



Annual Financial Statements
2017

CRB SA

Address : Route du Vemey 1, CH-1070 Puidoux, Switzerland

Company reg. (IDE) : CHE-101.362.179

VAT Nr CHE-101.362.179 VAT

CRB SA

(company with a sole shareholder)
Registered Office in Route du Verney 1, 1070 Puidoux
Share Capital CHF 100'000.00
Subject to direction and coordination by INTERCOS S.p.A.
Company Register and Tax Code
IDE\UID CHE-101.362.179

Separate Financial Statements for the year ended December 31, 2017 REPORT ON OPERATIONS

To the shareholders,

CRB SA, a leading company in the manufacture of Skincare cosmetics for the most important brands worldwide, closed the year 2017 with a profit of CHF 7.087 thousand.

The key highlights for the year 2017 as the following:

<i>(in CHF thousands)</i>	2017	2016	Change
Revenues	49'558	39'458	10'080
Adjusted EBITDA (1)	10'260	6'979	3'281
Operating profit	8'200	5'495	2'705
Pre-tax profit	8'331	5'790	2'541
Profit for the year	7'087	4'971	2'116

<i>(in CHF thousands)</i>	12/31/2017	12/31/2016	Change
Net invested capital (2)	14'429	11'946	2'482
Equity	12'322	10'135	2'187
Net financial position	-1'510	-1'264	-246

<i>(in CHF thousands)</i>	2017	2016	Change
Capital expenditures	-880	-841	10
Employees (number at year-end)	111	107	4

(1) Adjusted EBITDA is calculated as Profit/Loss for the year before depreciation, amortization and writedowns, impairment reversals (losses), accruals and non-recurring expenses, finance income and expenses, dividends and income taxes.

(2) Net invested capital is calculated as (+) total non-current assets (+) inventories (+) trade receivables (+) other current assets (-) provisions (-) deferred tax liabilities (-) trade payables (-) other payables

World Economic Overview

The global pickup in activity that started in the second half of 2016 gained further momentum in the first half of 2017. Growth is projected to rise over this year and next in emerging market and developing economies, supported by improved external factors. Growth in China and other parts of emerging Asia remains strong, and the still-difficult conditions faced by several commodity exporters in Latin America, the Commonwealth of Independent States, and sub-Saharan Africa show some signs of improvement. In advanced economies, the notable 2017 growth pickup is broad based, with stronger activity in the United States and Canada, the euro area, and Japan.

The Swiss economy is only gradually resuming a stronger growth trajectory. In the first half of 2017, GDP growth fell again short of expectations, following even a slight decrease in the final quarter of 2016. Although in both manufacturing and the hotel and catering industry the recovery from the slump of the last few years continued, this recovery was offset by sluggish growth in most other service sectors.

Leading indicators (consumer sentiment, PMI for the service sector and industry, and the KOF barometer) still point to a marked acceleration in growth in the near future, underpinned in particular by the solid momentum of the global economy: the major industrial countries (in particular the USA and the eurozone including Germany) and most emerging markets (especially China) have posted robust growth recently, and world trade has continued to rise. With slightly better growth prospects for the global economy compared to the previous forecast, the Expert Group expects economic activity in Switzerland to gather pace over the coming quarters, anticipating solid GDP growth of 2.0% in 2018 (June forecast: 1.9%).

The Swiss export sector is benefiting from the healthy global economy, and will do so all the more if the Swiss franc, which has depreciated in the summer, maintains its new level. A moderate yet broad-based upward trend in exports is expected in the forecast period: in addition to the chemical and pharmaceutical industry, the machinery, electronics and metal industry as well as the watch industry and the tourism sector are also set to contribute a greater share to export growth. Consequently, the trade balance is expected to contribute positively to GDP growth over both forecast years.

Domestic demand is also expected to gain momentum. Private consumption looks set to achieve moderate growth.

