UPL COSTA RICA, S.A.

Financial Statements as at March 31, 2018 and 2017
with Independent Auditor's Report

Content

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Independent auditor's report

To the Shareholders and the Board of Directors of
UPL Costa Rica, S.A.

Opinion

We have audited the financial statements of UPL Costa Rica, S.A. (the Company), which comprise the statement of financial position as at March 31, 2018, and the statement of comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended; and notes to the financial statements, including a summary of significant accounting policies.

In our opinión, the accompanying financial statements present fairly, in all material respects, the financial position of UPL Costa Rica, S.A. as at March 31, 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with article 9 of the Law on the Regulation of the Public Accountants Profession and the Creation of the Public Accountants Association (Law 1038); with the Code of Ethics for Professional Accountants of Costa Rica and with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 International Standards on Auditing 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 financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive 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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements 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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Lic. Rafael Carballo Vargas
CPA No. 1412
April 13, 2018
San José, Costa Rica

Fidelity policy No.0116 FIG 7
Expiration date: September 30, 2018
CPA Stamp according to law No.6663
Paid and attached to the original

UPL Costa Rica, S.A.
(A Costa Rican entity)
Statements of Financial Position
(Expressed in Costa Rican colones)

	March 31, 2018	March 31, 2017
Assets		
Current assets:		
Cash (Note 4)	¢ **419,732,624**	¢ 855,045,829
Accounts receivable (Note 5)	**5,934,291,362**	5,077,203,780
Related parties accounts receivable (Note 7)	**4,553,962,034**	1,973,710,516
Inventories (Note 6)	**6,500,844,566**	5,654,628,832
Prepaid expenses	**25,681,002**	27,218,467
Total current assets	**17,434,511,588**	13,587,807,424
Non-current assets:		
Vehicles, furniture and equipment, net (Note 8)	**746,697,479**	294,130,793
Intangible assets (Note 9)	**136,017,149**	191,860,555
Prepaid income tax	**75,887,576**	75,887,576
Other assets	**28,207,830**	25,678,753
Total non-current assets	**986,810,034**	587,557,677
Total assets	¢ **18,421,321,622**	¢ 14,175,365,101
Liabilities and equity		
Current liabilities:		
Notes payable (Note 12)	¢ **-**	¢ 13,881,725
Accounts payable (Note 10)	**2,098,292,034**	2,372,121,260
Related parties accounts payable (Note 7)	**17,548,903,197**	12,126,917,284
Other payables and accrued expenses (Note 11)	**51,293,691**	44,348,410
Total current liabilities	**19,698,488,922**	14,557,268,679
Non-current liabilities:		
Notes payable (Note 12)	**-**	12,164,970
Total non-current liabilities	**-**	12,164,970
Total liabilities	**19,698,488,922**	14,569,433,649
Equity		
Capital stock (Note 13)	**10,000**	10,000
Statutory reserve (Note 13)	**9,260**	9,260
Additional paid-in capital	**69,581,121**	69,581,121
Accumulated losses (Note 13)	**(1,346,767,681)**	(463,668,929)
Total equity	**(1,277,167,300)**	(394,068,548)
Total liabilities and equity	¢ **18,421,321,622**	¢ 14,175,365,101

UPL Costa Rica, S.A.
(A Costa Rican entity)
Statements of Comprehensive Income
(Expressed in Costa Rican colones)

	Year ended March 31, 2018	2017
Net sales	¢ **28,729,588,433**	¢ 22,556,679,346
Cost of sales	**(26,665,714,023)**	(19,781,774,923)
Gross profit	**2,063,874,410**	2,774,904,423
Operating and administrative expenses (Note 15)	**(2,362,873,658)**	(2,431,620,223)
Selling expenses (Note 15)	**(657,453,169)**	(519,316,511)
Loss from operations	**(956,452,417)**	(176,032,311)
Financial expenses	**(10,751,231)**	(10,749,412)
Other income and expenses	**21,838,972**	-
Exchange rate differences, net (Note 15)	**62,265,924**	130,566,632
Net loss (Note 14)	¢ **(883,098,752)**	¢ (56,215,091)

UPL Costa Rica, S.A.
(A Costa Rican Entity)
Statements of Changes in Equity
For the years ended March 31, 2018 and 2017
(Expressed in Costa Rican colones)

