

**Beasolarta, S.L.**  
**(Single-member Company)**

Abridged Financial Statements for the  
year ended December 31<sup>st</sup> 2017  
with the Auditor's Report

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

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

***Opinion***

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

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

***Basis of opinion***

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

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

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

***Emphasis of matters***

Without qualified our opinion, we draw the attention to the information mentioned in Note 2.4 of the attached Notes to the Financials, which mentions that on November 28<sup>th</sup>, 2016, the Company sold the photovoltaic installation which constituted the main source of income. The Board of Directors has formulated the attached Financial Statements for the year 2017 following the going concern principle, since it is foreseeable in a short-medium term to provide the Company with a business activity within its main statutory activity, which will allow to comply with the obligations contracted and recover their assets, mainly the balance receivable from group companies.

### ***Key audit matters***

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

### ***Responsibility of the Board of Directors in relation to the Financial Statements***

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

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

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

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

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

- We identify and address the risks of material misstatement in the 2017 Financial Statements, due to fraud or error, design and apply audit procedures to respond to such risks and obtain sufficient and adequate audit evidence to provide a basis for our opinion. The risk of not detecting a material misstatement due to fraud is higher than in the case of a material misstatement due to error, since the fraud may involve collusion, falsification, deliberate omissions, intentionally erroneous statements, or circumvention of internal control.
- We obtain knowledge of the internal control relevant to the audit in order to design audit procedures that are appropriate according to the circumstances, and not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- We value if the accounting policies applied are adequate and the reasonableness of the accounting estimates and the corresponding information disclosed by the management.

- We conclude on whether the use, by the Board of Directors, of the accounting principle of the operating company is adequate and, based on the audit evidence obtained, we conclude on whether there is a material uncertainty related to events or conditions that may generate significant doubts about the Company's ability to continue as a going concern basis. If we conclude that there is material uncertainty, we are required to draw attention in our audit report to the corresponding information disclosed in the Financial Statements or, if such disclosures are not adequate, that we express an amended opinion. Our conclusions are based on the audit evidence obtained to date from our audit report. However, future events or conditions may cause the Company to cease on a going concern basis.
- We evaluate the overall presentation, structure and content of the 2017 Financial Statements, including the disclosed information, and whether the 2017 Financial Statements represent the underlying transactions and events in a way that manages to express the fair value.
- We obtain sufficient and adequate evidence in relation to the financial information of the entities or business activities within the Company to express an opinion about the Financial Statements. We are responsible for the direction, supervision and performance of the Company's audit. We are solely responsible for our audit opinion.


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

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

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

April 27<sup>th</sup> 2018

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

  
  
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**BEASOLARTA S.L.U**  
BALANCE SHEETS AT 31ST DECEMBER OF 2017  
(Euros)

ASSETS	Notes of the Report	Year		LIABILITIES	Notes of the Report	Year	
		2017	2016			2017	2016
<b>NON-CURRENT ASSETS</b>				<b>EQUITY</b>			
Non tangible fixed assets	Note 5	2,128,439	21,896	<b>OWN FUNDS-</b>	Note 8	2,093,511	2,049,280
Concessions		-		Capital		41,000	41,000
Tangible fixed assets	Nota 6	-	92	Subscribed capital		41,000	41,000
Technical installations and other tangible fixed assets			92	Reserves		36,784	36,784
Financial investments	Nota 7.1	2,108,693	-	Legal reserve		4,925	4,925
Other financial assets		2,108,693	-	Other reserves		31,859	31,859
Deferred tax asset	Nota 10	19,746	21,804	Year result		44,231	(428,504)
				Result previous years		(428,504)	-
<b>CURRENT ASSETS</b>				Contributions from equity holders or owners		2,400,000	2,400,000
Trade and other receivables		2,023	2,284,451				
Customers receivables for sales and provision of services	Nota 7.2	1,888	336,388				
Other credits with Public Administration	Nota 10	1,888	336,388				
Short-term financial investments	Nota 7.2	135	22,565	<b>CURRENT LIABILITIES</b>		36,951	257,067
Other financial assets		135	22,565	Short-term debts with group companies and partners	Notes 9 y 13.1	36,227	247,363
Prepayment		-	701	Trade and other payables		724	9,704
Cash and cash equivalents		-	1,924,797	Suppliers	Note 9	709	9,681
Treasury		-	1,924,797	Debts with the Public Authorities		15	23
<b>TOTAL ACTIVO</b>		<b>2,130,462</b>	<b>2,306,348</b>	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,130,462</b>	<b>2,306,348</b>