Market scenario

In 2016, the global cosmetic market grew an estimated of four percent in comparison to the previous year. Skincare, hair care, make-up, perfumes, toiletries and deodorants, and oral cosmetics are the main product categories of the cosmetic market. Skincare was the leading category, accounting for about 36 percent of

the global market. Hair care products made up a further 23 percent, while make-up accounted for 18.2 percent in 2016. Skin care has been forecast to remain the most profitable product category, as its market value is projected to grow by 20.1 billion U.S. dollars between 2014 and 2019. As of 2016, Asia and Oceania was the industry leader, accounting for approximately 40 percent of the global market. Between 2016 and 2021, the Asia Pacific mass beauty market is projected to grow by nearly 14.9 billion U.S. dollars in sales. Asia Pacific confirms its key leader role in the face skincare market (57% of WW face care), while Europe and North America forecasted growth is slower than WW pace. Latin America, Australasia, ME&Africa showing potential, yet remaining smaller skincare markets.

As a matter of fact China's middle class anticipated to add 850 million people to the ranks between 2009-2030 offering significant growth potential for Chinese and international skincare brands alike over the next decade and Japan is the second global largest market and is set to influence the international face skincare scene in 2018, outpacing South Korea. (WGSN, Mintel, Cosmetic Business)

In the US, skincare prestige sales were up 9%, overtaking make-up as the fastest growing segment (NPD Group). Indie brands are booming as the appetite for beauty.

The cosmetic industry has benefited from the increasing popularity of social media channels such as Instagram and YouTube. These platforms are not only highly influential amongst certain groups, but create a demand for beauty products and help fill the gap between cosmetics brands and consumers. Beauty Bloggers and other independent content creators in fact produce the majority of conversations and social media buzz surrounding beauty brands on YouTube - 97.4 percent as of June 2016 - with makeup videos accounting for just over 50 percent of the makeup content videos on YouTube.

2. Significant Events in 2017 for CRB

A brief description of the significant events that took place in 2017 is as follows:

- The year has started with constantly growing Order Entry, which has characterized the entire year. In particular 2017 results have been strongly impacted by two major clients, such as Greenleaf and Douglas/Nocibe, who thanks to the opening of new point of sales as well to the acquisition of perfumery chains in Spain and in Italy has placed very high reorders. In general, it has been a positive year for most of CRB clients.
- In August 2017, the Corporate has signed the acquisition of an Italian cosmetics contract manufacturer company, Cosmint, which has finally determined the strategy for CRB either, becoming the preferred outsourcing plant for CRB projects at lower costs and for big quantities that cannot be managed in CRB. Cosmint will be also a Skincare plant for additional projects that could be done neither in CRB nor in Intercos Europe.

- An important organizational change has happened in the second part of the year, when Mrs. Catherine Rochat, VP Operations and Member of the Board has decided to leave CRB. The following months, despite immediate support from the Corporate, have been characterized by incertitude and need for reorganization in the Operations area. Difficult moment still continued in Q1, causing delays in order processing and delay of projects invoicing.
- Following the exit of Mrs Rocaht, Mr Guido Bertelli, Director R&D has been named member of CRB Board of Directors.
- At the Beginning of 2018, the construction of the Canteen for Production employees has been approved. Construction works will take place at the beginning of the second half year.

3. 2016 Profit and Financial Performance

2017 Gross Revenue from sales and services was total CHF 48.685 thousand, above Budget (+7.7%) and strongly above Prior Year (+24%).

New Projects have grown by 12% vs Prior Year, Reorder have shown a growth of almost 28% vs Prior Year, mostly thanks to Douglas/Nocibe.

Revenues by geographical area based on the territory of residence of the customers on the sales invoice are presented below.

(in CHF thousands)

	2017	2016	Change
EMEA	34'652'348	29'796'789	4'855'559
USA	4'076'370	2'290'897	1'785'473
ASIA	9'956'447	7'161'380	2'795'067
TOTAL	48'687'182	39'249'066	9'438'116

All regions have contributed to such growth vs Prior Year.

