

MIRA INFORM REPORT

Report No. :	543940
Report Date :	15.12.2018

IDENTIFICATION DETAILS

Name :	TANAC SA
Registered Office :	R Torbjorn Weibull 199 Tanac, 95780 Montenegro
Country :	Brazil
Financials (as on) :	31.12.2017
Date of Incorporation :	16.08.1966
Com. Reg. No.:	91.359.711/0001-02
Legal Form :	Closed Joint Stock Company
Line of Business :	Subject is engaged in the production and distribution of vegetable extracts in Brazil
No. of Employees :	251 [2017]

RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23rd January 2017)

MIRA's Rating :	A
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Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

Status :	Good
Payment Behaviour :	Slow but correct
Litigation :	Clear

NOTES :

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ECGC Country Risk Classification List

Country Name	Previous Rating (30.06.2018)	Current Rating (30.09.2018)
Brazil	A2	A2

Risk Category	ECGC Classification
Insignificant	A1
Low Risk	A2
Moderately Low Risk	B1
Moderate Risk	B2
Moderately High Risk	C1
High Risk	C2
Very High Risk	D

BRAZIL - ECONOMIC OVERVIEW

Brazil is the eighth-largest economy in the world, but is recovering from a recession in 2015 and 2016 that ranks as the worst in the country's history. In 2017, Brazil's GDP grew 1%, inflation fell to historic lows of 2.9%, and the Central Bank lowered benchmark interest rates from 13.75% in 2016 to 7%.

The economy has been negatively affected by multiple corruption scandals involving private companies and government officials, including the impeachment and conviction of Former President Dilma ROUSSEFF in August 2016. Sanctions against the firms involved — some of the largest in Brazil — have limited their business opportunities, producing a ripple effect on associated businesses and contractors but creating opportunities for foreign companies to step into what had been a closed market.

The succeeding TEMER administration has implemented a series of fiscal and structural reforms to restore credibility to government finances. Congress approved legislation in December 2016 to cap public spending. Government spending growth had pushed public debt to 73.7% of GDP at the end of 2017, up from over 50% in 2012. The government also boosted infrastructure projects, such as oil and natural gas auctions, in part to raise revenues. Other economic reforms, proposed in 2016, aim to reduce barriers to foreign investment, and to improve labor conditions. Policies to strengthen Brazil's workforce and industrial sector, such as local content requirements, have boosted employment, but at the expense of investment.

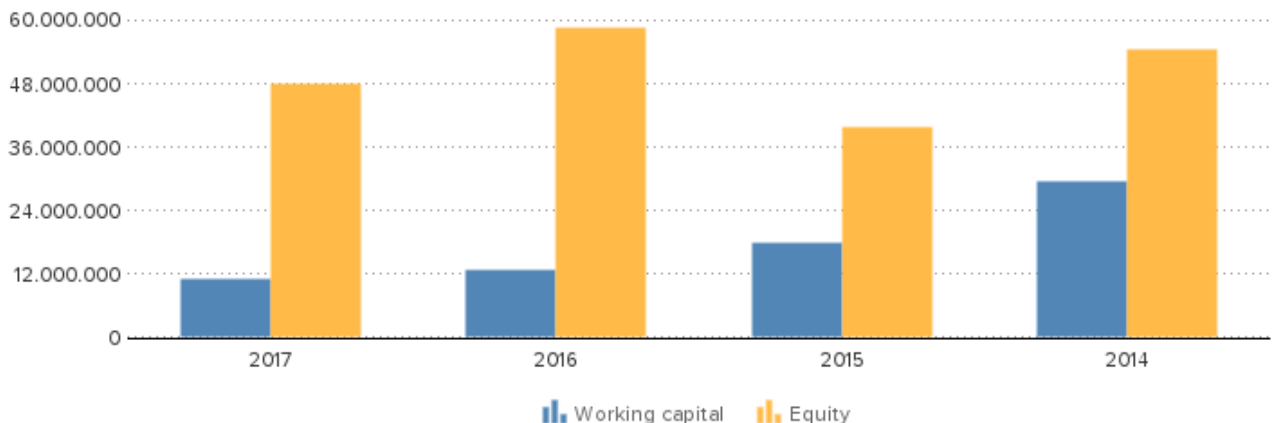
Brazil is a member of the Common Market of the South (Mercosur), a trade bloc that includes Argentina, Paraguay and Uruguay - Venezuela's membership in the organization was suspended In August 2017. After the Asian and Russian financial crises, Mercosur adopted a protectionist stance to guard against exposure to volatile foreign markets and it currently is negotiating Free Trade Agreements with the European Union and Canada.

