impairment, at the end of each year The Group applies an impairment test to estimate any possible impairment of intangible assets or property, plant and equipment that brings their recoverable value below their carrying value. These estimates would be based on the future outlook for updated cash flows based on current market developments and through the application of prudent criteria and conservative management scenarios, as well as the investments that will be necessary in the future.

The recoverable amount is the higher of fair value, less selling costs, and value-in-use. The procedure



INTERNATIONAL FOAM TECHNOLOGIES OF SPAIN, S.L.U.
AND SUBSIDIARIES
Consolidated Report for the three-month ended March 31, 2020

applied by The Group's management to perform this test is as follows: Recoverable values are calculated for each cash generating unit, although in the case of property, plant and equipment impairment is determined on an individual case-by-case basis, where possible.

In the event an impairment loss must be recognized as affecting a cash generating unit to which goodwill has been fully or partially attributed, the carrying value of the goodwill relating to each unit is reduced first. If the impairment exceeds the amount of the goodwill, the company will then proportionally reduce the carrying value of all other assets in the cash generating unit, up to the limit of the higher of the following values: fair value less cost of sales, value-in-use and zero.

When an impairment loss subsequently reverses, the carrying amount of the asset or the cash generating unit is increased to the revised estimate of its recoverable amount, but in a manner such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized in prior years. A reversal of an impairment loss is recognized as income.

h) Financial instruments

h.1) Financial assets

h.1.1) Loans and receivables

This item relates to receivables (trade or non-trade) generated on the sale of goods, the supply of cash or the rendering of services giving rise to receivables of a certain or ascertainable amount that are not traded on an active market.

They are initially measured at the fair value of the compensation paid, plus transaction costs that are directly attributable. Subsequently they are stated at their amortized cost, recognizing accrued interest in the income statement based on the effective interest rate.

However, loans for commercial operations maturing within one year, and which do not have a contractual interest rate, are initially stated at their nominal value, provided that the effect of not restating cash flows is not significant, in which case they would continue being measured subsequently at that amount unless they become impaired.

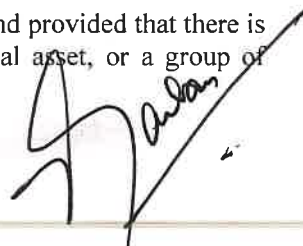
Value adjustments due to impairment are recognized based on the difference between their carrying value and the present year-end value of estimated future cash flows, discounted at the effective interest rate calculated at the time of initial recognition. These adjustments are recognized in the income statement.

h.1.2) Available-for-sale financial assets

Debt securities and equity instruments of other companies that are not classified in any of the aforementioned categories are included. They are initially stated at fair value and any change in that fair value is recognised under equity until the asset is sold or becomes impaired, at which time the accumulated results previously recorded under equity are taken to the income statement.

All necessary measurement adjustments are made at least at year-end provided that there is objective evidence that the value of an available-for-sale financial asset, or a group of

 8



INTERNATIONAL FOAM TECHNOLOGIES OF SPAIN, S.L.U.
AND SUBSIDIARIES
Consolidated Report for the three-month ended March 31, 2020

available-for-sale financial assets, with similar risk characteristics measured collectively has become impaired as a result of one or more events taking place after initial recognition and which cause:

- In the case of acquired debt instruments, a reduction or delay in estimated future cash flows that may be caused by the insolvency of the debtor.

- In the case of investments in equity instruments, the non-recoverability of the asset's carrying amount, as demonstrated by a prolonged or significant decline in its fair value, which is presumed to be the case when the instrument has become impaired if the value falls for one and a half years or 40% of the listed price, without its value having been recovered and notwithstanding the fact that it may be necessary to recognise an impairment loss before the end of the aforementioned term or the percentage decline in the listed price is reached.

The adjustment for the impairment of the value of these financial assets will be the difference between their cost or amortised cost less, if appropriate, any impairment adjustment previously recognised in the income statement, and their fair value at the time at which measurement takes place.

Accumulated losses recognised under equity due to a decline in fair value, provided that there is objective evidence of the impairment of the asset's value, will be recognised in the income statement.

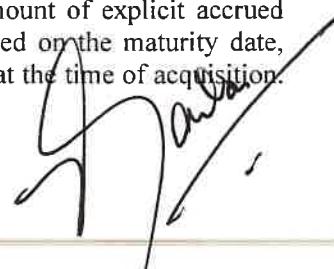
Equity instruments whose fair value cannot be reliably determined are stated at cost, less any accumulated impairment adjustments. In this case the impairment measurement adjustment is calculated in accordance with the matters set out in section e.1.2) relating to investments in group companies, jointly-controlled entities and associates and any measurement adjustment recognised in prior years does not subsequently reverse.

The Company eliminates financial assets when they expire or when the rights to the cash flows deriving from the financial asset have been assigned and the risks and benefits inherent to ownership have been substantially transferred.

The company does not eliminate financial assets and a financial liability is recognized in an amount equal to the compensation received for the assignment of financial assets for which all risks and benefits inherent to ownership have been substantially retained, such as on the discounting of bills.

Interest and dividends from financial assets accrued after the time of acquisition will be recognized as revenue in the income statement. Interest must be recognized using the effective interest rate method and dividends are recognized when the right of the shareholder to receive the dividend is reported.

For these purposes, when initially measuring financial assets the amount of explicit accrued interest not yet due at that time will be recorded independently based on the maturity date, together with the amount of dividends agreed by the competent body at the time of acquisition.



INTERNATIONAL FOAM TECHNOLOGIES OF SPAIN, S.L.U.
AND SUBSIDIARIES
Consolidated Report for the three-month ended March 31, 2020

Explicit interest is understood to be that which is obtained by applying the commercial interest rate borne by the financial instrument.

Furthermore, if the distributed dividends unequivocally originate from profits generated before the acquisition date because amounts higher than the profits generated by the investee company since acquisition are distributed, they will not be recognized as income and will reduce the carrying value of the investment.

h.2) Financial liabilities

Financial liabilities consist of borrowings and payables recorded by The Group deriving from the acquisition of goods and services during the ordinary course of the business, or those that do not have a commercial origin but cannot be considered to be derivative financial instruments.

They are initially stated at the fair value of the consideration received, as adjusted by directly attributable transaction costs. Subsequently, these liabilities are measured at their amortized cost using the effective interest rate method.

However, trade payables falling due in less than one year that were initially measured at their nominal value continue to be valued at that amount.

h.3) Guarantees provided

The difference between the fair value of the guarantees provided and the amount paid is considered to be a prepayment made or received for the lease or the rendering of the service and this amount is taken to the income statement over the term of the lease or during the period over which the service is rendered. Since this item involves a large number of non-current guarantees, whose individual and overall amounts are not significant, no discounting of cash flows has been applied.

i) Inventories

Inventories are measured at the lower of acquisition or production cost and net realizable value. They are valued using the average weighted price method. Trade discounts, rebates, other similar items and interest included in the face value of the related payables are deducted when determining the purchase price.

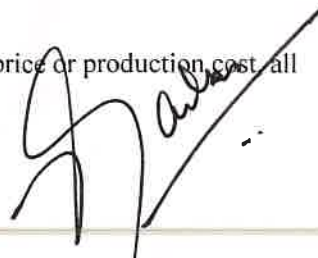
Production cost includes the cost of materials, direct labour and other direct costs.

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

For inventories that necessarily take a period of more than one year to be in a state adequate for sale, the cost includes the financial expenses that have been charged by the supplier or loans or other borrowings, whether specific or general in nature, that are directly attributable to the manufacture or construction of the assets.

When the net realizable value of inventories is less than their acquisition price or production cost, all

 10



**INTERNATIONAL FOAM TECHNOLOGIES OF SPAIN, S.L.U.
AND SUBSIDIARIES
Consolidated Report for the three-month ended March 31, 2020**

measurement adjustments are applied and recognized as an expense in the income statement.