In particular:

- Asia overall shows a growth of 39% vs PY, characterized by a stable growth of Hong Kong region (mainly by SaSa overcompensating for missing revenues of Colourmix).
- EMEA grew by 16.3% towards Prior Year (in a quite flat market) thanks to Douglas (+4.9M€), Nocibe (+1.7M€), José Eisenberg (+0.7M), CVL (+0.4M€), Beauty Pie (+0.4M), Body Minute (+0.3M), L'Etoile (+0.3M), overcompensating for loss of clients such as Danya and Maria Galland.
- U.S.A. registered a strong growth driven mostly by one customer, Chantecaille.

In terms of market segment, Prestige customers still represent almost 44% of total CRB sales, declining compared to Prior Year (48%), Private Label is becoming the most important market segment up to 41% (vs 35% the year before), growing significantly vs Prior Year, thanks to France and UK markets. Direct Sales is stable.

Royalties invoiced are growing in line with the growth of BU Skincare abroad, growing by 28%.

Costs for Materials are almost stable vs PY in percentage on Net Sales, thanks to a stronger purchasing policy as well to numerous outsourcing projects, driven by missing technology at CRB (mostly monodoses).

Costs for services and leases and rents in 2017 amount to CHF 672.3 thousand compared to CHF 692.5 thousand in 2016, slightly lower than prior year thanks to lower charges for external rent and a credit for Property tax.

Employee benefit expenses in 2017 total CHF 12.174 thousand, increasing by 5.3% versus Prior Year (CHF 11.565 thousand). Personnel costs directly related to production equals CHF 4.529 thousand, of which CHF 2.225 thousand relates to temporary work. Indirect personnel costs have increased from CHF 7.518 thousand to CHF 7.645 thousand. Nevertheless, the year has been characterized by exits not rapidly replaced. As well, budgeted personnel have been hired at year end, impacting only partially the year 2017. As a percentage of revenues, total employee benefit expenses are almost 25% of Net Sales.

Other Operating Expenses such as maintenance costs, insurances, external analysis, administration costs and sales commissions grew by 19%, still representing 10% of Net sales.

Corporate Expenses total CHF 3.206 thousand, strongly increasing versus Prior Year (CHF 1.868 thousand).

Adjusted EBITDA is a positive CHF 10.260 thousands, increasing towards 2016 by CHF 3.281 thousand. EBITDA rate is almost 21% of Net Sales. Higher sales, better absorption of fixed production costs, not growing as the top line, as well a strong indirect cost control have granted such result.

Operating profit is CHF 8.382 thousand, higher by CHF 2.524 thousand compared to the prior year reflecting the EBITDA trend.

Profit margin has increased from 12.6% to 14.3%. As a matter of fact 2016 had the benefit of the sales of the Building, which did not happen in 2017. On the other side 2017 was characterized by an exceptional profit due to the cancellation of an old debt vs Mrs N. Avalle, which the Shareholder asked to release.

Capital expenditures in property, plant and equipment and intangible assets amount to CHF 850 thousand and relate mainly to the purchase of new production machinery (Bulk and Filling&ASssembly) as well to the improvement of the production plant.

Operating Working Capital is strongly impacted by the increase in Trade Receivables driven by volumes and customers mix. DSO has increased actually from 68 to 80 days compared to 2016. Trade Receivables total

CHF 10'354 thousand, growing 45% versus Prior Year. Inventory passed from CHF 3'951 thousand to CHF 5'609 thousand, mostly driven by packaging Stock for early 2018 production. On the other side Trade Payables have also increased by 48%, up to CHF 5'009 thousand. Due to Inventories and Receivables increase, there was a worsening of Working Capital, compared to the year before.