The Notes 1 to 15 described in the attached Report form an integral part of the balance sheet at 31st December 2017



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**BEASOLARTA S.L.U**  
**ABRIDGED LOSS AND PROFIT ACCOUNT OF YEAR ENDED**  
**AT 31ST DECEMBER OF 2017**

	Notes of the Report	Year 2017	Year 2016
<b>CONTINUING OPERATIONS</b>			
<b>Net revenues</b>	<b>Note 12 a)</b>	<b>196,697</b>	<b>227,148</b>
Provision of services		196,697	227,148
<b>Supplies</b>	<b>Note 12 b)</b>	<b>(187,702)</b>	<b>(44,230)</b>
Consumption of raw materials and other consumables		-	(1,246)
Works carried out by other companies		(187,702)	(42,984)
<b>Other exploitation expenses</b>	<b>Note 12 c)</b>	<b>(27,159)</b>	<b>(2,007)</b>
Outside services		(8,893)	29,086
Taxes		(18,266)	(31,093)
<b>Amortization of fixed assets</b>	<b>Note 5 y 6</b>	<b>(27)</b>	<b>(116,873)</b>
<b>Results due to disposal and others</b>	<b>Note 5 y 6</b>	<b>(66)</b>	<b>(501,449)</b>
<b>Other results</b>		<b>-</b>	<b>(562)</b>
<b>EXPLOITATION RESULT</b>		<b>(18,257)</b>	<b>(437,974)</b>
<b>Financial expenses</b>		<b>(887)</b>	<b>(139,902)</b>
Third parties		-	-
For debts with group	<b>Note 13</b>	(887)	(139,902)
<b>Financial Income</b>		<b>78,617</b>	<b>8,900</b>
In third parties		21	8,900
For debts with group		78,596	-
<b>Financial result</b>		<b>77,730</b>	<b>(131,002)</b>
<b>RESULT BEFORE TAXES</b>		<b>59,473</b>	<b>(568,975)</b>
Profit taxes	<b>Note 10</b>	(15,242)	140,471
<b>RESULT OF THE YEAR FROM CONTINUED OPERATIONS</b>		<b>44,231</b>	<b>(428,504)</b>
<b>YEAR RESULT</b>	<b>Nota 3</b>	<b>44,231</b>	<b>(428,504)</b>

The Notes 1 to 15 described in the attached Report form an integral part of the loss and profit account corresponding to year 2017



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**BEASOLARTA S.L.U**  
**7 STATEMENT OF CHANGES IN EQUITY OF YEAR 2017**  
**A) STATEMENT OF RECOGNIZED INCOMES AND EXPENSES**  
 (Euros)

	Notes of the Report	Year 2017	Year 2016
RESULT OF THE LOSS AND PROFIT ACCOUNT (I)	Nota 3	44,231	(428,504)
<b>TOTAL RECOGNIZED INCOMES AND EXPENSES (I+II+III)</b>		<b>44,231</b>	<b>(428,504)</b>

The Notes 1 to 15 described in the attached Report form an integral part of the statement of recognized incomes and expenses corresponding to year 2017



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**BEASOLARTA S.L.U**  
**STATEMENT OF CHANGES IN NET EQUITY OF YEARS 2017**  
**B.) TOTAL STATEMENT OF CHANGES IN NET EQUITY**  
(Euros)