	Capital stock	Statutory reserve	Additional paid-in capital	Accumulated losses	Total equity
Balance as at March 31, 2016	¢ 10,000	¢ 9,260	¢ 69,581,121	¢ (407,453,838)	¢ (337,853,457)
Net loss	-	-	-	(56,215,091)	(56,215,091)
Balance as at March 31, 2017	10,000	9,260	69,581,121	(463,668,929)	(394,068,548)
Net loss	**-**	**-**	**-**	**(883,098,752)**	**(883,098,752)**
Balance as at March 31, 2018	**¢ 10,000**	**¢ 9,260**	**¢ 69,581,121**	**¢ (1,346,767,681)**	**¢ (1,277,167,300)**

The accompanying notes are an integral part of the financial statements

UPL Costa Rica, S.A.
(A Costa Rican entity)
Statements of Cash Flows
(Expressed in Costa Rican colones)

	Year ended March 31, 2018	2017
Cash flow from operating activities		
Net loss	¢ **(883,098,752)**	¢ (56,215,091)
Adjustments for:		
Depreciation and amortization	**272,509,236**	111,061,199
Profit on sales of assets	**(21,833,701)**	-
Allowance for doubtful accounts	**20,711,763**	66,207,132
Allowance for obsolescence of inventories	**-**	45,585,329
Interest expenses	**3,941,551**	10,749,412
	(607,769,903)	177,387,981
Increase in accounts receivable	**(877,799,345)**	(450,441,768)
Increase in inventories	**(846,215,734)**	(1,058,459,047)
Increase in related parties accounts receivable	**(2,580,251,518)**	(1,013,039,801)
Decrease (increase) in prepaid expenses	**1,537,465**	(10,841,703)
(Decrease) increase in accounts payable	**(273,829,225)**	495,899,028
Increase in related parties accounts payable	**5,421,885,913**	2,463,392,452
Increase (decrease) in other payable and accumulated expenses	**6,945,281**	(3,263,078)
Cash generated from operations	**244,502,934**	600,634,064
Interest paid	**(3,841,551)**	(10,749,412)
Net cash flows provided by operation activities	**240,661,383**	589,884,652
Cash flow from investing activities		
Acquisition of vehicles, furniture and equipment and intangible assets	**(707,935,163)**	(109,440,517)
Proceeds from sales of assets	**60,536,348**	-
Increase in other assets	**(2,529,078)**	(2,914,392)
Net cash flows used in investing activities	**(649,927,893)**	(112,354,909)
Cash flow from financing activities		
Payments of financial leasing	**(26,046,695)**	(23,501,132)
Net cash flows used in financing activities	**(26,046,695)**	(23,501,132)
Net (decrease) increase in cash	**(435,313,205)**	454,028,611
Cash at beginning of year	**855,045,829**	401,017,218
Cash at end of year	¢ **419,732,624**	¢ 855,045,829

The accompanying notes are an integral part of the financial statements

1. Nature of operations

UPL Costa Rica, S.A. (formerly Cerexagri Costa Rica, S.A.), was duly organized as a corporation on September 18, 1995, according to the laws of the Republic of Costa Rica, its social domicile is in San José, Costa Rica and is 100% controlled by Cerexagri B.V. (Netherlands). The main activity of the Company is promoting sales on behalf of the home office and providing agrochemicals to local and international clients, imported and produced locally through a third party in Chomes, Puntarenas, Costa Rica.

The financial statements as at March 31, 2018 were approved by Management and authorized for their issuance on April 13, 2018.

2. Summary of the significant accounting policies

The most significant policies used to record the operations and the preparation of the financial statements are summarized as follows:

Basis for the preparation of the financial statements
The financial statements have been prepared according to International Financial Reporting Standards (IFRS), on the basis of historical cost.

Judgments and critical accounting estimates
The preparation of the financial statements in compliance with adopted International Financial Reporting Standards requires the use of certain critical accounting estimates. It also requires the Management to exercise judgment in applying the Company's accounting policies. Judgments and estimates are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The judgements and estimates that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Judgments

Operative leasing agreement
The Company maintains an operating lease agreement related to the facilities in which the operations are carried out, it has been determined based on the terms and conditions of the agreement, that the lessor keeps all the risks and rewards inherent to the ownership of those assets.