Net financial position totals CHF 2'106 thousand compared to CHF 1'711 thousand at December 31, 2016. This is driven by cash at Bank.

Total **Equity** is CHF 12'322 thousand, up CHF 2'187 thousand from CHF 10.135 thousand at December 31, 2016, mainly driven by 2017 result. Over the course of 2017 the Company paid dividends totaling CHF 4.900 thousand.

For purposes of commenting on the changes in financial position, a reclassified statement of financial position is presented below:

<i>(in CHF thousands)</i>	2017	2016	Change
Fixed assets	7'893	8'081	-188
Inventories	5'609	3'951	1'658
Trade receivables	10'534	7'248	3'286
Trade payables	-5'009	-3'364	-1'645
Trade working capital	11'134	7'834	3'299
Other current receivables and payables	-902	-1'260	358
Net working capital	18'126	14'656	3'470
Other provisions and Non-current assets and liabilities	-3'697	-2'809	-888
Invested Capital	14'429	11'846	2'582
Equity	-12'322	-10'135	-2'187
Cash	4'009	4'691	-683
Financial payables	-6'115	-6'403	288
Net Financial Position	-2'106	-1'711	-395
Total sources	-14'429	-11'846	-2'582

Fixed Assets / Invested Capital	55%	68%
Net Financial Position / Equity	17%	17%
Invested Capital / Equity	-117%	-117%
Trade Working Capital / Revenues	22%	20%
Net Working Capital / Revenues	37%	37%

4. Share Capital

The share capital at December 31, 2017 totals CHF 100.000 and consists of 200 ordinary shares of par value CHF 500 each.

There were no changes during the year as illustrated in the following table at December 31, 2016:

Shareholders	Beginning balance	Ending balance	%
Intercos S.p.A.	100.000	100.000	100.00%
SHARE CAPITAL	100.000	100.000	100.00%

A statement is made to the effect that the Company neither holds nor has purchased or sold shares of the parent during the course of the year under examination, not even through fiduciaries or trustees.

In addition, the Company neither holds nor has purchased or sold treasury shares during the course of the year under examination, not even through fiduciaries or trustees.

No changes on Company shares versus December 31, 2016:

	31.12.2017	
Company, legal form and registered office	Share capital	Share of voting rights
Vitalab SRL, Milano	EUR 160'060	75%
Share capital directly hold by CRB SA (75%):	EUR 120'060	
CRB Benelux BV, Maastricht	EUR 18'000	100%
Share capital directly hold by CRB SA (100%) :	EUR 18'000	

5. Related Party Transactions

Related party transactions do not qualify as either atypical or unusual but fall under the ordinary course of the business operations of the Group companies. Such transactions, when not concluded at standard conditions or dictated by specific laws, are nevertheless carried out on an arm's length basis.

6. Risk Management and Uncertainties

Financial risk management is an integral part of Intercos Europe S.p.A.'s activities.

In fact CRB SA's business operations are exposed to various types of risk: market risk (including exchange rate and interest rate risks), credit risk and liquidity risk. Some actions have been taken at the end of 2017

in order to improve cash in from customer Skincode, who has been a bad payer since years. The Company's risk management strategy focuses on the unpredictability of the markets and aims to minimize any potential adverse effects on the results of its operation.

The coordination and monitoring of the main financial risks is centralized at the corporate offices. The risk management policies are approved, in concert with the administrative bodies, by the Finance, Administration and Control function, which writes the policies for the management of the above risks and for the use of appropriate financial instruments.

7. Environment and Employees

The headcount of CRB SA at December 31, 2016 is 111 compared to 107 at year-end 2016, with an increase of 4 headcount. This change is driven by business increase in the year 2017 as well a planned growth for 2018. On the other side the exit of C. Rochat (VP Operations) has been replaced by an employee of Intercos, Mr. Gianluigi Pezzoli.