	Capital	Reserves	Result of previous years	Contributions from equity holders or owners	Result of the year	TOTAL
<b>FINAL BALANCE OF YEAR 2015</b>	<b>41,000</b>	<b>30,736</b>	-	-	<b>6,048</b>	<b>77,784</b>
Application of result 2015	-	6,048	-	-	(6,048)	-
Result of year 2016	-	-	-	-	(428,504)	(428,504)
Contributions from equity holders or owners	-	-	-	2,400,000	-	2,400,000
<b>FINAL BALANCE OF YEAR 2016</b>	<b>41,000</b>	<b>36,784</b>	-	<b>2,400,000</b>	<b>(428,504)</b>	<b>2,049,280</b>
Application of result 2016	-	-	(428,504)	-	428,504	-
Result of year 2017	-	-	-	-	44,231	44,231
<b>FINAL BALANCE OF YEAR 2017</b>	<b>41,000</b>	<b>36,784</b>	<b>(428,504)</b>	<b>2,400,000</b>	<b>44,231</b>	<b>2,093,512</b>

The Notes 1 to 15 described in the attached Report form an integral part of the statement of changes in equity corresponding to year 2017



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# Beasolarta S.L.U

Abridged Report for  
year ending  
31 December 2017

## 1. Incorporation and activity

### **Incorporation**

Beasolarta S.L.U. (hereinafter the Company) was incorporated on 6th May 17 2008, as a single-member limited liability company for an indefinite period of time. Its corporate address is currently in calle San Severo 18, 28042 - Madrid.

### **Corporate Purpose**

The purpose of the Company is:

- a) Purchase and sale, management and operation of alternative and/or renewable energies and hot water, including the operation of production centres of energy management, owned or for third parties, rendering administrative management, maintenance and surveillance services.
- b) Any kind of intermediation in alternative and/or renewable energies and purchase and sale of elements and services auxiliary to said energies.
- c) The performance of every kind of works, studies, reports, projects, work management, consulting, market intermediation, technical assistance, facilities, maintenance and services both at private and public levels, related to:
  - 1.- Electric and telecommunication equipments
  - 2.- Protection, conservation, regeneration or improvement of environment.
  - 3.- Electrification, common telecommunication infrastructures (CTI), house and office automatisms, power control (heating and air-conditioning). Tele-alarms, audio video, PA equipment, telephones, internet and terrestrial and satellite television.
  - 4.- Management of natural resources, environmental infrastructures, waste and water purification, public works for soil and urbanism and environmental impact evaluation studies in the natural and industrial environment.
- d) Distribution and canalization of solar, thermal and photovoltaic platforms and wind-power systems, as well as the necessary equipment for the installation.
- e) Management and operation of lands and forests.
- f) Any kind of legal expert reports, audits and reports
- g) The communication, information and publicity and publishing services, by means of the distribution, import, export, production and sale of all kind of publications and written, audiovisual and computer materials, public communication campaigns, congresses, exhibitions and fairs.
- h) Training and education
- i) Maintenance and conservation of equipments and facilities.
- j) Acquisition, promotion and construction of buildings and their operation by rent or sale, in total or in part, of apartments for housing or for business, built directly for that purpose, or through contractors.
- k) The total or partial execution of all kind of public and private works on the account of third parties.



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- l) The promotion of housing developments for factories and sale of plots.
- m) The establishment of offices for projects, calculations and tests for the activity of construction.
- n) The purchase and lease, with the exception of financial leasing of all kind of real estate properties.
- o) Any kind of operation within the real estate sector.

All activities for which special requirements are required by Law and not fulfilled by the Company shall be excluded. If required by Law, any activity subject to the holding of some sort of professional title shall be carried out by a person holding said required title.

The activities included in the expressed corporate purpose may be totally or partially developed indirectly through the holding of shares or stakes in other companies engaging in identical or analogous activities.