If the circumstances giving rise to the value adjustment cease to exist, the amount of the adjustment will be reversed, recognizing income in the income statement.

In the case of raw materials and other consumables used during the production process, no value adjustments are made, provided that the finished products they are used to create are expected to be sold at a price above cost. When measurement adjustments are appropriate, the replacement price is used in the calculation.

The measurement of obsolete, defective or slow-moving products has been reduced to their possible realization value, and the adjustment is recognized in the income statement for the year.

j) Transactions denominated in foreign currency

The accounts receivable and payable in foreign currencies are translated to the functional currency at the exchange rates ruling at the related transaction date and are adjusted at year-end to the exchange rates then prevailing. In cases where exchange hedges exist, only the portion of the risk not covered by the hedge is taken into consideration.

Exchange differences that arise as a result of the year-end valuation of payables and receivables denominated in foreign currency are recorded directly in the income statement.

k) Grants, donations and legacies received as unrepayable

They are initially counted as income directly charged to equity, with income and income recognized in the income and loss account on a systematic and rational basis correlated with the expenses arising from the subsidy, donation or legacy according to the criteria described below:

- If they are granted to finance specific expenditures, the allocation is made as the subsidized expenses are devolved.

- If they are granted for the acquisition of assets or stocks they are attributed to results in proportion to the depreciation or, where appropriate, when their disposal occurs, repayment correction for impairment or loss in balance sheet.

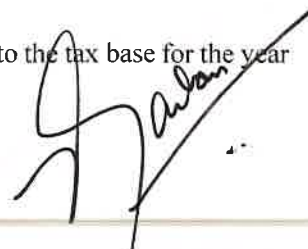
- Monetary amounts received without allocation to a specific purpose are allocated as income in the fiscal year.

Grants, donations and legacies received of a monetary nature are valued at the fair value of the amount granted.

l) Corporate income tax

Group companies file their income tax returns individually. Corporate income tax expense and income consists of the expense or income deriving from current taxes and the relevant portion of deferred tax expense or income.

The current tax is the amount resulting from the application of the tax rate to the tax base for the year



**INTERNATIONAL FOAM TECHNOLOGIES OF SPAIN, S.L.U.
AND SUBSIDIARIES
Consolidated Report for the three-month ended March 31, 2020**

and after applying all allowable tax deductions.

Deferred tax expense and income relates to the recognition and cancellation 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. These amounts are recorded by applying the timing difference or credit relating to the tax rate at which they are expected to be recovered or settled. Deferred tax liabilities are recognized for all taxable temporary differences, except those for which The Group is able to control the timing of the reversal and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are recognized to the extent that it is considered probable that The Group will have taxable profits in the future against which the deferred tax assets can be utilized.

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

At each accounting close the recorded deferred taxes are reviewed in order to check that they are still current and any appropriate corrections are made. Deferred tax assets not recognized in the balance sheet are also reviewed in order to recognize the extent to which it is likely that they may be offset against future taxable profits.

The Group of companies benefit from the consolidated declaration regime for corporation tax as reported on 5 March 2020 in which it was assigned tax group number 496/20. Therefore, the declaration of corporation tax for the three-month financial year ended 31 March 2020 for The Group companies shall be made under tax consolidation.

m) Related party transactions

Transactions between related parties, regardless of the degree of association, are initially recognized at fair value in accordance with the general rules. Where applicable, if the agreed price for a transaction differs from its fair value, the difference is recognized based on the financial reality of the transaction.

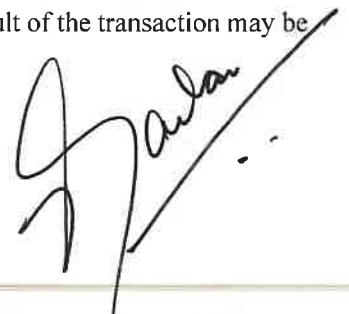
n) Income and expense

These items are recorded on an accrual's basis, i.e. in the period in which the income or expense deriving from the goods or services in question is earned or incurred, rather than the period in which the cash is actually received or disbursed. Income is measured at the fair value of the consideration received, net of discounts and taxes.

The recognition of income from sales takes place at the time at which all risks and benefits inherent to the ownership of the asset being sold have been transferred to the buyer and The Group does not maintain any influence over the management of the item concerned and no effective control is retained.

Income from the rendering of services is recognized taking into consideration the extent to which the service has been rendered at the balance sheet date, provided that the result of the transaction may be reliably estimated.

o) Cash flow statement



**INTERNATIONAL FOAM TECHNOLOGIES OF SPAIN, S.L.U.
AND SUBSIDIARIES
Consolidated Report for the three-month ended March 31, 2020**

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

- Operating activities: activities that give rise to the Company's ordinary revenues and other activities that cannot be classed as investing or financing activities.
- Investment activities: the acquisition and disposal of other non-current assets and other investments not included in cash and cash equivalents.
- Financing activities: activities that alter the amount and structure of equity and liabilities that are not operating activities.

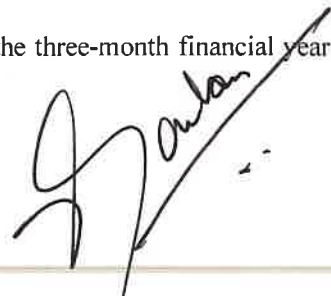
5. Intangible assets

The balances and variations in the items comprising the intangible assets during the three-month financial year ended 31 March 2020 and the 2019 financial year are as follows:

	Goodwill of consolidation Interplasp, S.L.	Computer software and other intangible assets	Total
<u>Gross values</u>			
Balance at 12.06.19	-	-	-
Scope changes	27.552.615	340.997	27.893.612
Balance at 31.12.19	27.552.615	340.997	27.893.612
Scope changes	-	-	-
Balance at 31.03.20	27.552.615	340.997	27.893.612
<u>Accumulated amortisation</u>			
Balance at 12.06.19	-	-	-
Scope changes	-	(336.724)	
Allocation	-	(1.248)	
Balance at 31.12.19	-	(337.972)	(337.972)
Allocation	-	(1.296)	(1.296)
Balance at 31.03.20	-	(339.268)	(339.268)
Carrying amount at 31.12.19	27.552.615	3.025	27.555.640
Carrying amount at 31.03.20	27.552.615	1.729	27.554.344

The valuation process of the acquired assets and liabilities has involved a modification in the amount of 149.505 euros and 211.833 euros of goodwill and land and buildings, respectively. The Group has recorded it retroactively (note 3f).

The gross value of the items in use that are fully amortized at the end of the three-month financial year ended March 31, 2020 and at the end of 2019 is as follows:

**INTERNATIONAL FOAM TECHNOLOGIES OF SPAIN, S.L.U.
AND SUBSIDIARIES**
Consolidated Report for the three-month ended March 31, 2020

Account	Balance at 31.03.20	Balance at 31.12.19
Computer software	325.996	325.996
	<u>325.996</u>	<u>325.996</u>

6. Property, plant and equipment

The balances and variations in the items comprising the fixed assets during the three-month financial year ended 31 March 2020 and the 2019 financial year are as follows:

	Land and buildings	Plant and other PPE	Assets under construction and advances	Total
<u>Gross values</u>				
Balance at 12.06.19	-	-	-	-
Additions	-	54.308	28.804	83.112
Scope changes	11.712.147	11.358.164	122.574	23.192.885
Balance at 31.12.19	11.712.147	11.412.472	151.378	23.275.996
Scope changes	-	-	-	-
Additions	-	9.000	22.839	31.839
Balance at 31.03.20	11.712.147	11.421.472	174.217	23.307.835
<u>Accumulated depreciation</u>				
Balance at 12.06.19	-	-	-	-
Scope changes	(1.214.403)	(6.832.554)	-	(8.046.957)
Allocation to depreciation	(27.344)	(107.311)	-	(134.655)
Balance at 31.12.19	(1.241.747)	(6.939.865)	-	(8.181.611)
Allocation to depreciation	(45.668)	(124.121)	-	(169.789)
Balance at 31.03.20	(1.287.415)	(7.063.986)	-	(8.351.400)
Carrying amount at 31.12.19	10.470.400	4.472.607	151.378	15.094.385
Carrying amount at 31.03.20	10.424.732	4.357.486	174.217	14.956.435