Issues related to safety in the workplace, the environment and safeguarding the environment have always been of major concern to the Intercos Group. The activities performed by the Company in these areas have ensured that over the course of the year no accidents occurred in the workplace causing serious injury to employees nor have damages to the environment been attributed to the Company.

8. Subsequent Events

Order Entry in the last months of 2017 has been strong and promising. As well at the beginning of Q1 2018 a high amount of Orders have been entered in the system, partially to recover December delay in Order Entry bookings.

Still 2018 Turnover is expected to be strongly influenced by one major client (Douglas/Nocibe)

Organizational issues at the end of the year, still impact the beginning of 2018. Nevertheless clear actions have been taken and new people and consultants have been engaged in order to accelerate the recovery, to be able to serve all clients. Some new projects of Douglas/Nocibe have been outsourced (for the Filling&Assembly activities) to Cosmint, in Italy.

9. Appropriation of the Profit for the Year

To the Shareholders,

We ask you to approve the Directors' Report on Operations for the year 2017 and the financial statements for the year ended December 31, 2017 as submitted to you, appropriating the profit for the year of CHF 7.087.191 as follows: CHF 7.000.000 dividends distribution, CHF 87.191 to the extraordinary reserve.

Puidoux, 21 March 2018

CRB SA
On behalf of the Board of Directors



Report of the statutory auditor

with financial statements as of 31 December 2017 of

CRB S.A., Puidoux

To the General Meeting of
CRB S.A., Puidoux

Lausanne, 5 March 2018
th2/10.2

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the accompanying financial statements of CRB S.A., which comprise the balance sheet, income statement, cash flow statement and notes, for the year ended 31 December 2017.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements 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 entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements for the year ended 31 December 2017 comply with Swiss law and the company's articles of incorporation.

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO) and that there are no circumstances incompatible with our independence.

During our audit performed in accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we noted that an internal control system for the preparation of financial statements, designed in accordance with the instructions of the Board of Directors, has not been documented in all material respects.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd



Pierre Delaloye
Licensed audit expert
(Auditor in charge)



Jérémie Rouillard

Enclosures

- ▶ Financial statements (balance sheet, income statement, cash flow statement and notes)
- ▶ Proposed appropriation of available earnings

Balance Sheet

CRB SA, Puidoux

Assets	Notes	31.12.2017	%	31.12.2016	%	Gap	%
		CHF		CHF		CHF	
Current assets							
Cash and cash equivalents		4,008,596	14.4	4,691,446	19.8	-682,850	-14.6
Trade receivables	2.a.	9,621,665	34.6	6,635,320	28.1	2,986,345	45.0
Other current receivables	2.b.	1,615,825	5.8	781,391	3.3	834,435	106.8
Inventories		3,739,922	13.4	2,634,545	11.1	1,105,377	42.0
Accrued income and prepaid expenses	2.c.	963,396	3.5	820,098	3.5	143,298	17.5
CURRENT ASSETS		19,949,403	71.7	15,562,799	65.8	4,386,605	28.2
Non-current Assets							
Financial assets		135,847	0.5	120,800	0.5	15,047	12.5
Shareholding	3.	607,832	2.2	607,832	2.6	-	-
Tangible assets - Facilities and equipment		1,610,587	5.8	1,595,471	6.7	15,116	0.9
Tangible assets - Land and buildings		5,363,353	19.3	5,596,792	23.7	-233,438	-4.2
Intangible assets		175,711	0.6	160,213	0.7	15,497	9.7
NON-CURRENT ASSETS		7,893,330	28.3	8,081,108	34.2	-187,778	-2.3
ASSETS		27,842,733	100.0	23,643,907	100.0	4,198,826	17.8
LIABILITIES AND EQUITY							
		31.12.2017	%	31.12.2016	%	Gap	%
		CHF		CHF		CHF	
Trade payables	2.d.	5,009,329	18.0	3,364,045	14.2	1,645,283	48.9
Current liabilities (Interest bearing)		383,836	1.4	382,305	1.6	1,531	0.4
Advances from customers		1,518,492	5.5	1,183,308	5.0	335,185	28.3
Deferred income and accrued liabilities		1,911,683	6.9	1,676,638	7.1	235,045	14.0
Current liabilities		8,823,340	31.7	6,606,296	27.9	2,217,044	33.6
Non-current liabilities (Interest bearing)	2.e.	5,731,066	20.6	6,020,474	25.5	-289,408	-4.8
Other non-current liabilities	2.f.	-	-	100,000	0.4	-100,000	
Provisions		966,000	3.5	782,000	3.3	184,000	23.5
Non-current liabilities		6,697,066	24.1	6,902,474	29.2	-205,408	-3.0
LIABILITIES		15,520,406	55.7	13,508,770	57.1	2,011,636	14.9
Equity							
Share capital		100,000	0.4	100,000	0.4	-	-
Legal reserve		50,000	0.2	50,000	0.2	-	-
Retained earnings		5,085,137		5,014,256		70,881	
Profit of the year		7,087,191		4,970,881		2,116,309	
Available earnings		12,172,327	43.7	9,985,137	42.2	2,187,191	21.9
EQUITY		12,322,327	44.3	10,135,137	42.9	2,187,191	21.6
LIABILITIES AND EQUITY		27,842,733	100.0	23,643,907	100.0	4,198,826	17.8