Financial leasing agreements
The Company maintains financial lease agreement related to vehicles for the operations. It has been determined, based on the terms and conditions of the agreements, that the Company keeps all the risks and rewards inherent to the ownership of those assets.

Changes in accounting policies

a) *New standards, interpretations and amendments effective from April 1, 2017.*
None of the new standards, interpretations and amendments effective for the first time from April, 2017 have had a material effect on the financial statements.

2. Summary of the significant accounting policies (continued)

b) New standards, interpretations and amendments not yet effective
There are a number of standards and interpretations which have been issued by the International Accounting Standards Board (IASB) that are effective in future accounting periods. The most significant of these are:

- IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers (both mandatorily effective for periods beginning on or after January 1, 2018); and
- IFRS 16 Leases (mandatorily effective for periods beginning on or after January 1, 2019).

The Company decided to adopt early the IFRS 9. The adoption of these Accounting Standard do not generate material impact in the financial statement.

The Company has not done an evaluation to determine the possible impact of the application of other new standards.

The Company does not expect any other standards issued by the IASB, but not yet effective, to have a material impact on the Company.

Currency and transactions in foreign currency
The functional currency adopted by UPL Costa Rica, S.A. is the Costa Rican colon. The accompanying accounting records and financial statements are expressed in the functional currency. Information regarding exchange regulations and exchange rates are shown in Note 3. The transactions in any foreign currency, different to the functional currency previously described, are registered at exchange rates of the day of the transaction. To determine the financial position and the results of the operations, the Company registers their assets and liabilities in foreign currency at the exchange rate of the date of the financial statements. The translation currency effect resulting has been applied in the statement of comprehensive income of the period in which it occur.

Measurement of financial assets and liabilities
The Company recognizes initially a financial asset or a liability at their fair value plus transaction costs that are directly attributable to the acquisition or issuance, in the case that they are not recognized at its fair value through profit or loss. For the purposes of measuring financial assets or liabilities after recognition, the Company classifies financial assets and liabilities into the following categories:

Accounts receivable
Accounts receivable are financial assets with fixed or determinable payments and are not quoted in an active market. Receivables are carried at amortized cost using the effective interest method less any allowance for impairment. Gains and losses are recognized in profit or loss in the accounting period in which the accounts receivable are derecognized or impaired, as well as through the amortization process.

Loans and accounts payable
Loans and accounts payable are recognized initially at their fair value at the respective recording dates. After its initial recognition, these financial liabilities are measured at their amortized cost using the effective interest method.

2. Summary of the significant accounting policies (continued)

Impairment of financial assets

Financial assets carried at amortized cost
If there is objective evidence of the existence of impairment losses in the accounts receivable carried at amortized cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. In this situation, the carrying value is reduced through an allowance account and the amount of the loss is recognized in the statement of comprehensive income.

The Company assesses impairment based on expected credit losses (ECL) model on trade receivables.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, historical observed default rates are updated and changes in forward-looking estimates are analysed.

This policy is in line with the Company policy on Impairment of financial assets.

Deregconition of financial assets and liabilities

Financial assets
Financial assets are derecognized by the Company when the contractual rights to the cash flows from the financial assets expire; when the entity transfers the contractual rights to receive the cash flows of the financial assets; or retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement that transfers substantially all of the risks and rewards of ownership of the financial assets to a third party.

Financial liabilities
Financial liabilities are derecognized by the Company when the obligation has been discharged, has been cancelled or expired. When a financial liability is exchanged for another financial liability, the Company cancels the original and recognizes the new financial liability. The difference between liabilities transferred and liabilities assumed is recognized in the statement of comprehensive income.

Inventories
Inventories are measured at the lower of cost and net realizable value. The costing of inventories is based on the weight average method, and includes expenditures incurred in acquiring the inventories, and other cost incurred in bringing them to their existing location and conditions.

2. Summary of the significant accounting policies (continued)

The realizable fair value is the estimated sale price in the normal course of operations, less the estimated necessary cost to complete the sale.

The company follows the policy of including an allowance for slow turnover and obsolete inventories, in the amount that is estimated that reflects a decrease in their net realizable value. Losses are recognized in the statement of comprehensive income as incurred.