The gross value of fully depreciated assets still in use is as follows:

Account	Balance at 31.03.20	Balance at 31.12.19
Technical facilities and other assets	2.110.037	2.110.037
	<u>2.110.037</u>	<u>2.110.037</u>

The separate gross values of buildings and land are as follows:

Account	Balance at 31.03.20	Balance at 31.12.19
Land	3.176.474	3.176.474
Buildings	7.248.259	7.293.926
	<u>10.424.732</u>	<u>10.470.399</u>

[Handwritten signature]

[Handwritten signature]

**INTERNATIONAL FOAM TECHNOLOGIES OF SPAIN, S.L.U.
AND SUBSIDIARIES
Consolidated Report for the three-month ended March 31, 2020**

The Group has obtained an appraisal of its land and buildings and has reduced its value by 212.833 euros as a result of it, however, it has pending the final valuation of a part of the land that is expected to have been completed during the 2020-2021 financial year. Its registration has been done retroactively, therefore the comparative figures have been modified (note 3f).

7. Short-term financial investments

Short-term financial investments at the end of the three-month financial year ended March 31, 2020 and at the end of 2019 are classified according to the following categories:

	Short-term financial investments					
	31.03.20			31.12.19		
	Equity instruments	Credits, derivatives and others	Total	Equity instruments	Credits, derivatives and others	Total
<u>Categorías:</u>						
Assets held for sale						
Valued at cost	30.434	32.486	62.920	30.434	32.486	62.920

There are no impairment corrections recorded in relation to these financial assets.

8. Inventories

At the end of the three-month financial year ended 31 March 2020 and at the end of 2019, there are no firm purchase and sale commitments, as well as futures contracts relating to stocks.

9. Trade and other receivables

The breakdown of trade and other receivables at the end of the three-month financial year ended March 31, 2020 and at the end of the 2019 financial year is as follows:

Item	Balance at 31.03.20	Balance at 31.12.19
Trade and other receivables	6.092.532	5.784.929
Trade receivables, Group companies	218	-
	<u>6.092.750</u>	<u>5.784.929</u>

Changes deriving from impairment losses originating from credit risk by type of financial asset were as follows:

**INTERNATIONAL FOAM TECHNOLOGIES OF SPAIN, S.L.U.
AND SUBSIDIARIES
Consolidated Report for the three-month ended March 31, 2020**

Concepto	Customers
	Short-term
Initial credit impairment loss	-
Scope changes	1.348.559
Final credit impairment loss at 31.12.19	1.348.559
Impairment valuation correction	81.115
Credit impairment reversal	(20.455)
Final credit impairment loss at 31.03.20	1.409.219

10. Information regarding the nature and level of risk deriving from financial investments

The Group's financial risk management is centralized in its Financial Department, which has established the mechanisms required to control exposure to changes in interest rates and credit and liquidity risk. The main financial risks affecting The Group are as follows:

a) Credit risk:

In general, The Group maintains its cash and cash equivalents in highly-rated financial institutions. Furthermore, most trade receivables are secured by surety policies, guarantees and other collateral.

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

b) Liquidity risk:

For the purpose of ensuring liquidity and enabling it to meet all the payment obligations arising from its business activities, The Group has the cash reflected in its balance sheet, together with the financing facilities detailed in the note regarding bank borrowings.

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

Both The Group's cash and financial debt is exposed to interest rate risk, which could have an adverse effect on financial results and cash flows.

Exchange rate risk is mainly concentrated in transactions carried out in various American countries and Asia, and are denominated in dollars, yen, pounds, Argentine pesos, the Brazilian real and the Chinese yuan. In order to mitigate this risk The Group follows the policy of obtaining exchange hedges that reduce the differences on exchange arising on transactions in foreign currencies (see the note on foreign currency liabilities).




**INTERNATIONAL FOAM TECHNOLOGIES OF SPAIN, S.L.U.
AND SUBSIDIARIES**
Consolidated Report for the three-month ended March 31, 2020

11. Capital and reserves

a) Share capital

The Company was established on 12 June 2019 with a share capital of 3,000 euros, represented by 3,000 shareholdings of 1 euro of face value each, numbered corresponding 1 to 3,000, both inclusive, indivisible, and which granted the equal rights to their holders.

On October 14, 2019, the Company's sole partner took the decision to increase capital by 12,000,000 euros. Following this decision, the share capital was divided into 12,003,000 shareholdings of nominal value 1 euro each, numbered correspondingly from 1 to 12,003,000, inclusive, indivisible and granting the same rights to its holders.

b) Reserves

Its detail is as follows:

	Balance at 31.03.20
Negative results from previous years for the Parent Company	(80.690)
Results in consolidated companies of Interplasp, S.L.	783.422
Total	702.732

12. Minority shareholders

The movements of the three-month exercises ended on March 31, 2020 and the 2019 financial year were as follows:

2020			
Balance at 01.01.20	Other adjustment	Participation in results financial year 2020	Balance at 31.03.20
Interplasp, S.L.	890.499	5.116	50.327
			945.942
2019			
Balance at 12.06.19	Adjustments by scope change	Participation in results financial year 2019	Balance at 31.12.19
Interplasp, S.L.	-	842.585	47.915
			890.500




**INTERNATIONAL FOAM TECHNOLOGIES OF SPAIN, S.L.U.
AND SUBSIDIARIES**
Consolidated Report for the three-month ended March 31, 2020

The composition of these balances at the end of the three-month financial year ended 31 March 2020 and at the end of 2019 is as follows:

Balance at 31.03.2020			
	Equity participation	Participation in Reservations	Participation in results
Interplasp, S.L.	112.416	783.199	50.327
			Balance at 31.03.20
			945.942

Balance at 31.12.2019			
	Equity participation	Participation in Reservations	Participation in results
Interplasp, S.L.	112.416	730.169	47.915
			Balance at 31.12.19
			890.500

13. Non-current and current borrowings:

Long-term and short-term debts at the end of the three-month financial year ended March 31, 2020 and at the end of 2019 are classified according to the following categories:

Non-current borrowings					
Categorías:	Bank borrowings		Others		Total
	31.03.20	31.12.19	31.03.20	31.12.19	
Borrowings and payables	18.573.375	19.388.872	8.479	52.715	18.581.855
					19.441.587

Current borrowings					
Categorías:	Bank borrowings		Derivatives and others		Total
	31.03.20	31.12.19	31.03.20	31.12.19	
Borrowings and payables	5.566.399	6.148.271	61.986	33.150	5.628.385
					6.181.420

a) Classification by maturity date

The maturity detail of the different long-term financial liabilities, with determined or determinable maturity, at the end of the three-month financial year ended March 31, 2020 is as follows:

**INTERNATIONAL FOAM TECHNOLOGIES OF SPAIN, S.L.U.
AND SUBSIDIARIES**
Consolidated Report for the three-month ended March 31, 2020

	31.03.20					
	2021-22	2022-23	2023-24	2024-25	Other	Total
Non-current borrowings:						
Bank borrowings	(3.221.481)	(3.432.368)	(4.450.556)	(4.973.403)	(2.495.567)	(18.573.375)
Other financial liabilities	(8.479)	-	-	-	-	(8.479)
	<u>(3.229.960)</u>	<u>(3.432.368)</u>	<u>(4.450.556)</u>	<u>(4.973.403)</u>	<u>(2.495.567)</u>	<u>(18.581.855)</u>

The maturity detail of the different long-term financial liabilities, with a determined or determinable maturity, at the end of 2019 is as follows:

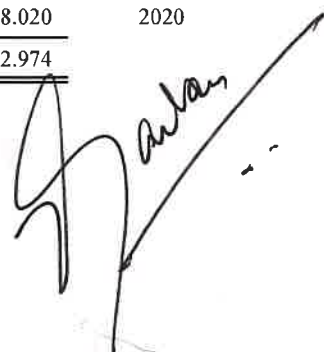
	31.12.19					
	2021	2022	2023	2024	Other	Total
Non-current borrowings:						
Bank borrowings	(3.272.098)	(3.212.391)	(4.195.719)	(4.967.466)	(3.741.199)	(19.388.873)
Other financial liabilities	(52.715)	-	-	-	-	(52.715)
	<u>(3.324.813)</u>	<u>(3.212.391)</u>	<u>(4.195.719)</u>	<u>(4.967.466)</u>	<u>(3.741.199)</u>	<u>(19.441.587)</u>

a) Other information

Discounting and foreign trade facilities received are as follows:

	Balance at 31.03.20			
	Limit	Amount drawn down at 31.03.20	Amount available	Maturity
Financing facilities	2.000.000	224.342	1.775.658	2020
Discounting facilities	1.307.000	1.128.639	178.361	2020
Confirming	2.850.000	2.293.593	556.407	2020
	<u>6.157.000</u>	<u>3.646.573</u>	<u>2.510.427</u>	

	Balance at 31.12.19			
	Limit	Amount drawn down at 31.12.19	Amount available	Maturity
Financing facilities	4.170.000	3.665.046	504.954	2020
Discounting facilities	5.330.000	1.261.980	4.068.020	2020
	<u>9.500.000</u>	<u>4.927.026</u>	<u>4.572.974</u>	

**INTERNATIONAL FOAM TECHNOLOGIES OF SPAIN, S.L.U.
AND SUBSIDIARIES**
Consolidated Report for the three-month ended March 31, 2020

14. Trade and other payables

The detail of the balance sheet item for "Trade and other payables" at the end of the three-month financial year ended March 31, 2020 and at the end of 2019 is as follows:

Balance sheet items	Balance at 31.03.20	Balance at 31.12.19
Suppliers	3.072.293	2.038.677
Suppliers, equity consolidated companies (Note 20)	25.115	-
Other payables	220.001	256.258
Unpaid remuneration	152.211	60.123
Current tax liabilities year 2020	236.982	-
Current tax liabilities year 2019	361.844	361.844
Public entities, other (Note 16)	230.446	251.869
Total	4.298.893	2.968.771

For the purposes of the second additional provision of Law 31/2014 of 3 December amending the Corporations Act and in accordance with Resolution 29 of 2016 of the Institute of Accounting and Audit of Accounts, a detail with the average period of payment to suppliers is included below, ratio of paid transactions, key figure of unpaid transactions, total payments made and total outstanding payments:

	31.03.20	31.12.19
	Days	Days
Average supplier payment period	24,00	20,00
Transactions paid ratio	22,00	15,00
Transactions payable ratio	31,00	38,00
	Importe	Importe
Total payments made	5.081.527	18.345.561
Total outstanding payments that at the closing date exceed the legal maximum payment period	281.374	1.754.230




**INTERNATIONAL FOAM TECHNOLOGIES OF SPAIN, S.L.U.
AND SUBSIDIARIES**
Consolidated Report for the three-month ended March 31, 2020

15. Foreign currency

The amounts corresponding to purchases and sales, as well as services provided and received, denominated in foreign currency, expressed in their countervalue in euros, recognized in profit for the three-month period ended March 31, 2020 and at the end of 2019, are as follows:

Concept	Fiscal year from 01.01.20 to 31.01.20	Fiscal year from 12.06.19 to 31.12.19
	Dollars	Dollars
Sales	51.724	122.089

The amount of the exchange differences recognized in profit/(loss) for the year by class of financial instrument is as follows:

Assets	31.03.20 (Expense) / Income	31.12.19 (Expense) / Income
	Transactions settled in the year	Transactions settled in the year
Trade and other receivables	5.138	(5.420)

16. Public Administrations

The detail of the balances with Public Administrations at the end of the three-month period ended on March 31, 2020 and at the end of the 2019 period is as follows:

Account	Balance at 31.03.20		
	Balances receivable	Balances payable	
	Non-current	Non-current	Current
Value-added tax (VAT)	-	-	148.398
Personal income tax	-	-	21.156
Current tax	85.737	-	-
Current tax liabilities 2020	-	-	236.982
Current tax liabilities 2019	-	-	361.844
Deferred tax liability	-	1.808.356	-
Public administrations creditors for other concepts	-	-	978
Social Security	-	-	59.914
	85.737	1.808.356	829.272




**INTERNATIONAL FOAM TECHNOLOGIES OF SPAIN, S.L.U.
AND SUBSIDIARIES**
Consolidated Report for the three-month ended March 31, 2020

Balance at 31.12.19			
Account	Balances receivable	Balances payable	
	Non-current	Non-current	Current
Value-added tax (VAT)	-	-	172.865
Personal income tax	-	-	25.299
Current tax	53.537	-	-
Current tax liabilities 2019	-	-	361.844
Deferred tax liability	-	1.819.318	-
Public administrations creditors for other concepts	-	-	1.174
Social Security	-	-	52.532
	<u>53.537</u>	<u>1.819.318</u>	<u>613.713</u>

The Group is included in the consolidated corporate income tax declaration regime, according to a communication received on March 5, 2020, in which it is assigned a tax group number, 496/20.

The reconciliation of accounting profit before taxes for the three-month period ended on March 31, 2020 and to the fiscal year 2019 and corporate income tax is as follows:

Fiscal year from 01.01.20 to 31.03.20			
Profit and loss account			
	Increases	Decreases	Total
Accounting profit	688.013	-	688.013
Corporate tax	240.059	(42.353)	197.706
Permanent consolidation differences	11.619	-	11.619
Temporary differences of individual companies			
With origin in the exercise	134.128	-	134.128
With origin in previous years	-	(5.328)	(5.328)
Temporary consolidation differences			
With origin in previous years	28.360	-	28.360
Previous tax base			1.054.497
Reduction for capitalization reserve			(105.450)
Taxable base (Fiscal result)			949.048
Previous full fee			237.262
Deductions			(267)
Withholdings			(13)
Liquid to pay			236.982



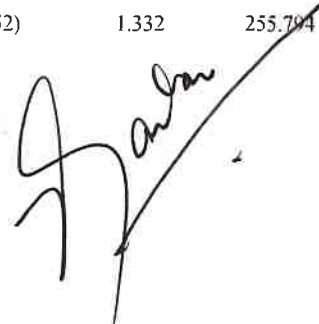

**INTERNATIONAL FOAM TECHNOLOGIES OF SPAIN, S.L.U.
AND SUBSIDIARIES**
Consolidated Report for the three-month ended March 31, 2020

	Fiscal year from 12.06.19 to 31.12.19		
	Profit and loss account		
	Increases	Decreases	Total
Accounting profit	755.763	-	755.763
Corporate tax	255.794	-	255.794
Permanent consolidation differences	4.563.672	-	4.563.672
Temporary differences of individual companies			
With origin in the exercise	9.807	-	9.807
With origin in previous years	-	(5.328)	(5.328)
Previous tax base			5.579.708
Reduction for capitalization reserve			(779.940)
Taxable base (Fiscal result)			4.799.768
Previous full fee			1.199.942
Deferred tax asset of the Parent Company			26.897
Deductions			(2.131)
Withholdings			(862.864)
Liquid to pay			361.844

In accordance with the provisions of article 25 of Law 27/2014 of November 27 on Corporation Tax, The Group through the company Interplasp, S.L. has decided to allocate an unavailable reserve during the five-year period in the amount of 420.183 euros (see note 3), in order to apply a reduction of the same amount in the Corporate Tax for the three-month period ended March 31, 2020. However, the Law itself establishes as a deduction limit 10% of the previous tax base and therefore the amount of the reduction has finally been 105.450 euros, which is 10% of the consolidated tax base.

