



CONSULTORES, S.C.

Coromandel Agronegocios de México S.A. de C.V.

Financial statements

Report of independent auditors

December 31, 2017.



CONSULTORES, S.C.

Report of independent auditors.

**To the Board of Directors and shareholders.
Coromandel Agronegocios de México, S.A. de C.V.**

We have audited the accompanying financial statements of Coromandel Agronegocios de México, S.A. de C.V., comprising the statement of financial position at 31 December 2017, income statement, changes in stockholders' equity, and cash flow for the year ended on that date, as well as a summary of significant accounting policies and other explanatory information.

The address is responsible for the preparation and faithful presentation of the attached financial statements, in accordance with Mexican financial reporting standards and internal control which the Administration considers necessary to enable the preparation of financial statements, free of material incorrectness, due to fraud or error.

Our responsibility is to express an opinion on the accompanying financial statements based on our audit. We have carried out our audit in accordance with international auditing standards. Those standards require that we comply with ethical requirements as well as that we plan and execute the audit in order to obtain reasonable assurance about whether the financial statements are free of material incorrectness.

An audit involves procedures to obtain evidence of the amounts and information disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material incorrectness in the financial statements due to fraud or error. Making those risk assessments, the auditor takes into account the internal control relevant to the preparation by the entity's financial statements expressing the true and fair view, in order to design audit procedures that are appropriate. Depending on circumstances, and not for the purpose of expressing an opinion on the effectiveness of internal control of the entity. An audit also includes evaluating the appropriateness of accounting policies applied and the reasonableness of accounting estimates made by management, as well as evaluation of the overall presentation of the financial statements.



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

In our opinion, the financial statements presented faithfully in all material aspects the financial position of Coromandel Agronegocios de México, S.A. de C.V. at December 31, 2017, as well as of their results and cash flows corresponding to the year ended on such date, in accordance with the rules of Mexican financial reporting standards.

The financial statements of Coromandel Agronegocios de México, S.A. de C.V. for the year ended December 31, 2016 were not audited by us and are only presented for comparative purposes.

C.P.C. Guillermo Arturo Gutiérrez Garcés.

City of Mexico to 10 January 2018.



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Coromandel Agronegocios de México, S.A. de C.V.

Statement of Financial Position to December 31, 2017 and 2016
Amounts expressed in pesos

	Notes	2017	2016		Notes	2017	2016
Asset				Liability and Stockholders' Equity			
Current assets.				Short-term liability:			
Cash and cash equivalents	3a	208,553	25,742	Trade payables	3d	3,963,855	8,556,029
Accounts receivable:	3b			Various creditors			53,691
Trade receivables		4,558,878	9,641,120	Taxes payable			25,931
Tax recoverable:	3c						
Value added tax, Income tax		2,186,338	1,749,034				
Total current assets		6,953,769	11,415,896	Total short-term liability		3,963,855	8,635,651
Noncurrent assets							
Computer equipment		46,561	27,840	TOTAL LIABILITY		3,963,855	8,635,651
Accumulated depreciation		-19,918	-13,190				
Computer equipment, net		26,643	14,650				
Total noncurrent assets		26,643	14,650	Stockholders' Equity:	4		
				Fixed capital stock		50,000	50,000
				Variable capital stock		449,477	449,477
				Prior year income (loss).		2,295,418	1,085,998
				Net income for the year		221,662	1,209,420
				TOTAL STOCKHOLDERS' EQUITY		3,016,557	2,794,895
TOTAL ASSET		6,980,412	11,430,546	TOTAL LIABILITY AND STOCKHOLDERS EQUITY		6,980,412	11,430,546

The accompanying notes are an integral part of this financial statement

The financial statements of Coromandel Agronegocios de México, S.A. de C.V. for the year ended December 31, 2016 were not audited by us and are only presented for comparative purposes

C.P. Diana Cortés Monroy
Accountant.

Lic. Juana Cruz Alvarado
Legal Representative.

C.P.C. Guillermo Arturo Gutiérrez Garcés
Auditor



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Coromandel Agronegocios de México, S.A. de C.V.