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

## **2. Presentation principles for the abridged financial statements**

### ***2.1 Financial Information Framework applicable to the Company***

The abridged financial statements have been prepared by the Directors in accordance with the financial information framework applicable to the Company, established in:

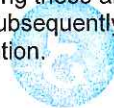
- a) Code of Commerce and other additional mercantile legislation.
- b) General Accounting Plan, approved by Royal Decree 1514/2007 and sector adaptations, and in particular, Sector Adaptation of the General Accounting Plan for public infrastructure concessionaire companies, approved by Order EHA/3362/2010 of 23 December.
- c) Mandatory regulations approved by the Institute of Accounting and Accounts Auditing in the development of the General Accounting Plan and complementary rules.
- d) Other applicable Spanish accounting regulations.

### ***2.2 True and fair view***

The attached abridged annual accounts have been obtained from the Company's accounts registers and are presented in accordance with the applicable financial information framework (see Note 2.1), and in particular the principles and criteria therein contained, so as to show a true view of the assets, the financial situation, the Company Balance Sheet and the cash flows during the corresponding period. These abridged financial statements, which have been prepared by the Company Directors, will be submitted for the approval of the Sole Shareholder, and are expected to be approved without any amendment.

In compliance with article 257 of the Corporations Law, approved by Royal Legislative Decree 1/2010, of 2nd July, in effect since 1st September 2010, the Company prepares abridged financial statements.

According to corporate legislation in force, the Company has no obligation to submit their abridged financial statements for auditing; however, and for the sole purposes of improving transparency in financial reporting, the Administrative Body has deemed appropriate to bring these abridged financial statements for year 2017 for verification of an external auditor. They will be subsequently submitted for approval of the Sole Shareholder, and expected to be approved without modification.



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### **2.3 Non-obligatory accounting principles applied**

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

### **2.4 Critical aspects of valuation and estimation of uncertainty**

In preparing the accompanying abridged financial statements estimates were made by the Company's Directors in order to measure certain of the assets, liabilities, income, expenses and obligations reported herein. These estimates basically refer to the impairment of amounts collectable and the calculation of the provisions for creditors' invoices pending, as well as the lifespan of the assets and the income for works performed during the financial year but pending invoice.

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

At 31 December 2017, the company has no activity, according to the deed of sale of the Concession photovoltaic installation formalized on 28 November 2016. The Directors of the Company have prepared these abridged annual accounts in accordance with the principle of an operating company, since it considers that the following factors justify the application of this principle:

- There is the capacity to continue with the increase of the own funds by means of the contribution of funds by the Unique Partner or by means of the capitalization of loans with the same.
- There is the possibility of developing new solar panel activity in the region of Almeria through the future construction of new photovoltaic installations.
- At the end of the year, the Company has a large volume of liquidity to cover payments to suppliers and third parties that allow it to continue its activity for at least several years.
- A structural cost reduction program has been established that is expected to be implemented during the 2018 financial year.

### **2.5 Comparative information**

The information contained in these notes to the financial statements referring to the financial year 2015 is presented alongside the information for the financial year 2016 only for comparative purposes.

### **2.6 Grouping of entries**

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

### **2.7 Change in accounting policies**

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

### **2.8 Correction of errors**

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



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### 3. Distribution of profits

The proposal for the distribution of the profits of the period prepared by the Company's Directors and to be submitted for the approval of the General Board is the following:

	Euros
<b>Distribution basis:</b>	
Profit and loss (Loss)	44,231
	<b>44,231</b>
<b>Distribution:</b>	
Legal Reserve	3,275
To negative results from previous periods	40,956
	<b>44,231</b>

### 4. Accounting standards and measurement bases

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

#### **4.1 Intangible assets**

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

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

#### **4.2 Financial Instruments**

##### **4.2.1 Financial assets**

Classification –

Financial assets of the Company are classified into loans and items receivable; they correspond to financial assets generated in the sale of goods or in the provision of services through the Company's trading operations, or those which do not have a commercial origin, are not equity instruments or derivatives and whose collections are a fixed or specific amount, not negotiated in an active market.

Initial recognition-

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

Subsequent measurement –

Loans, items receivable and investments maintained until maturity are valued by their amortized cost.