The breakdown of corporate income tax for group companies is as follows:

	Fiscal year from 01.01.20 to 31.03.20				
	Assets		Liabilities		Total expense
	Current tax	Adjustments to direct taxation	Deferred tax	Deferred tax	
<u>Recognised in income statement</u>					
Continuing operations	238.727	(35.263)	(7.090)	1.332	197.707
	Fiscal year from 12.06.19 to 31.12.19				
	Assets		Liabilities		Total expense
	Current tax	Adjustments to direct taxation	Deferred tax	Deferred tax	
<u>Recognised in income statement</u>					
Continuing operations	283.810	(26.897)	(2.452)	1.332	255.794

**INTERNATIONAL FOAM TECHNOLOGIES OF SPAIN, S.L.U.
AND SUBSIDIARIES
Consolidated Report for the three-month ended March 31, 2020**

Tax-loss carryforwards yet to be offset recorded by the individual companies are as follows:

Company	Taxable income
International Foam Technologies Spain, S.L.	(107.586)

Details of the deferred taxes applied at the end of the three-month financial year ended March 31, 2020 and the 2019 financial, are as follows:

	Balance at 31.03.20		Balance at 31.12.19	
	Debtor Balances	Creditor balances	Debtor Balances	Creditor balances
Loss credits to be offset	6.557	-	26.897	-
Deferred tax (deductibility limit for the interests of the Parent Company)	53.872	-	-	-
Amortization limit 30%	25.309	-	26.641	-
Registered grants pending imputation	-	140.250	-	144.123
Differences of consolidation	-	1.668.106	-	1.675.195
	<u>85.737</u>	<u>1.808.356</u>	<u>53.537</u>	<u>1.819.318</u>

As established by current legislation, taxes cannot be considered to be definitive until the relevant returns have been inspected by the tax authorities or four years have elapsed since filing. At the end of 2019, all The Group companies' tax returns for the years that are not statute-barred and those that are pending review are open to inspection by the tax authorities. The Parent Company's directors consider that the aforementioned taxes have been appropriately settled and, consequently, even if there are discrepancies with respect to the interpretation of current legislation for the tax treatment given to the transactions, any potential resulting liabilities would not have a material effect on the accompanying consolidated annual accounts.

Merger by absorption of the entity ALMACENES LA GIRALDA, S.L.

On June 20, 2016, the General Meeting of Partners unanimously agreed to the merger by absorption of the company INTERPLASP, S.L. (absorbent company) to the company ALMACENES LA GIRALDA, S.L. (company absorbed), with the next dissolution without liquidation and extinction of the absorbed society and block transmission of the entire assets of it as a universal title to the absorbing society. These agreements were raised to the public on October 13, 2016 and registered in the commercial register of Murcia.




**INTERNATIONAL FOAM TECHNOLOGIES OF SPAIN, S.L.U.
AND SUBSIDIARIES
Consolidated Report for the three-month ended March 31, 2020**

Since these are transactions between group companies, their effects have been having since 1 January 2016. The assets transferred to the absorbing company have been incorporated into their accounting records for the value granted to them in the individual annual accounts. There are no assets that have been incorporated into the accounting books of the absorbing company for a different value than that which was in the accounting records of the company absorbed prior to the completion of the transaction. The last closed balance sheets of the absorbed companies are attached as a document annexed to this report.

The merger operations described above are subject to the special tax regime set out in Chapter VII of Title VII of Law 27/2014 of 27 November on corporation tax.

The assets and liabilities recognized for their value in the individual annual accounts of Almacenes La Giralda, S.L. have been the following:

Asset	Amount	Liabilities	Amount
<u>Non-current assets</u>		<u>Non-current liabilities</u>	
Fixed assets	742.824	Long-term debt	491.790
Real estate investments	61.853	Debts to group companies and associates	301.000
Deferred tax assets	682.280	Non-current commercial creditors	-
<u>Current assets</u>		<u>Current liabilities</u>	
Inventory	212.080	Short-term provisions	-
Commercial debtors and other receivables	55.393	Short-term debts	31.670
Short-term financial investments	-	Suppliers and other payables	388.113
Short-term accruals	9.015	Short-term accruals	-
Efectivo y otros activos líquidos equivalentes	24.556	Debts with special characteristics	-
Total active	1.788.000	Total liabilities	1.212.573

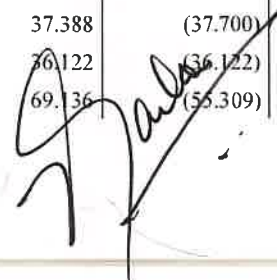
The detail of the material fixed elements incorporated in connection with the merger is as follows:

Account	Description	Acquisition cost	Accumulated depreciation
210800000	TERRENOS DEL CARCHE	5.818	-
210800002	SOLAR PARTIDA LA LOMICA	8.660	-
210803001	TERRENOS ANEXOS NAVE DEL CARCHE	131	-
211800000	CONSTRUCCIONES, YECLA	7.444	(6.927)
211800001	NAVE DEL CARCHE	18.213	(18.213)
211800002	ASFALTO DE CALLES	14.847	(14.884)
211800004	RECONSTRUCCION NAVE SINIESTRO INC	424.900	(157.976)
211800007	REFORMAS COMERCIALES	7.832	(2.585)
211800008	REFORMAS NAVE S.	103.441	(35.194)
211800009	REFORMAS NAVE 2006 (C.P.)	36.986	(9.709)
211800010	REFORMAS NAVE 2007 (T.P.)	8.201	(2.212)

**INTERNATIONAL FOAM TECHNOLOGIES OF SPAIN, S.L.U.
AND SUBSIDIARIES**

Consolidated Report for the three-month ended March 31, 2020

211800011	REFORMAS NAVE 2007 (J.M.P.)	6.065	(13.824)
211800012	REFORMAS NAVE (CH.A.P.)	63.727	(405)
211800013	REFORMAS NAVE (P.S.)	2.253	(1.274)
211803001	NAVE EXPANDIDO	178.988	(515)
211803002	NAVE PLASTICO BURBUJAS (A.P.)	33.448	(7.871)
211803003	NAVEPATRI	2.855	(600)
211803004	RECONST.NAVE SINIESTRO INCENDIO	1.562	(48.208)
212800000	INSTALACIONES TECNICAS-YECLA	14.567	(14.567)
212800010	INST.TRANSFORMADOR PARA MAQUINA B	21.795	(21.795)
212803003	INSTALACION PLACAS SOLARES N. EXPA	456	(319)
212803004	INST.HUMIDIFICAC.NAVE EXPANDIDO	6.471	(5.176)
212803005	INSTALACION GAS, N.EXP.PROPA DOME	28.310	(22.648)
212803014	INST.CONTRA INC.NAVE NUEVE PLAST.	82.604	(49.563)
212803015	TRASLADO MAQ.INST.NAVES NUEVAS 6-	20.278	(12.167)
212803016	INSTALAC.ELECT.NAVES NUEVAS PLAST	422	(253)
212803017	CENTRAL.PANASONIC KXTA 308SP(S.CA	660	(413)
212803018	TELEF.INAL.SIEMENS GIGASET(S.CAST	166	(83)
212803019	TELEF.INAL.PANASONIC KXTA308SP(S.	160	(96)
212803020	GRABADOR DIGITAL MPEG4(PROTEC.YTE	1.581	(791)
212803021	TELEF.INAL.SIEM.GIGASETAL170(DIGI	27	(11)
212803022	CAMARA NETWORK INT.PANORAM.(PROTE	15.670	(1.567)
213800004	MAQUINA PLASTICO DE BUBUJAS MODEL	327.551	(327.551)
213800012	MAQ.CORT.TELA SAMBA N°434.1 ASCO	7.750	(6.667)
213800013	MAQ.CORT.TELA SAMBA N°434.2(ASCO	7.750	(5.554)
213803002	MAQUINA ENVOL.EXTRABAND MOD.311.3	11.720	(11.720)
213803003	DOSIFICADOR TCL-600,DOSIFIC.DC-3	15.626	(15.626)
213803006	MAQUINA CONFECCION BOLSAS PLASTIC	71.833	(71.833)
213803008	MAQUINA PLASTICO BURBUJAS (PEQUE?	12.020	(12.020)
213803010	MAQUINA CONF.BOLSAS PLAST.MOD.MST	54.091	(54.091)
213803012	MAQUINA DE ORILLOS	33.238	(33.238)
213803015	MAQUINA HACER BOLSAS LISAS	13.925	(13.925)
213803017	LINEA LAMINACION PLASTIBUR	23.307	(23.307)
213803019	MOLINO TIPO 19/25 M5-5 INSONORIZA	12.717	(12.717)
213803020	REFRIGERADOR INTECO,MOD.RCA.SH.35	17.804	(17.952)
213803024	LAMINADORA FOAM-LAMB (POLYPRISE I	45.651	(46.031)
213803031	MAQ.PLASTICO BURBUJAS 2,40 ANCHO	370.569	(370.569)
213803033	MAQ.EXPANDIDO MOD.PM/140(POLY)	235.748	(235.312)
213803034	MAQ.TUBOS MOD.PM80(POLY)	108.083	(108.083)
213803037	MAQ.BOLSAS CMV. MOD. BC-1800	72.000	(72.600)
213803038	DEPOSITO GLP MAQ.EXTR.(PROPA DOM.	28.310	(28.546)
213803039	REGRANUL.EXACT MOD.EVOL. 10	28.420	(28.657)
213803041	MAQ.PLAST.BURB.A/160 MOD.SPCS	166.899	(158.866)
213803042	DOSIFICADOR TCL1200(MASA TRANS.)	37.388	(37.700)
213803043	MAQUINA MARCA CMV.MOD.PALET-1800	36.122	(36.122)
213803045	MAQ.RECIC.PLAST.EXTRUF.250KG/HORA	69.136	(55.309)