Vehicles, furniture and equipment

Vehicles, furniture and equipment are recorded initially at the acquisition and construction cost. Depreciation is computed by using the straight-line method over the estimated useful life of each asset, which is reviewed periodically by the Company´s Management. A detail of estimated useful lives are as follows:

	Estimated useful lives
Vehicles	10 years
Furniture	10 years
Equipment	5 years

The improvements to leased property are amortized during the validity of the contract agreement. Gains or losses resulting from the sale of assets are included in the results of the year in which the sale occurs. The depreciation and disbursements for repairs and maintenance are recorded as expenses during the year in which they occur.

Impairment of non-financial assets

The Company performs at the close of each period a review of the book value of the non-financial assets to identify decreases when facts or circumstances indicates that the registered values could not be recuperated. If that indication exists and the book value exceeds the carrying amount, the Company adjusts the assets and cash generating units to those recoverable amounts. The adjustment resulting from the application of this valuation procedures are recorded during the year in which they occur.

Income tax

Current

The Company calculates its income tax by applying to the profit before income tax the adjustments of certain items subject or not to tax, according to the current fiscal regulations.

Deferred

Deferred income tax results from all the temporary differences that may exist between fiscal basis in assets and liabilities and the amounts presented for financial purposes at the date of the financial statements. The deferred income tax is calculated according to the tax rate applicable in the period in which it is expected that the asset will be executed or the liabilities paid. The deferred income tax asset is recognized only when a reasonable probability will be exists of its realization.

2. Summary of the significant accounting policies (continued)

Post termination benefits

Severance benefits
The labor compensations related to severance benefits to be paid to the Company's employees are mandatory in the event of unjustified termination or if they are eligible to disability pension or death benefits. The payment for this concept represents one monthly salary per year with a maximum of 8 years and is calculated according with the law No.7983. In accordance to the Costa Rican legislation, a portion of the severance benefits are recognized through pension plans as provided by the "Protection Workers Law" (No.7983). Any excess that the Company has to paid in the labor settlement, between the liquidation calculated based on the labor benefits, and the amounts transferred to the Complementary Pension Funds, is recorded as a severance expense in the period when occurs.

Pension plans
In accordance with the "Protection Workers Law" (No.7983), the Company transfers 4.5% of the monthly salaries paid to the employees, for the concepts of severance (3%) and pension (1.5%). According to Law No.7983 those contributions are made throughout the time that the labor relation exists and are registered as an accrual in the statement of comprehensive income in the period that they occur. Those funds are administrated by the entities designated by the employees. The benefits received by the employees are determined by the contributions made by the Company and the employees, plus the gains on investments made by the administrators with the resources contributed; less the respective administration costs. Accordingly the investments administration and any related risk that can exist, are not a responsibility of the Company.

Income recognition
The income is recognized when the products are released to the clients and all risks and rewards inherent to the ownership has been transferred, the amount of the income is measured with reliability, and it is probable that the Company will receive the economic benefits related to the transaction and the incurred costs are measured with reliability. Income from sales is presented in the statement of comprehensive income net of discounts and refunds.

3. Foreign currency regulations and exchange rate

The Central Bank of Costa Rica is the entity in charge of the administration of the National Banking System and of regulating the parity of the Costa Rican colon in regards to the value of other currencies. The Central Bank of Costa Rica adopted a managed floating exchange rate regime, in which the exchange rate is determinated by the market but the Central Bank keeps the possibility of intervening in the foreign exchange market to moderate any significant fluctuations in the exchange rate and prevent deviations in the market.

As at March 31, 2018, the exchange rates of the Costa Rican colon with respect to the American dollar were ¢562.40 buying rate and ¢569.31 selling rate for U.S.$1 (¢554.43 and ¢567.34 in 2017). As at April 13, 2018, date of the Independent Auditors' Report, the reference exchange rates were ¢562.69 buying and ¢567.63 selling for U.S.$1.

A detail of assets and liabilities in U.S. Dollars and a sensitive analysis on exchange rate variations are presented in Note 16.