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

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



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

#### 4.2.2 Financial liabilities

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

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

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

#### 4.2.3 Equity instruments

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

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

### 4.3 **Corporate tax**

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

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

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

Liabilities are included for deferred taxes for all temporary taxable discrepancies, except those derived from the initial entry of goodwill or other assets or liabilities in an operation which does not affect either the fiscal result or the accounting result and is not a combination of businesses, as well as those related to investments in dependent companies, partners businesses in which the Company can control the reversion time and it is probable that they will not revert in the foreseeable future.

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

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

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



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#### 4.4 Environment

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

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

#### 4.5 Revenue and expense

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

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

#### 4.6 Principles used in transactions between related parties

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

In any case, related parties are:

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

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

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



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

## 5. Intangible assets

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

Financial Year 2017:

	31/12/2016	Write-offs	31/12/2017
Cost:			
Computer software	96	(96)	-
	<b>96</b>	<b>(96)</b>	<b>-</b>
Accumulated Amortization:			
Computer software	(96)	96	-
	<b>(96)</b>	<b>96</b>	<b>-</b>
<b>Net value</b>	<b>-</b>	<b>-</b>	<b>-</b>

As explained in Note 2.4 of the attached report, on November 28, 2016, the entire photovoltaic installation of which the Company was a concessionaire was sold to third parties. The result of the disposal of this asset has resulted in a loss of € 415,416 recorded in the income statement.

Financial Year 2016:

	Euros			
	31/12/2015	Additions	Write-offs	31/12/2016
Cost:				
Computer software	96	-	-	96
Concessions	3,087,392	-	(3,087,392)	-
	<b>3,087,488</b>	<b>-</b>	<b>(3,087,392)</b>	<b>96</b>
Accumulated Amortization:				
Computer software	(96)	-	-	(96)
Concessions	(308,873)	(113,102)	421,975	-
	<b>(308,969)</b>	<b>(113,102)</b>	<b>421,975</b>	<b>(96)</b>
<b>Net value</b>	<b>2,778,519</b>	<b>(113,102)</b>	<b>(2,665,417)</b>	<b>-</b>



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## 6. Property, plant and equipment

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

Financial Year 2017:

	Euros			
	31/12/2016	Additions	Disposals	31/12/2017
<b>Cost:</b>				
Other installations - Furniture	603	-	(603)	-
Equipment for information processing	1,747	-	(1,747)	-
	<b>2,350</b>	-	<b>(2,350)</b>	-
<b>Amortizations:</b>				
Other installations - Furniture	(511)	(27)	538	-
Equipment for information processing	(1,747)	-	1,747	-
	<b>(2,258)</b>	<b>(27)</b>	<b>2,285</b>	-
<b>Net</b>	<b>92</b>	<b>(27)</b>	<b>(65)</b>	-

During the year 2017, the entire fixed assets of the Company were disposed of, having recorded losses amounting to 66 Euros

Financial Year 2016:

	Euros			
	31/12/2015	Additions	Disposals	31/12/2016
<b>Cost:</b>				
Other installations - Furniture	112,673	-	(112,070)	603
Equipment for information processing	1,747	-	-	1,747
	<b>114,420</b>	-	<b>(112,070)</b>	<b>2,350</b>
<b>Amortizations:</b>				
Other installations - Furniture	(22,777)	(3,771)	26,037	(511)
Equipment for information processing	(1,747)	-	-	(1,747)
	<b>(24,524)</b>	<b>(3,771)</b>	<b>26,037</b>	<b>(2,258)</b>
<b>Net</b>	<b>89,896</b>	<b>(3,771)</b>	<b>(86,033)</b>	<b>92</b>

The disposals of the year 2017 correspond to the sale of elements of tangible fixed assets linked to the operation of the photovoltaic installation sold in 2016. The result of the disposals of property, plant and equipment amounted to a loss of 66 Euros recorded in the income statement .

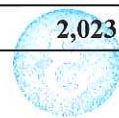
The Company's policy is to formalize insurance policies to cover the risks to which the various elements of its property, plant and equipment are subject. The Directors of the Company estimate that the coverage of these risks as of December 31, 2017 is adequate.