Income Statement to December 31, 2017 and 2016
Amounts expressed in pesos

	Notes	2017	%	2016
Net services billed	5	16,153,797	81.87	26,813,090
Sales commissions	5	3,576,625	18.13	2,809,866
Net income		19,730,422	100	29,622,956
Cost of sales		14,990,583	75.98	25,787,108
Gross profit		4,739,839	24.02	3,835,848
<u>Operating Expenses</u>				
General Expenses		3,310,431	16.78	4,215,510
Income or (Loss) from operations		1,429,408	7.24	- 379,662
<u>Comprehensive income or loss on financing</u>				
Exchange gain		7,548,644		8,371,192
Exchange loss		8,756,390		6,782,110
Gain (Loss) exchange, net.		-1,207,746	-6.12	1,589,082
Income before for income tax.		221,662	1.12	1,209,420
(ISR) Income Tax		0		0
Gain (Loss) net.		221,662	1.12	1,209,420

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Cash Flow Statement to December 31, 2017 and 2016
Amounts expressed in pesos

	2017	2016
Operating Activities		
Income before for income tax.	221,662	1,209,420
Items applied to income that do not require a cash outlay:		
Depreciation and Amortization	6,728	8,352
Net interest income items:		
Interest paid	0	0
Changes in current assets and liabilities:		
Tax recoverable	- 411,373	- 585,887
Acquisition of fixed assets	- 18,721	0
Trade receivables	5,037,108	- 3,758,302
Trade payables	- 4,645,865	2,968,882
Net cash flows from operating activities	- 38,851	- 1,375,307
Cash Flow	182,811	- 157,535
Cash and cash equivalents at beginning of year	25,742	183,277
Cash and cash equivalents at end of year	208,553	25,742

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Coromandel Agronegocios de Mexico, S.A. de C.V.

Notes to the financial statements
To December 31, 2017.
Amounts expressed in pesos

1. Compliance with financial reporting standards.

The financial statements accompanying have been prepared in accordance with the of financial reporting standards (NIF), issued by the Mexican Board for research and development of the of financial reporting standards (CINIF) into force.

2. Organization and business.

The company was incorporated on January 24, 2013, as a Variable Capital Corporation, under the corporate name "**Sabero Organics Mexico**" being its main object the trade of all kinds of fertilizers, pesticides and seeds for the seeding, etc. and the provision of services related to its corporate purpose.

On 23 October 2015 resolves to change the name of the society with the name of "**Coromandel Agronegocios de Mexico**", without implying the creation of a new company.

The company has no employees, so it is not subject to direct labor obligations. Administrative services required are provided by a third party in Exchange for a fee.

3. Summary of the main accounting policies.

The significant accounting policies applied in the preparation of the financial statements are as follows:



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Operations in dollars.

Transactions in dollars are recorded at the exchange rate prevailing at the date of settlement or conciliation. Balances are adjusted to the exchange rate prevailing at the date of closing and he is recognized in the results accrued exchange rate fluctuation.

The monetary assets and liabilities denominated in dollars to December 31, 2017, shown below:

	Dollars 2017
ASSET	
Banks	
Citibanamex has 0525	119.69
Customers	
Química Lucava S.A. de CV.	46,500.00
National Agriculture SA de CV.	45,750.00
Synthesis and Formulations	45,750.00
Corita Agrochemicals, SA.	46,500.00
Agricultural Provider of Tecoman, SA de CV	46,500.00
Balance of customers	231,000.00
Adds banks and customers	231,119.69
LIABILITY	
Trade payables	
Nufarm Group Mexico S de RL de CV	200,850.00
Net lending position.	30,269.69

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a. To the 31 December 2017, the cash and cash equivalents are integrated as follows:

	Mexican pesos 2017
Banks	
Citibanamex has 1352	\$ 206,191.00
Citibanamex has 0525	2,362.00
Balance of banks	<u>\$ 208,553.00</u>

b. To the 31 December 2017, accounts receivable are integrated as follows:

	Mexican pesos 2017
Customers	
Química Lucava S.A. de CV.	\$ 917,696.00
National Agriculture SA de CV.	902,895.00
Synthesis and Formulations	902,895.00
Corita Agrochemicals, SA.	917,696.00
Agricultural Provider of Tecoman, SA de CV	917,696.00
Balance of customers	<u>\$ 4,558,878.00</u>

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c. The recoverable taxes are integrated as follows:

	Mexican pesos 2017
Recoverable taxes	
Value added tax (VAT)	\$1,395,379.00
(ISR) Income tax	747,843.00
Special Excise tax on Products and services.	43,116.00
Balance	<u>\$ 2,186,338.00</u>

d. To the December 31, 2017, integrates trade payables as follows:

	Mexican pesos 2017
Trade payables	
Nufarm Group Mexico S de RL de CV	<u>\$ 3,963,855.00</u>



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4. Stockholders' equity.

The fixed capital stock without the right to withdrawal is represented by 50,000 registered shares with par value of \$1.00 pesos each, which are fully subscribed and paid.


The variable capital stock is represented by 449,477 shares with a par value of \$1.00 pesos each, which are fully subscribed and paid.

5. Income.


Sales are made to credit and income for services (Sales Commission) in cash.



C.P. Diana Cortés Monroy
Accountant.



C.P.C. William Arthur Gutierrez Garces
Auditor.



Lic. Juana Cruz Alvarado
Legal representative.