4. Cash

		2018		2017
Petty cash	¢	**550,000**	¢	550,000
Banks		**419,182,624**		854,495,829
	¢	**419,732,624**	¢	855,045,829

5. Accounts receivables

		2018		2017
Trade	¢	**5,855,337,964**	¢	5,030,713,431
Allowance for doubtful accounts		**(155,282,651)**		(134,570,888)
		5,700,055,313		4,896,142,543
Suppliers advances		**135,495,331**		91,640,879
Others advances		**62,144,517**		57,660,951
Employees		**36,596,201**		31,759,407
	¢	**5,934,291,362**	¢	5,077,203,780

A detail of the allowance for doubtful accounts is shown below:

		2018		2017
Balance at the beginning of the year	¢	**134,570,888**	¢	308,184,495
Write-off of accounts receivable		**-**		(239,820,739)
Amount credited to the allowance		**20,711,763**		66,207,132
Balance at the end of the year	¢	**155,282,651**	¢	134,570,888

Trade accounts receivable with delays on payments but not impaired at March 31, 2018 and 2017 are detailed below:

		2018		2017
Current	¢	**4,785,266,535**	¢	4,099,754,456
Past due but not impaired:				
Less than 30 days		**390,576,901**		151,294,447
Between 31 and 60 days		**101,408,156**		108,760,833
Between 61 and 90 days		**198,235,561**		3,878,797
More than 91 days		**224,568,160**		532,454,010
	¢	**5,700,055,313**	¢	4,896,142,543

6. Inventories

	2018	2017
Raw material	¢ **659,670,414**	¢ 784,589,150
Finished goods	**3,791,538,749**	2,567,373,697
	4,451,209,163	3,351,962,847
Allowance for obsolescence of inventories	**(170,501,417)**	(170,501,417)
	4,280,707,746	3,181,461,430
Inventory in transit	**2,220,136,820**	2,473,167,402
	¢ **6,500,844,566**	¢ 5,654,628,832

A detail of the allowance for obsolescence of inventories is as follows:

	2018	2017
Balance at the beginning of the year	¢ **170,501,417**	¢ 124,916,088
Amount credit to the allowance	**-**	45,585,329
Balance at the end of the year	¢ **170,501,417**	¢ 170,501,417

7. Related parties accounts and transactions

The related parties accounts at March 31, 2018 and 2017 are detailed as follows:

	Relationship	2018	2017
Accounts receivable			
UPL Phillippins, Inc.	Common control	¢ **4,168,769,070**	¢ 1,659,010,331
UPL Colombia, SAS	Common control	**323,630,174**	314,700,185
Decco US Post Harvest, Inc.	Common control	**61,562,790**	-
		¢ **4,553,962,034**	¢ 1,973,710,516
Accounts payable			
UPL Corporation Limited.	Common control	¢ **16,350,312,596**	¢ 11,248,829,269
UPL Limited Gibraltar	Common control	**(64,698,721)**	(63,992,491)
UPL Limited	Common control	**183,845,715**	141,428,387
Decco US Post Harvest, Inc.	Common control	**16,068,637**	-
UPL, Ltd. Hong Kong	Common control	**776,609,213**	546,862,875
Decco Chile Spa	Common control	**4,955,056**	-
Cerexagri SAS	Common control	**281,810,701**	253,789,244
		¢ **17,548,903,197**	¢ 12,126,917,284

7. Related parties accounts and transactions (continued)

The related parties transactions made during the years ended on March 31, 2018 and 2017, are detailed as follows:

	Relationship		2018		2017
Sales					
UPL Colombia, S.A.S	Common control	¢	**378,941,967**	¢	460,899,069
UPL Philiphines Inc.	Common control		**5,701,890,631**		2,006,421,213
		¢	**6,080,832,598**	¢	2,467,320,282
Purchases					
UPL, Ltd. Hong Kong	Common control	¢	**1,291,687,471**	¢	545,047,875
UPL Corporation Limited	Common control		**10,892,437,901**		10,228,211,280
Decco US Post Harvest, Inc.	Common control		**16,242,762**		-
Cerexagri SAS	Common control		**320,839,732**		95,184,845
UPL Limited	Common control		**592,681,687**		141,354,331
Decco Chile Spa	Common control		**4,965,323**		-
		¢	**13,118,854,876**	¢	11,009,798,331

The balance with related parties corresponds to purchases and sales of products. These amounts generate no interest.

As at March 31, 2018 and 2017 the short tem beneficts to Management where ¢255,668,519 and ¢202,755,539, respectively.