Source : CIA

SUMMARY

Company name	TANAC SA
Operative address	R Torbjorn Weibull 199 Tanac 95780 Montenegro Brazil
Status	Active
Specification	This company can meet all its obligations.
Legal form	Closed Joint Stock Company
Registration number	VAT/Tax number: 91.359.711/0001-02
VAT-number	91.359.711/0001-02

Year	2017	Mutation	2016	Mutation	2015
Fixed assets	101.890.470	-14,13	118.652.027	43,41	82.735.855
Total receivables	14.453.570	125,10	6.421.075	-10,18	7.148.880
Total equity	47.742.337	-18,22	58.381.558	47,58	39.558.655
Short term liabilities	54.115.108	30,02	41.619.511	47,27	28.259.845
Net result	-1.553.990	-112,62	12.311.403	1.615,43	717.687
Working capital	10.932.637	-12,40	12.480.263	-30,09	17.853.027
Quick ratio	0,78	34,48	0,58	-43,69	1,03



CONTACT INFORMATION

Company name	Tanac SA
Operative address	R Torbjorn Weibull 199 Tanac 95780 Montenegro Brazil
Correspondence address	R Torbjorn Weibull 199 Tanac 95780 Montenegro

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Email address
Website

Brazil
tanacrg@terra.com.br
www.tanac.com.br

REGISTRATION

Registration number
VAT-number
Status
Establishment date
Legal form
Subscribed share capital

VAT/Tax number: 91.359.711/0001-02
91.359.711/0001-02
Active
1966-08-16
Closed Joint Stock Company
BRL 111.600.000

ACTIVITIES

NACE
Goal

2014: Manufacture of other organic basic chemicals
Engaged in the production and distribution of vegetable extracts in
Brazil

RELATIONS

Shareholders

ULTIMATE GLOBAL SHAREHOLDER
Name: TANAC SA
National id number: 91.359.711/0001-02
Address: R TORBJORN WEIBULL 199
City: MONTENEGRO
Country: BR
Website: www.tanac.com.br
Type: Corporate
Share direct: 100.00%
Share total: 100.00%
Turnover: 94.079 mil. BRL
Total assets: 166.939 mil. BRL
Profit loss before tax: -14.520 mil. BRL
Profit loss after tax net income: -6.164 mil. BRL
Shareholders funds: 189.373 mil. BRL

Structure

SUBSIDIARIES
Name: CONSORCIO TERBIAN
National id number: 13.720.005/0001-30
Address: AV ALMIRANTE MAXIMIANO FONSECA 4950 SETOR 6
City: RIO GRANDE
Country: BR

Type: Corporate
Phone: +55 21 21089000,+55 51 21089015
Turnover: 1.50921424 mil. BRL
Number of employees: 36

Branches

Name: TANAC SA
National id number: 91.359.711/0047-95
Address: R B
City: RIO GRANDE
Country: BR
Phone: +55 53 32341545,+55 53 32341089,+55 53 32341360,+55 53 32341086,+55 53 32341031

MANAGEMENT

Management

Fullname: Mr Thomas Ostrand Rosen
Type: Individual
Gender: Male
Number of involvements: 35
Function: President
Level of responsibility: President / Chairman; Unspecified executive

Fullname: Mr Diorge Otavio Pagani
Type: Individual
Gender: Male
Number of involvements: 30
Function: Director
Level of responsibility: Member; Unspecified executive

Fullname: Mr Jose Osmar Graff JUNIOR
Type: Individual
Gender: Male
Number of involvements: 2
Function: Director
Level of responsibility: Member; Unspecified executive

Fullname: Mr Otavio Guimaraes Decusati
Type: Individual
Gender: Male
Number of involvements: 30
Function: Director
Level of responsibility: Member; Unspecified executive

Fullname: Mr Fernando Alberto Lopez Pascual
Type: Individual
Gender: Male
Number of involvements: 31

Function: Administration Counselor
Level of responsibility: Administration employee

Fullname: Mr Luiz Fernando Martins Castro
Type: Individual
Gender: Male
Number of involvements: 4
Function: Administration Counselor
Level of responsibility: Administration employee

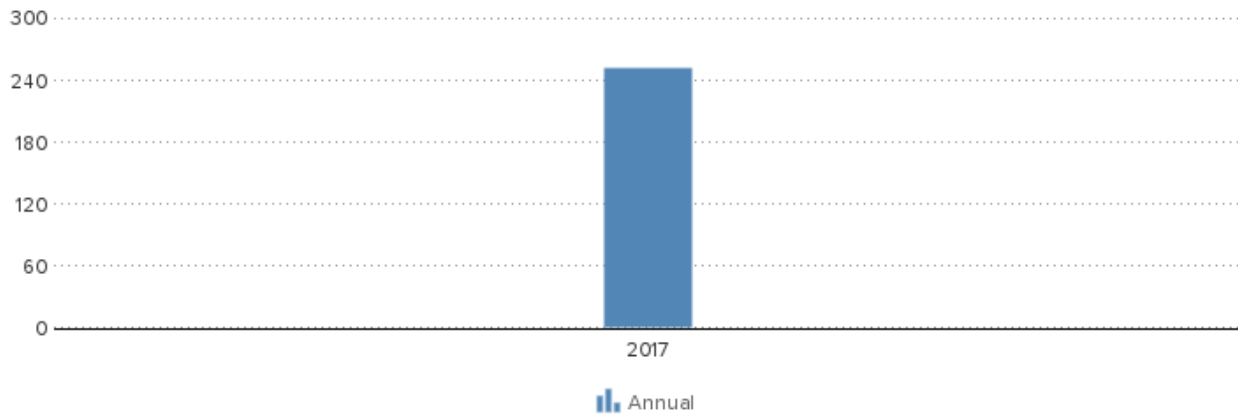
Fullname: Ms Ulrike Porr
Type: Individual
Gender: Female
Number of involvements: 36
Function: Administration Counselor
Level of responsibility: Administration employee