Income statement

CRB SA, Puidoux

Title	Notes	31.12.2017	%	31.12.2016	%	Gap	%
		CHF		CHF		CHF	
Revenue from sales of products manufactured		47,142,578	95.2	37,649,953	95.4	9,492,625	-0.3
Revenue from sales of services		1,531,645	3.1	1,599,114	4.1	-67,469	-1.0
Other revenue - Royalties		692,490	1.4	540,057	1.4	152,433	0.0
Variation in inventories of finished products and semi-finished		523,843	1.1	-183,807	-0.5	707,650	1.5
Rebates on sales		-352,643	-0.7	-147,164	-0.4	-205,479	-0.3
NET SALES		49,537,913	100.0	39,458,152	100.0	10,079,761	-
Material and merchandise expense		-15,963,744	-32.2	-13,122,994	-33.3	-2,840,750	1.0
Transport costs		-1,776,223	-3.6	-1,215,788	-3.1	-560,436	-0.5
Direct costs		-5,465,733	-11.0	-4,242,542	-10.8	-1,223,191	-0.3
Direct expenses		-23,205,700	-46.8	-18,581,323	-47.1	-4,624,377	0.2
GROSS PROFIT I		26,332,213	53.2	20,876,829	52.9	5,455,384	0.2
Indirect wages and salaries		-7,645,252	-15.4	-7,518,932	-19.1	-126,321	3.6
GROSS PROFIT II		18,686,960	37.7	13,357,897	33.9	5,329,063	3.9
General expenses		-8,426,943	-17.0	-6,379,231	-16.2	-2,047,712	-0.8
Operating profit (EBITDA)		10,260,018	20.7	6,978,667	17.7	3,281,351	3.0
Total amortization and depreciation		-867,225	-1.8	-919,144	-2.3	51,918	0.6
Variation des provisions		-1,010,719	-2.0	-201,364	-0.5	-809,355	-1.5
Operating profit (EBIT)		8,382,074	16.9	5,858,159	14.8	2,523,915	2.1
Financial cost		-205,080	-0.4	-362,896	-0.9	157,816	0.5
Financial income		22,907	0.0	11	0.0	22,896	0.0
Operating profit (EBT I)		8,199,901	16.6	5,495,274	13.9	2,704,627	2.6
Extraordinary costs / income	7.	130,993	0.3	295,000	0.7	-164,007	-0.5
Profit before tax (EBT II)		8,330,894	16.8	5,790,274	14.7	2,540,620	2.1
Taxes		-1,243,704	-2.5	-819,393	-2.1	-424,311	-0.4
Profit of the year		7,087,191	14.3	4,970,881	12.6	2,116,309	1.7