8. Vehicles, furniture and equipment, net

		Vehicles		Computer equipment		Furniture and equipment		Total
Net balance as at March 31, 2016	¢	148,828,797	¢	14,778,219	¢	150,752,811	¢	314,359,827
Additions		25,066,840		18,233,721		4,345,342		47,645,903
Depreciation for the year		(39,290,663)		(7,339,783)		(21,244,491)		(67,874,937)
Net balance as at March 31, 2017		134,604,974		25,672,157		133,853,662		294,130,793
Additions		**468,488,452**		**40,916,691**		**168,325,445**		**677,730,588**
Disposals		**(38,702,647)**		**-**		**-**		**(38,702,647)**
Depreciation for the year		**(131,192,516)**		**(19,630,692)**		**(35,638,047)**		**(186,461,255)**
Net balance as at March 31, 2018	¢	**433,198,263**	¢	**46,958,156**	¢	**266,541,060**	¢	**746,697,479**
As at March 31, 2017								
Cost	¢	271,842,294	¢	51,687,969	¢	222,672,974	¢	546,203,237
Accumulated depreciation		(137,237,320)		(26,015,812)		(88,819,312)		(252,072,444)
	¢	134,604,974	¢	25,672,157	¢	133,853,662	¢	294,130,793
As at March 31, 2018								
Cost	¢	**701,628,099**	¢	**92,604,660**	¢	**390,998,419**	¢	**1,185,231,178**
Accumulated depreciation		**(268,429,836)**		**(45,646,504)**		**(124,457,359)**		**(438,533,699)**
	¢	**433,198,263**	¢	**46,958,156**	¢	**266,541,060**	¢	**746,697,479**

9. Intangible assets

A detail of the intangible assets is shown as follows:

Balance at March 31, 2016	¢	173,252,203
Additions		61,794,614
Amortization		(43,186,262)
Balance at March 31, 2017		191,860,555
Additions		**30,204,575**
Amotization		**(86,047,981)**
Balance at March, 31, 2018	**¢**	**136,017,149**

Intangible assets are related to product registrations paid, in order to sell product in the local and international market.

10. Accounts payable

		2018		2017
Suppliers	¢	**2,098,292,034**	¢	2,372,121,260
	¢	**2,098,292,034**	¢	2,372,121,260

11. Other payables and accrued expenses

		2018		2017
Social security	¢	**13,550,871**	¢	14,422,408
Taxes on salaries		**3,100,221**		3,577,344
Vacation		**14,064,020**		8,136,677
Christmas bonus		**19,846,386**		17,098,695
Other accounts payable		**732,193**		1,113,286
	¢	**51,293,691**	¢	44,348,410

12. Notes payable

The notes payable at March 31, 2018 and 2017 are as follows:

		2018		2017
ATI Capital Solutions, S.A.:				
Financial leasing operations for amount of $220,000, annual effective interest rate between 16.28% and 25.80%, due date between February 2016 and October 2019.	¢	-	¢	26,046,695
Current portion		-		(13,881,725)
	¢	-	¢	12,164,970

13. Equity

Capital stock
As at March 31, 2018 and 2017 the capital stock authorized, subscribed and paid, amounts to ¢10,000 represented by 10 common nominal shares of ¢1,000 each, totally subscribed and paid according to the conditions set in the statutes of the Company.

Statutory reserve
According to the Costa Rican legislation all corporations should record a legal reserve equivalent to 5% of the net profits of every year until 20% of the capital stock is reached.

Accumulated losses
As at March 2018 and 2017 the Company has accumulated losses which exceeds 50% of capital stock. According to the Costa Rican Comercial Legislation the permanent loss of 50% of the capital stock could be a cause of dissolution of a Company, unless the stockholders replenish or agree to decreasing it proportionally.

14. Income tax

The current corporate income tax rate is 30%. During March 31, 2018 and 2017 the Company applied carry forward fiscal losses on the income tax form.