INTERNATIONAL FOAM TECHNOLOGIES OF SPAIN, S.L.U.
AND SUBSIDIARIES
Consolidated Report for the three-month ended March 31, 2020

213803046	TRITURADOR MRE-S 34-100(OVER)	48.600	(38.880)
213803049	COMPRESOR IRN22K(F.Y GANDIA)	12.305	(9.844)
213803050	SECADOR I.RAND TMS-55(F.Y GANDIA)	1.800	(1.440)
213803051	CARRET.ELEV.MECANOCAR STILL M.R60	12.000	(9.600)
213803052	SILO VERT.304 100M3 METALOGONDE N	30.000	(21.000)
213803053	DEPOSITO DE POLIESTER(PEREIRA)	3.000	(2.100)
213803054	ADECUACION MAQUINAS PLASTIBUR(ADE	11.946	(8.362)
213803055	DEPOSITO (VINAGRERIAS RIOJANAS)PL	4.404	(3.083)
213803056	REFRIGERAD.INTECO RCA SH50(R-407C	10.000	(4.350)
213803057	2 MAQUINAS 2?MANO B.PEQUE?A(POLIS	13.409	(5.587)
213804056	BOMBA TRASVASE DE GLP(PROPA DOMES	4.865	(2.027)
213831000	MAQUINA PLASTICO BURBUJAS,V.RIO	32.085	(32.085)
217803048	FOTOCOPIAD.SHARP AR 5520-N(CANON)	1.500	(900)
217803050	IMPRESORA OKI ML-3321(COPIYEC)	104	(49)
217803051	IMPRESORA MATRIC.OKI ML3391(COPIY	501	(238)
217803052	IMPRESORA MULT.OKI ES-5461(QUILEZ	1.128	(705)
218800008	VEHICULO MARCA SEAT PANDA COMERCI	2.773	(2.773)
218800011	REMOLQUE CAMION IVECO MU-0897-BE	9.015	(9.015)
218800018	MERCEDES MOD.170435 SLK.200 ROADS	27.361	(27.361)
218800028	CAMION RENAULT MOD.PREMIUM 370.18	56.495	(56.495)
218800032	TURISMO ALFA ROMEO 4697 BPZ	19.337	(19.337)
218800034	TRACTOR JOHN DEERE MODELO 6620 4W	31.854	(31.854)
218800035	FURGON CADDY WOLKSWAGEN 4751 CDH	12.564	(12.564)
218800039	REMOLQUE MARSEMAR MOD.RB14000(MAR	4.000	(4.050)
218801000	VEHICULO MARCA SEAT TRANS	3.371	(3.371)
218803004	VOLKSWAGEN POLO 1886 DXG, PLASTIB	14.389	(14.569)
218803041	TURISMO CITROEN JUMPY MATR.8328-F	17.629	(17.849)
218803048	REMOLQUE MARSEMAR MD.RB14000 PLAS	4.000	(4.050)
218803052	CAMION DAF 9287-BVD(SINDEL)	9.500	(5.938)
218803053	REMOLQUE MIROFRET MU-04798-R(SIND	1.000	(988)
Total		3.327.127	(2.584.303)

Handwritten signature in blue ink.

Handwritten signature in black ink.

**INTERNATIONAL FOAM TECHNOLOGIES OF SPAIN, S.L.U.
AND SUBSIDIARIES**

Consolidated Report for the three-month ended March 31, 2020

17. Income and expense

a) Revenues

The breakdown, by geographical segment and each consolidated company, of revenue is as follows:

Company	Fiscal year 31.01.20 a 31.03.20	Fiscal year 12.06.19 a 31.12.19	%
Interplasp, S.L.	6.480.536	6.358.611	100

Geographical markets	Fiscal year 01.01.20 a 31.03.20	%	Fiscal year 12.06.19 a 31.12.19	%
Spain	6.263.028	96,6%	6.026.763	94,8%
Other European Union countries	37.556	0,6%	134.805	2,1%
Rest of world	179.952	2,8%	197.043	3,1%
	6.480.536	100%	6.358.611	100%

b) A breakdown of revenues by type is as follows:

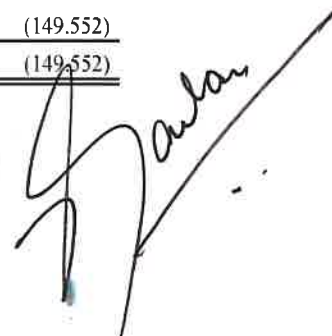
	Fiscal year 01.01.20 a 31.03.20	%	Fiscal year 12.06.19 a 31.12.19	%
Supplies				
National	(5.015.585)	105,6%	(4.259.433)	110,3%
Stock variation (increase)	267.669	-5,6%	398.641	-10,3%
	(4.747.916)	100%	(3.860.792)	100%

c) Employee benefit expense

This item breaks down as follows:

	Fiscal year 31.01.20 a 31.03.20	Fiscal year 12.06.19 a 31.12.19
Social Security contributions payable by company	(156.096)	(149.552)
	(156.096)	(149.552)

 28



**INTERNATIONAL FOAM TECHNOLOGIES OF SPAIN, S.L.U.
AND SUBSIDIARIES
Consolidated Report for the three-month ended March 31, 2020**

d) Average number of employees

The average number of Group employees by professional category and the final figures at year-end by gender is as follows:

Professional categories	Fiscal year 01.01.20 a 31.03.20	Fiscal year 12.06.19 a 31.12.19
Administrators	2	2
Employees of the admin type	16	14
Production	76	69
	<u>94</u>	<u>85</u>

The number of Administrators and persons employed at the end of the three-month financial year ended March 31, 2020 and at the end of the 2019 financial year, distributed by professional categories, is as follows:

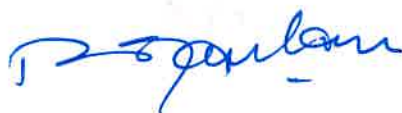
Professional category	31.03.20		31.12.19	
	Men	Women	Men	Women
Administrators	1	-	2	-
Employees of the admin type	8	8	8	8
Production	76	3	71	4
	<u>85</u>	<u>11</u>	<u>81</u>	<u>12</u>

The average number of persons employed in the three-month financial year ended 31 March 2020 with a disability greater than or equal to thirty-three per cent is 2 persons (0.9 people in the 2019 financial year) in the category of production pawn.