Cash flow statement

CRB SA, Puidoux

Title	2017	%
	CHF	
Profit of the year	7,087,191	
Amortization and depreciation	867,225	
Variation of provisions	184,000	
Variation of trade receivables	-2,986,345	
Variation of other receivables	-834,435	
Variations of inventories	-1,105,377	
Variation of accrued income and prepaid expenses	-143,298	
Variation of trade payables	1,645,283	
Variation of short term payables	1,531	
Variation of advances and other short term payables	335,185	
Variation of accrued liabilities	235,045	
Cash flow from operating activities	5,286,005	-774.1
Investments in financial assets	-15,047	
Divestments in financial assets	-	
Investments in participations	-	
Divestments in participations	-	
Investments in tangible assets	-560,004	
Divestments in tangible assets	4,620	
Investment in intangible assets	-109,016	
Divestment in intangible assets	-	
Cash flow from investing activity	-679,447	99.5
Variation of non-current liabilities (Interest bearing)	-289,408	
Variation of other non-current liabilities	-100,000	
Dividends paid	-4,900,000	
Payments from capital increase	-	
Cash flow from financing activities	-5,289,408	775
NET VARIATION OF CASH AND CASH EQUIVALENT	-682,850	100.0
Net cash as of 1. January	4,691,446	
Net cash as of 31. December	4,008,596	
NET VARIATION OF CASH AND CASH EQUIVALENT	-682,850	

1. Information on the principles used in the annual statements

These financial statements have been prepared in accordance with the provisions on commercial accounting laid down in articles 957 – 963b Swiss Code of Obligations (CO). These financial statements are the first application of the new accounting law. The presentation of the figures for the previous year was adjusted.

The following principles were used in the financial statements :

Trade receivables

Trade receivables are valued at nominal value and converted into Swiss Franc at closing rates fixed by the group.

A provision for bad debts is calculated following the rules determined by law :

5% for swiss customers, 10% for foreign customers and 100% for known risks.

Inventories

Inventories are valued at purchase price.

The purchase price of the goods are determined by the tracking method of inventories at weighted average cost.

The actual cost of good is determined by the tracking method of inventories at standard cost.

Upon delivery of goods, benefits realization occurs during the transfer to the buyer of the profits and risks related to the ownership thereof. The transfer of benefit and risk is determined by international trade clauses underlying the operation (Incoterms).

A provision for inventory writedowns is calculated following the rules determined by law : 1/3 of the inventory.

Shareholding

Shareholdings are valued at acquisition cost.

Tangible and Intangible assets :

Tangible and intangible assets are amortized indirectly. Depreciation is calculated using the declining balance method.

Possible immediate depreciation are made within the tax limits allowed by decision of the Board.

2. Information and comments on specific positions of the balance sheet and P&L	31.12.2017	31.12.2016
	CHF	CHF
a. Trade receivables		
from third parties	9,698,036	6,541,944
from group companies and shareholders	785,590	704,436
Correction value	-861,961	-611,060
<i>Total of trade receivables</i>	<i>9,621,665</i>	<i>6,635,320</i>
b. Other short-term receivables		
from third parties	1,019,020	233,704
from participations	596,805	547,686
<i>Total of other short-term receivables</i>	<i>1,615,825</i>	<i>781,391</i>
c. Accrued income and prepaid expenses		
from third parties	806,735	709,449
from group companies and shareholders	156,660	110,649
<i>Total of other short-term receivables</i>	<i>963,396</i>	<i>820,098</i>
d. Trade payables		
to third parties	4,059,422	2,704,263
to group companies and shareholders	949,907	659,782
<i>Total of trade payables</i>	<i>5,009,329</i>	<i>3,364,045</i>
e. Non-current liabilities bearing interests		
to third parties	5,731,066	6,020,474
to group companies and shareholders	-	-
<i>Total of non-current liabilities bearing interests</i>	<i>5,731,066</i>	<i>6,020,474</i>
f. Other non-current liabilities		
to group companies and shareholders	-	100,000
<i>Total of other non-current liabilities</i>	<i>-</i>	<i>100,000</i>