The reconciliation of the income tax calculated on the financial (loss) profit, considering the current tax rate, with the amount of the income tax at the effective rate, is shown below:

		2018		2017
Loss before income tax	¢	**(883,098,752)**	¢	(56,215,091)
Income tax 30%		**(264,929,626)**		(16,864,528)
Non deductible expenses		**6,213,529**		19,862,140
Fiscal losses		**258,716,097**		-
Fiscal losses applied during the period		**-**		(2,997,612)
	¢	**-**	¢	-

According to the Costa Rican income tax law, industrial companies can carry forward fiscal losses as a deductible expenses over the following three years. The Company did not record a deferred income tax related to the carry forward fiscal losses, for the amount of ¢929,082,424 and ¢66,696,036, at March 31, 2018 and 2017, respectively. A detail of the amount of carry forward fiscal losses per year is detail as follows:

		2018		2017
Loss carry forward year ended				
March 31, 2015 with maturity in 2018	¢	**66,696,035**	¢	66,696,035
March 31, 2018 with maturity in 2021		**862,386,389**		-
	¢	**929,082,424**	¢	66,696,035

15. Income and expenses

		2018		2017
Operating and administrative expenses:				
Salaries and benefits	¢	**625,491,055**	¢	606,748,181
Traveling		**218,810,291**		161,666,319
Travel meals		**77,689,636**		41,002,506
Rent of equipment		**136,615,613**		83,072,639
Product registration expenses		**35,225,733**		42,316,438
Leases		**3,831,738**		10,745,935
Depreciation		**272,509,326**		111,061,202
Insurance		**45,109,160**		38,859,026
Maintenance and reparation		**77,457,664**		75,971,675
Professional fees		**569,805,367**		327,809,435
Audit fees		**8,912,002**		13,176,064
Other fees and charges		**82,590,428**		366,004,171
Subscriptions and membership		**31,570,498**		13,608,381
Electricity, telephone and connectivity		**40,803,420**		30,197,291
Municipal business license		**-**		102,663
Conveyance		**14,562,384**		8,060,802
Office supplies		**29,230,746**		18,768,244
Miscellaneous expenses		**17,931,799**		11,264,822
Vehicles		**4,492,260**		3,444,297
Others		**49,522,775**		30,629,636
Allowance for doubtful accounts		**-**		66,207,132
Bad debt written-off		**20,711,763**		370,903,364
	¢	**2,362,873,658**	¢	2,431,620,223
Selling expenses				
Freight & insurance	¢	**393,015,678**	¢	310,167,721
Promotional sales expense		**81,264,740**		80,550,595
Freight, shipment and customs		**60,483,436**		62,665,605
Others		**122,689,315**		65,932,590
	¢	**657,453,169**	¢	519,316,511
Employee benefits expenses				
Salaries	¢	**413,072,169**	¢	406,213,452
Christmas bonus		**43,758,579**		40,374,390
Vacations		**1,463,583**		(6,230,679)
Social security		**129,036,961**		127,196,476
Bonuses		**28,349,366**		32,243,093
Employee education		**9,810,397**		6,951,449
	¢	**625,491,055**	¢	606,748,181
Exchange rate differences				
Exchange gain	¢	**282,106,710**	¢	779,354,768
Exchange loss		**(219,840,786)**		(648,788,136)
	¢	**62,265,924**	¢	130,566,632

15. Income and expenses (continued)

At March 31, 2018 and 2017 the number of employees were 48 (22 in payroll an 26 by outsourcing) and 40 (22 in payroll and 18 by outsourcing), respectively.

16. Financial instruments

Risks Management:
The Company is exposed to different types of risks related to the financial instruments that it tries to minimize along with the risk management of its activities. The risks associated with financial instruments include the exchange rate risk, credit risk and liquidity risk.

Exchange rate risk
The exchange rate risk arises when the Company operates with a different currency than its functional currency. The Company has assets and liabilities in US Dollars, and therefore is affected by the exchange rate variations.

Hence the following is a summary of assets and liabilities expressed in US Dollars:

	2018	2017
Assets	**$ 19,020,571**	$ 13,860,488
Liabilities	**(30,834,613)**	(21,528,040)
Net position	**$ (11,814,042)**	$ (7,667,552)

For the year ended March 31, 2018, the Costa Rica Colon (¢) had a devaluation of around 3.47%, in respect to the US Dollar. A sensitivity analysis on March 31, 2018 prepared by Management, which shows the result of an increase or decrease in the exchange rate, as follows:

	Increase	Decrease
Sensitivity		
Net position	**$ 11,814,042**	**$ 11,814,042**
Position in colones at the exchange rate at the end of the period	**¢ 6,725,852,251**	**¢ 6,725,852,251**
Position with an exchange rate variation of 3.47%	**6,749,206,728**	**6,702,497,774**
(Loss) profit	**¢ (23,354,477)**	**¢ 23,354,477**

Credit risk
The Company annually makes a review of its accounts receivable portfolio and adjusts its allowance for credit losses accounts. The Company believes that the current estimate is sufficient to cover any losses (see Note 5).