At the end of the three-month financial year ended 31 March 2020 and the end of the 2019 financial year, senior management was composed of the Administrators of International Foam Technologies Spain, S.L. Administrators have not received remuneration over the period.

There are no advances or appropriations granted to all members of the administrative body, in force as of March 31, 2020.

There are no pension and life insurance obligations for the former and current members of the administrative body.




**INTERNATIONAL FOAM TECHNOLOGIES OF SPAIN, S.L.U.
AND SUBSIDIARIES**
Consolidated Report for the three-month ended March 31, 2020

e) Contribution to consolidated results

The contribution of each company to consolidated results, indicating the portion attributed to minority shareholders expressed in euro, is as follows:

	Fiscal year 01.01.20 a 31.03.20	Fiscal year 12.06.19 a 31.12.2019
	Consolidated profits/(losses)	Consolidated profits/(losses)
International Foam Technologies Spain, S.L.	(105.790)	(80.690)
Interplasp, S.L.	793.803	836.453
	<u>688.013</u>	<u>755.763</u>

18. Environmental information

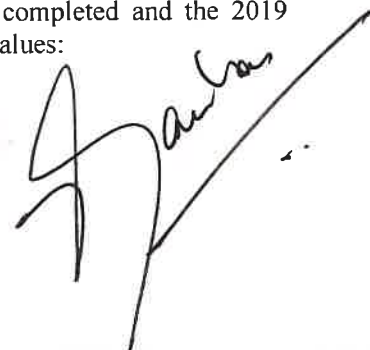
The Group does not possess any property, plant and equipment intended to minimize environmental impact and to protect and improve the environment and it has not received any subsidies in this respect. Furthermore, The Group has not recorded any provisions to cover liabilities and charges deriving from environmental action, as it believes that there are no contingencies relating to the protection and improvement of the environment.

The Group has not been assigned any greenhouse effect gas emission rights during the period the National Assignment Plan was in force, it does not have any property, plant and equipment relating to greenhouse effect gas emission rights, and it has not incurred any expenses or received any subsidies during the year. Similarly, no provisions have been allocated for greenhouse effect gas emission rights, and the consideration is that there are no contingencies relating to penalties or provisional measures as defined by Law 1/2005.

The costs incurred during the three-month financial year ended 31 March 2020 and the 2019 financial year aimed at protecting and improving the environment amounted to 3.478 euros and 18.898 euros respectively. The destination of these expenditures has been, in essence, the management and disposal of waste.

19. Business combinations

The Company acquired by contract dated 29 July 2019 and raised to the public on October 14, 2019 before notary 93.66% of the shares of Interplasp, S.L. As part of the closing actions of the transfer of the shares, and to guarantee the obligations of payment of the sellers with respect to the guaranteed payment obligations, as determined by the contract of sale between both parties, the sellers and the buyer have agreed to create a deposit, from the purchase price amount of 6.874.150 euros and signed a escrow contract regulating the releases and instructions that the sellers and/or the buyer will make as they comply with the agreed conditions of purchase. At the end of 2019, it was pending release in its entirety and the valuation process necessary to apply the acquisition method could not be completed and the 2019 consolidated annual accounts were drawn up using the following provisional values:

**INTERNATIONAL FOAM TECHNOLOGIES OF SPAIN, S.L.U.
AND SUBSIDIARIES**
Consolidated Report for the three-month ended March 31, 2020

INTERPLASP, S.L
Balance Sheet at 31 December 2019 (expressed in euros)

ASSETS	31.12.2019	LIABILITIES	31.12.2019
NON-CURRENT ASSETS	15.391.007		
Intangible assets	4.273	NON-CURRENT LIABILITIES	2.935.272
Computer software	4.273	Non-current payables	1.056.420
Property, plant and equipment	15.358.761	Bank borrowings	970.489
Land and buildings	10.710.576	Other financial liabilities	85.931
Plant and other PPE	3.963.773	Deferred tax liabilities	1.878.852
Under construction and prepayments	684.412	CURRENT LIABILITIES	11.307.185
Deferred tax assets	27.973	Current payables	6.690.108
CURRENT ASSETS	12.301.041	Bank borrowings	5.007.175
Inventories	2.124.758	Other financial liabilities	1.682.933
Trade and other receivables	7.047.486	Trade and other payables	4.617.077
Trade receivables for sales and services rendered	6.710.332	Suppliers	2.727.048
Public entities, other	337.154	Sundry payables	199.379
Current financial investments	62.920	Personnel (salaries payable)	144.522
Prepayments and accrued income	32.398	Current tax liabilities	1.110.544
Cash and cash equivalents	3.033.479	Public entities, other	435.584
TOTAL ASSETS	27.692.048	TOTAL LIABILITIES	14.242.457

The Group has obtained an appraisal of its land and buildings and has reduced its value by 212.833 euros as a result of it, however, it has pending the final valuation of a part of the land that is expected to have been completed during the 2020-2021 financial year (note 7).

20. Related party transactions

The detail of transactions carried out with related parties during the three-month financial year ended 31 March 2020 and during the 2019 financial year, expressed in euros, is as follows:

31.03.20	
Company/Name	Type of linkage
Shella Foam Limited	Entidad Dominante
D. Tushaar Gautam	Directivo-Administrador
D. Rahul Gautam	Directivo-Administrador
D. Alejandro Juan Palao Serrano	Directivo-Administrador of Interplasp, S.L.




**INTERNATIONAL FOAM TECHNOLOGIES OF SPAIN, S.L.U.
AND SUBSIDIARIES
Consolidated Report for the three-month ended March 31, 2020**

The detail of balance sheet balances with related parties is as follows:

	31.03.20	31.12.19
	Parent entity	Parent entity
CURRENT ASSETS		
Trade and other receivables	218	-
Trade receivables, Group companies	218	-
NON-CURRENT LIABILITIES	8.000.000	8.000.000
Debts to group companies and long-term associates	8.000.000	8.000.000
CURRENT LIABILITY		
Debts to group companies and short-term associates	561.462	482.569
Trade and other payables	25.115	-
Group companies suppliers	25.115	-

The pricing policy followed in all transactions carried out during the financial year is due to the application of the normal market value, in accordance with Article 18 of the Law on Corporation Tax.

The detail of transactions carried out with related parties during the three-month financial year ended 31 March 2020 and during the 2019 financial year, expressed in euros, is as follows:

	Fiscal year from 01.01.20 to 31.03.20	Fiscal year from 12.06.19 to 31.12.19
Concept	Interest paid	Interest paid
Parent entity	70.934	23.720
Total group companies	70.934	23.720

At the end of the three-month financial year ended March 31, 2020 and at the end of the 2019 financial year, the heading "Debts to group companies and long-term associates" in the amount of 8.000.000 euros corresponds to a credit granted by the parent entity, maturity of 8 years and an interest of 1.25%, commissions and expenses paid by the parent company to financial institutions on behalf of The group in the amount of 368.848 euros (220.201 euros long-term and 148.647 euros short-term) and other amounts delivered for the payment of current expenses.

At the end of the three-month financial year ended March 31, 2020 and at the end of the 2019 financial year, the Senior Management is composed of The Group Administrators, including Interplasp, S.L.

The remuneration received during the three-month financial year ended March 31, 2020 and the 2019 financial year by the members of the Board of Directors and by the company's senior management staff, classified by concepts, were as follows:




**INTERNATIONAL FOAM TECHNOLOGIES OF SPAIN, S.L.U.
AND SUBSIDIARIES**
Consolidated Report for the three-month ended March 31, 2020

Amounts received by Senior Management		
	Fiscal year from 01.01.20 to 31.03.2020	Fiscal year from 12.06.19 to 31.12.2020
Salaries, allowances and other remuneration	30,260	33,442

21. Other information

The members of the Parent Company's Board of Directors and persons related to them as defined by Article 231 have not reported any direct or indirect conflicts of interest that could affect the Parent Company.