## 7. Financial assets short-term

### 7.1 *Long-term financial assets*

The breakdown of the Company's financial assets is the following as of 31 December 2017 and 2016:

	Euros	
	2017	2016
Customers for sales and provisions of services:	1,888	336,388
Other financial assets	135	22,565
<b>Total</b>	<b>2,023</b>	<b>358,953</b>



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### 8.1 Share capital

At the close of period 2016 the share capital amounted to 41,000 Euros, represented by 2,050 non-listed shares of 20 Euros nominal value each, all of the same class, fully subscribed and paid in accordance with the following detail:

	% Participation
Elsamex, S.A.	100%
	<b>100%</b>

### 8.2 Legal reserve

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

## 9. Financial liabilities

The breakdown of the Company's financial liabilities is the following as of 31 December 2017 and 2016:

	Euros	
	2017	2016
<b>Short-term financial liabilities</b>		
Debts with group companies and partners (Note 13.1)	36,227	247,363
Trade creditors and other accounts payable	709	9,682
<b>Total current financial liabilities</b>	<b>36,936</b>	<b>257,045</b>

## 10. Public Administrations and fiscal situation

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

	Euros			
	Debit balances		Creditors balances	
	2017	2016	2017	2016
Deferred tax assets	19.746	21.804	-	-
<b>Long-term balances with Public Administrations</b>	<b>19.746</b>	<b>21.804</b>	-	-
Public Treasury, debtor for VAT	-	-	-	-
Public Treasury, creditor for IRPF	-	-	15	23
<b>Short-term balances with Public Administrations</b>	-	-	<b>15</b>	<b>23</b>

Under current legislation, taxes cannot be deemed to have been definitively settled until the tax returns filed have been reviewed by the tax authorities or until the four-year statute-of-limitations period has expired. At close of period 2017 the Company has not any ongoing inspection. The Directors consider that the above-mentioned tax obligations have been adequately settled. Therefore, in the event of a fiscal inspection and considering there were any disagreements in the usual prevailing interpretation because of the fiscal treatment granted to operations, future resulting liabilities, if any, would not significantly affect these abridged financial statements.

### Value Added Taxes

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

receivable balances for the Value Added Tax are included classified in current accounts with group companies.

### **Tax on Profits**

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

### **Accounting reconciliation and taxable base result**

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

	Euros	
	Taxable base	Tax Expenses
Accounting result before Taxes	59,473	(14,868)
Temporary differences	6,732	(1,683)
Taxable base / Contribution	52,741	(14,868)
Adjustment Corporate Tax		(374)
Expense/(Income) for Corporate Tax		<b>(15,242)</b>
<b>Tax base</b>		<b>(14,868)</b>
Withholding		4
<b>Amount to be returned by the Group</b>		<b>(14,864)</b>

The adjustments for corrections in the Corporation Tax are due to decreases in deferred tax assets with respect to the initially generated amount.

As of 31 December 2017 there are no negative taxable bases pending compensation or share deductions pending application.

### **Deferred tax assets**

The breakup and movement in this item for the year 2017 is the following:

	31/12/2016	Disposals	31/12/2017
Depreciation temporary differences	21,804	(2,058)	19,746
	<b>21,804</b>	<b>(2,058)</b>	<b>19,746</b>

Temporary differences arising from amortization arise in accordance with Article 7 of Law 16/2012 of December 27, which established a deduction limit of 70% of the taxable base of the depreciation of property, plant and equipment for certain groups of entities, and Intangible assets for 2013 and 2014 which will be reversed in a linear manner from the year 2015 onwards.

## **11. Environmental aspects**

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

The Company's Directors consider that there are not any contingencies related to the protection and improvement of the environment, and do not deem it necessary to enter any allocation to the provision for risks and expenses of an environmental nature as of 31 December 2017 in the annual accounts.

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## 12. Revenue and expenditure

### a) Net turnover amount

The net amount of the turnover entered by the Company corresponds to the revenues obtained through the activity considered in their Corporate purpose.