Liquidity risk
The Company has required little funding from banks; its main debt is with related parties.

16. Financial instruments (continued)

The remaining contractual maturities are as follows:

	One month	Two to three months	Four months to one year	One to five years	Total
March 31, 2018:					
Accounts payable	**¢ 1,601,237,214**	**¢ 389,980,008**	**¢ 107,074,812**	**¢ -**	**¢ 2,098,292,034**
Related parties payable	**11,962,947,126**	**2,614,229,990**	**2,971,726,081**	**-**	**17,548,903,197**
	¢ 13,564,184,340	**¢ 3,004,209,998**	**¢ 3,078,800,893**	**¢ -**	**¢ 19,647,195,231**
March 31, 2017:					
Accounts payable	¢ 1,304,700,143	¢ 1,042,533,391	¢ 24,887,726	¢ -	¢ 2,372,121,260
Notes payable	1,156,810	2,313,620	10,411,295	12,164,970	26,046,695
Related parties payable	4,773,691,607	2,928,752,296	4,424,473,381	-	12,126,917,284
	¢ 6,079,548,560	¢ 3,973,599,307	¢4,459,772,402	¢ 12,164,970	¢ 14,525,085,239

Capital management

The company obtains resources from its own operations and related parties; therefore it has not been required to set-up a capital administration policy.

Fair value

The main financial instruments of the Company are cash, accounts receivable and trade payable, for which due to their nature, the recorded values correspond to their fair values.

17. Commitments and contingencies

Operating leases agreement

Warehouses and office use

The Company holds operating leasing contracts for warehouses and office use. The lease payments are fixed in US Dollars. The terms of these contracts include annual renewals.

A detail of the future minimum payments of the current contracts is shown as follows:

Within one year	**¢ 13,128,417**
Between two and five years	**131,968,364**
	¢ 145,096,781

The expense for operating lease agreements for the year ended March 31, 2018 is for an amount of ¢136,615,613 (¢87,759,510 in 2017).

Financial leases agreement

Vehicles

During 2017, the Company holds financial leasing contracts for vehicles. The lease payments are fixed in US Dollars.

17. Commitments and contingencies (continued)

A detail for the future minimum payments of the current contracts is shown as follows:

		Minimum payments		Present value of minimum lease payments
Payable no later than one year	¢	19,159,211	¢	13,881,725
Payable later than one year and no later than five years		15,260,526		12,164,970
Total minimum lease payments		34,419,737		26,046,695
Less: future finance charges		(8,373,042)		-
Present value of minimum lease payments	¢	26,046,695	¢	26,046,695

Formulation and repackaging agreement
In May 2013, the Company and Formulaciones Químicas, S.A. (FORMUQUISA), signed an agreement for the formulation and repackaging of agrochemical products and services.

The Company granted to FORMUQUISA the right to formulate and repackage Vondozeb 42 SC, Vondozeb Plus 42 SC, Vondozeb 60 SC, Vondozeb 62 SC and Vondocarb 52.5 SC, in Costa Rica.

FORMUQUISA shall perform filling, packing and handling of the products in accordance with the Company instructions.

The products shall remain the exclusive property of the Company until it is sold to a third party pursuant to the terms of the agreement and only the Company is authorized to transfer, pledge or in any way dispose thereof.

In consideration of all services rendered by FORMUQUISA under this agreement, the Company shall pay to FORMUQUISA the charges for their services, as identified in Annex III, a document that is an integral part of the agreement.

The agreement is effective from the date of signature for a three year term and could be automatically renewed for periods of one year. Either party may terminate the agreement without cause and without the obligation to pay any penalty therefore by providing to the other party a notification with its intent to terminate the agreement at least six months prior to the anniversary date.

For the years ended March 31, 2018 and 2017, the Company paid ¢6,038,596,378 and ¢4,906,432,706 respectively, for formulation and repackaging charges.

Contingencies
The statute of limitation for the income tax returns is set at four years (ten in qualified cases). The same situation applies to the sale tax returns.

The Caja Costarricense del Seguro Social and Ministerio de Trabajo are the Republic of Costa Rica´s agencies responsible for the administration of labor, payroll taxes and social taxation.