3. Shares and interests in other companies

Company, legal form and registered office	31.12.2017		31.12.2016	
	Share capital	Share of voting rights	Share capital	Share of voting rights
Vitalab SRL, Milano	EUR 160'060	75%	EUR 160'060	75%
Share capital directly hold by CRB SA (75%):	EUR 120'060		EUR 120'060	
CRB Benelux BV, Maastricht	EUR 18'000	100%	EUR 18'000	100%
Share capital directly hold by CRB SA (100%) :	EUR 18'000		EUR 18'000	

4. Total amount of guarantees provided to third parties

	31.12.2017	31.12.2016
	CHF	CHF
Guarantee in favor of the Federal Customs Administration	55,800	40,800
Rental guarantee in favor of Four Ever Immobilier SA	80,047	80,000

5. Total assets pledged as collateral for business debts or subject to reservation of title

Mortgage notes in 1st row pledged at UBS	-	-
Mortgage notes in 1st row pledged at BCV	2,590,000	2,590,000
Mortgage notes in 1st row pledged at BCV	4,330,000	4,330,000
Book value of assets subject to a mortgage	5,363,353	5,596,792

6. Financial commitments and leases

Rentals	539,992	286,360
Leases	57,470	29,454

CRB SA is entered as additional guarantor in the credit facilities of EUR 80'000'000.- agreed between Intercos Spa as original borrower and guarantor, Intercos Europe Spa as original borrower and guarantor, Banca IMI Spa as Arranger, Agent, Security and original lender, and Banca Unicredit Spa as arranger and original lender.

7. Explanation of extraordinary cost / income

Various insignificant extraordinary costs	125,919	-
<i>Total of extraordinary cost</i>	<i>125,919</i>	<i>-</i>
Surplus value on asset sale	5,074	295,000
Various insignificant extraordinary incomes	-	-
<i>Total of extraordinary income</i>	<i>5,074</i>	<i>295,000</i>
Total income resulting from extraordinary income and cost	130,993	295,000

8. Maturity of long-term interest-bearing debts

Expiring within 1 to 5 years	1,535,344	2,007,101
Expiring within more than 5 years	4,195,722	4,013,372
<i>Total of long-term interest-bearing debts</i>	<i>5,731,066</i>	<i>6,020,473</i>

Details of the interest-bearing debts

1. BCV SA, initial amount CHF 2'500'000
interest rate 1.85% until 2020, to be re-negotiated for a new term
2. BCV SA, initial amount CHF 5'095'697
interest rate 2.18% until 2025, to be re-negotiated for a new term

9. Fees paid to the auditors

Fees for auditing services	40,228	39,407
Fees for other services	-	-

10. Number of employees

The annual average of full-time jobs is not more than 250.

11. Significant events after balance sheet date

All material elements known at the closing of accounts were considered. At the date of preparation of these financial statements, no new event that could affect the financial position of the company has occurred.

Proposal of the Board regarding the use of earnings

CRB SA, Puidoux

Title	2017	2016
At the disposal of the general meeting:		
Retained earnings	5,085,137	5,014,256
Profit of the year	7,087,191	4,970,881
<i>Available earnings</i>	<i>12,172,327</i>	<i>9,985,137</i>
Proposal of the Board:		
Available earnings	12,172,327	9,985,137
./. Dividends payables	-7,000,000	-4,900,000
Solde à reporter	5,172,327	5,085,137

The general reserve has reached 50% of the share capital. No additional attribution is required.