The breakdown of this section of the abridged profit and loss account for the accounting periods 2016 and 2015 is as follows:

Division	Euros	
	2017	2016
Electrical production	196,697	227,148
	<b>196,697</b>	<b>227,148</b>

All services rendered have been in national territory.

### b) Purchases

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

	Euros	
	2017	2016
Supplies	-	1,246
Works carried out by other companies	187,702	42,984
	<b>187,702</b>	<b>44,230</b>

All purchases made to suppliers were within national territory.

### c) Other operating expenses

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

	Euros	
	2017	2016
Fees, patents and trademarks	-	19,622
Independent professional services	8,692	2,041
Insurance premiums	701	3,506
Bank services and other similar	143	382
Supplies	3,995	5,402
Other services	(4,638)	(60,039)
Taxes	18,266	31,093
	<b>27,159</b>	<b>2,007</b>

The item of Other services is negative due to a forecast of expenses accounted for in 2016 and that, by not being effective, has been reversed.

### d) Auditing Fees

During financial year 2016, the fees for account auditing services and other services provided by the auditor of the Company, Caballero Auditores, S.L., have been as follows (in Euro):



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	Euros	
	2016	2016
Auditing Services	1,410	1,350
<b>Total auditing and related services</b>	<b>1,410</b>	<b>1,350</b>
	<b>1,410</b>	<b>1,350</b>

### 13. Balances and operations with related parties

#### 13.1 Balances and transactions with group companies

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

Financial Year 2017

2017	Euros				
	Accounts receivable	Accounts payable	Incomes	Expenses	
	Long-term credit group companies	Loan	Financial income	Other operating expenses	Financial expenses
Elsamex, S.A.	2,108,693	14,864	78,596	1,889	-
Grusamar	-	21,043	-	-	881
Elsamex Internacional	-	98	-	-	-
Atenea	-	222	-	-	7
<b>Total</b>	<b>2,108,693</b>	<b>36,227</b>	<b>78,596</b>	<b>1,889</b>	<b>888</b>

Financial Year 2016:

2016	Euros			
	Accounts payable		Expenditure	
	Contributions from equity holders	Loans	Services received	Interests
Elsamex, S.A.U.	2,400,000	226,970	17,195	139,143
Grusamar, Ingeniería y Consulting S.L.U.	-	20,162	7,067	668
Elsamex Internacional, S.L.U.	-	98	-	85
Atenea Seguridad y Medioambiente, S.A.U.	-	133	-	6
<b>Total</b>	<b>2,400,000</b>	<b>247,363</b>	<b>24,262</b>	<b>139,902</b>

On December 15, 2016, the parent company has formalized a contribution of 2,400,000 euro charged to current accounts granted from previous years, with the objective of rebalancing the balance sheet at the end of the year

The Company does not have its own personnel; the administrative, management and direction tasks are carried out by the parent company. The Company included in its accounts throughout period 2016 the amount of 6,502 EUR.

The Company has a credit facility with the parent company which accrues an annual interest rate of 5% of the amount drawn.



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

There is no senior management in the Company. The management of the Group manages this Company. Elsamex, S.A. invoiced to the Company in period 2016 a total amount of 4,495 Euro for direction and administration services. En el ejercicio 2017 no se ha facturado importe alguno por estos conceptos dada la inexistencia de actividad en la Entidad.

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

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

## 14. Payments to suppliers

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

	Payments made and pending payment at the close date of the Balance Sheet	
	Financial Year 2017	Financial Year 2016
PMP (days) of payments	9	35

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

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

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

## 15. Subsequent Events

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



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**Procedure for Preparation of Abridged Financial Statements**

In compliance with the provisions established in the Corporations Act, the Board of Directors of Beasolarta S.L.U. prepared on 31 March 2018 the abridged annual Accounts for accounting period 2017, which shall be submitted for the approval of the Sole Shareholder.



Mr. Fernando Jaime Bardisa Jordá

Mr. Juan Manuel González  
Alonso

Mr. José Javier Carrión  
Romero