During the three-month period ended March 31, 2020 and the year 2019 the fees accrued by the auditor of the consolidated annual accounts and for other services rendered by companies associated to the auditor through control, common ownership or common management, as well as the fees for services invoiced by the auditors of the annual accounts prepared by the companies included in consolidation were as follows:

	Fiscal year from 01.01.20 to 31.03.20	Fiscal year from 12.06.19 to 31.12.2019
	Services rendered by auditors or related companies	Services rendered by auditors or related companies
Auditing services	4,000	4,000
By auditing subsidiaries accounts	6,900	6,900
Other audit-related services	-	3,500

22. Segment reporting

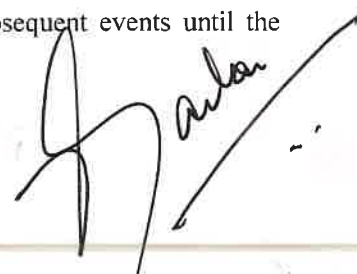
The Directors consider that all transactions carried out by the companies forming part of The Group fall within the same segment and therefore no segment information is provided.

23. Subsequent events

Following the end of the three-month financial year ended 31 March 2020, Spain and many other countries remain under the effects of COVID-19. Despite this, The Group, although it has had to reduce its level of activity by approximately 40-50%, continues its operations and is confident that it is a conjunctural situation that is expected to disappear in a few months, especially taking into account the latest events, such as the great remission that the pandemic is having, and the adoption of the Plan for transition to a New Normality on April 28. Given the complexity of the situation and its rapid evolution, it is not possible at this time, reliably quantify the potential impact that this situation will have on the future of the Company, although taking into account the sector in which it operates and its position as one of the market leaders it is estimated that it will recover its normal activity without major difficulties in a short period of time.

In addition, it should indicate that there have been no other significant subsequent events until the formulation of these annual accounts.

 33



**PREPARATION OF THE CONSOLIDATED ANNUAL ACCOUNTS BY THE
GOVERNING BODY**

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails)

In compliance with the provisions of current legislation, the Directors of INTERNATIONAL FOAM TECHNOLOGIES SPAIN, S.L.U. have prepared the consolidated annual accounts (consolidated balance sheet, consolidated income statement, consolidated statement of changes in equity, consolidated cash flow statement and the notes to the consolidated annual accounts) for INTERNATIONAL FOAM TECHNOLOGIES SPAIN, S.L.U. AND SUBSIDIARIES for the year beginning on January 01, 2020 ended March 31, 2020

In addition, they declare that they have signed these documents by signing this sheet attached to the Notes to the Annual Accounts, which are included on pages 1 through 33.

Madrid, 19 June 2020



Tushaan Gautam
Common Administrators



Rahul Gautam
Common Administrators

Consolidated Directors' Report

INTERNATIONAL FOAM TECHNOLOGIES SPAIN, S.L.U.
AND SUBSIDIARIES
Consolidated directors' report for the three-month financial year
ended March 31, 2020

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails)

The evolution and development of the business and the activity is highlighted both financially and financially in the accompanying consolidated annual accounts that collect the information for the three-month financial year ended March 31, 2020.

Following the outbreak of the crisis caused by COVID-19, The Group has carried out timely efforts, taking measures both to preserve the health of people and measures to contain all their expenses, in particular staff costs through an ERTE (Temporary Employment Regulation File) of its staff, in order to address the situation and minimize its impact. Despite the impact that COVID-19 is having on all sectors of the economy, both nationally and internationally, IFTS Group sales have reached an overall figure of 6,480,536 euros in the 2020 financial year and the after-tax profit of 688,013 euros amounts similar to those achieved in the consolidated quarterly period of the annual accounts for the previous year.

All operations correspond to Interplasp, S.L. The Parent Company's sole activity is that of holding company. It is an instrumental company constituted for the acquisition of the social participations of Interplasp, S.L.

The parent company acquired through a private contract dated July 29, 2019, 93.66% of the shareholdings of Interplasp, SL, a contract that was released to the public on October 14, 2019, which is why The Group established as date of first consolidation on September 30, 2019. The parties agreed to create a deposit charged to the purchase price in the amount of 6,874,150 euros and signed an escrow contract that guarantees compliance with certain conditions of the sale contract. At year-end, said amount was pending release in its entirety and the valuation process necessary to apply the acquisition method could not be concluded, therefore the consolidated annual accounts for the years ended March 31, 2020 and 31 December 2019 have been prepared using provisional values.

The Group carries out most of its business in the national market. The most significant risks refer to the purchase prices of raw materials, as well as the collection and interest rate risks for the debt assumed by the Parent Company for the purchase of the shares of Interplasp, S.L.

The risks of raw material purchase prices are covered through price and volume negotiations with the main suppliers and we do not believe that they represent significant figures that may affect the course of business. On the other hand, the recent entry into the Sheela Foam Group will allow for a better negotiating position with suppliers.

The risks inherent in the sale such as the customer diversification policy, sale prices to public entities, etc. no significant risks that may affect the course of business are considered. The Company has underwritten insurance policies that cover a significant part of the risk of collectability to clients.

Regarding the future evolution of its operations, The Group trusts that the situation created by COVID-19 is circumstantial and is expected to disappear in a few months, especially taking into account the latest events, such as the great remission. which is having the pandemic and the approval of the Plan for the Transition towards a New Normal on April 28.



**INTERNATIONAL FOAM TECHNOLOGIES SPAIN, S.L.U.
AND SUBSIDIARIES
Consolidated directors' report for the three-month financial year
ended March 31, 2020**

Additionally, decisions and strategies continue to be taken that are considered adequate to strengthen and confirm the objectives set in previous years: differentiation of our products with respect to those of the competition, improvements in quality and increase in the share both in the national market and in foreign markets through the reinforcement and positioning of our product.

No research and development expenses were incurred during the three-month fiscal year ended March 31, 2020.

During the year ended March 31, 2020, no shares in the Parent Company were acquired.

In compliance with Law 31/2014, of December 3, amending the Corporations Act for the improvement of corporate governance, in which changes are made affecting the content of the annual accounts and the management report and amending paragraph 1 of Article 262 of the TRLSC, International Foam Technologies Spain, S.L.U., according to the information contained in its Report, does not exceed the average payment periods set out in Law 15/2010 of 5 July on measures to combat the delinquency of the commercial operations. It is a priority interest during 2020-2021 to continue the improvement process in all affected areas, including, demanding our suppliers and creditors, to operate with due diligence in the sending of their invoices, which allows us to ensure compliance with current regulations regarding maximum payment periods.

Except for what was said regarding the crisis caused by COVID-19, there have been no events after the end of the year that substantially or significantly change the data at the end of the year for The Group.

This management report is issued in accordance with the provisions of Royal Legislative Decree 1/2010, of July 2, which approves the consolidated text of the Law on Capital Companies and its subsequent amendments.

**PREPARATION OF THE CONSOLIDATED DIRECTORS' REPORT BY THE
GOVERNING BODY**

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails)

In compliance with the provisions of current legislation, the Directors of INTERNATIONAL FOAM TECHNOLOGIES SPAIN, S.L.U. have prepared the Consolidated Directors Report for INTERNATIONAL FOAM TECHNOLOGIES SPAIN, S.L.U. AND SUBSIDIARIES for the year of the year beginning on January 01, 2020 ended March 31, 2020.

In addition, they also declare that they have signed this document by signing this sheet attached to that report, consisting of two pages.

Madrid, 19 June 2020



Tushaar Gautam
Common Administrators



Rahul Gautam
Common Administrators