Fullname: Mr Curt Erik Staffan Rosen
Type: Individual
Gender: Male
Number of involvements: 31
Function: Administration Counselor
Level of responsibility: Administration employee

Fullname: Mr Trevor Alan Hall
Type: Individual
Gender: Male
Number of involvements: 35
Function: Administration Counselor
Level of responsibility: Administration employee

EMPLOYEES

Year	2017
Annual	251



FINANCIAL ANALYSIS

Trend	Fluctuating
Profitability	Negative
Solvability	Sufficient
Liquidity	Limited
Show amount in	Euro

KEY FIGURES

Year	2017	2016	2015	2014
Quick ratio	0,78	0,58	1,03	1,55
Current ratio	1,20	1,30	1,63	2,32
Working capital/ balance total	0,07	0,07	0,14	0,25
Equity / balance total	0,29	0,34	0,31	0,45
Equity / Fixed assets	0,47	0,49	0,48	0,80
Working capital	10.932.637	12.480.263	17.853.027	29.452.441
Equity	47.742.337	58.381.558	39.558.655	54.293.259
Mutation equity	-18,22	47,58	-27,14	
Mutation short term liabilities	30,02	47,27	27,09	
Return on total assets (ROA)	-2,19	9,80	-0,30	0,79
Return on equity (ROE)	-7,67	29,00	-0,97	1,73
Gross profit margin	4,59	12,97	21,85	6,73
Net profit margin	-1,65	11,57	1,00	1,84
Average collection ratio	1,74	2,56	2,54	3,05
Average payment ratio	6,51	16,58	10,03	9,61
Equity turnover ratio	1,97	1,82	1,81	1,25
Total assets turnover ratio	0,56	0,62	0,56	0,57
Fixed assets turnover ratio	0,92	0,90	0,87	1,00

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Inventory conversion ratio	4,08	3,58	4,23	3,94
Turnover	94.080.435	106.443.687	71.716.028	67.829.518
Gross margin	22.980.095	40.033.384	31.678.915	20.556.955
Operating result	4.322.129	13.804.073	15.667.740	4.565.422
Net result after taxes	-1.553.990	12.311.403	717.687	1.249.033

Summary

The 2017 financial result structure is a positive working capital of 10.932.637 euro, which is in agreement with 7 % of the total assets of the company.

The working capital has diminished with -12.4 % compared to previous year. The ratio with respect to the total assets of the company remains unchanged.

The deterioration between 2016 and 2017 has mainly been caused by a change of the current liabilities.

The current ratio of the company in 2017 was 1.2. When the current ratio is below 1.5, the company may have problems meeting its short-term obligations.

The quick ratio in 2017 of the company was 0.78. A company with a Quick Ratio of less than 1 cannot currently pay back its current liabilities.

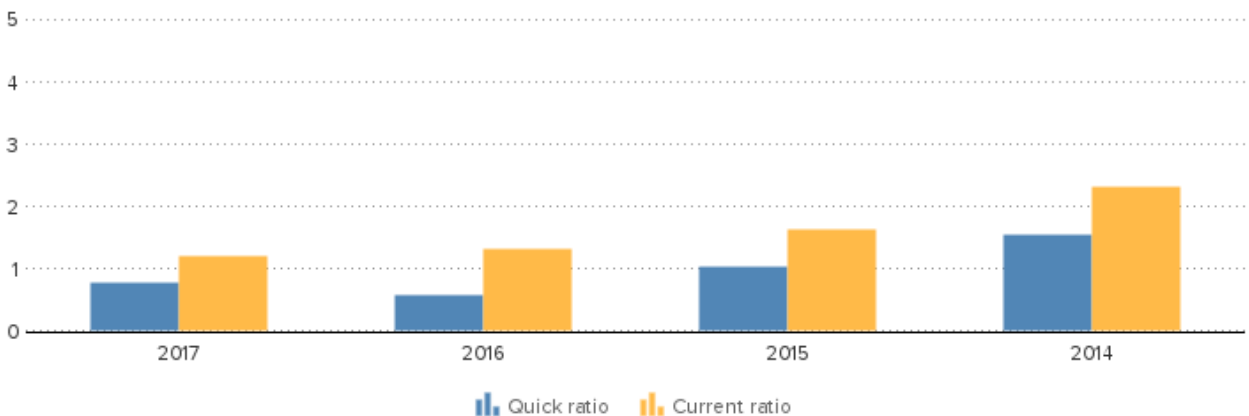
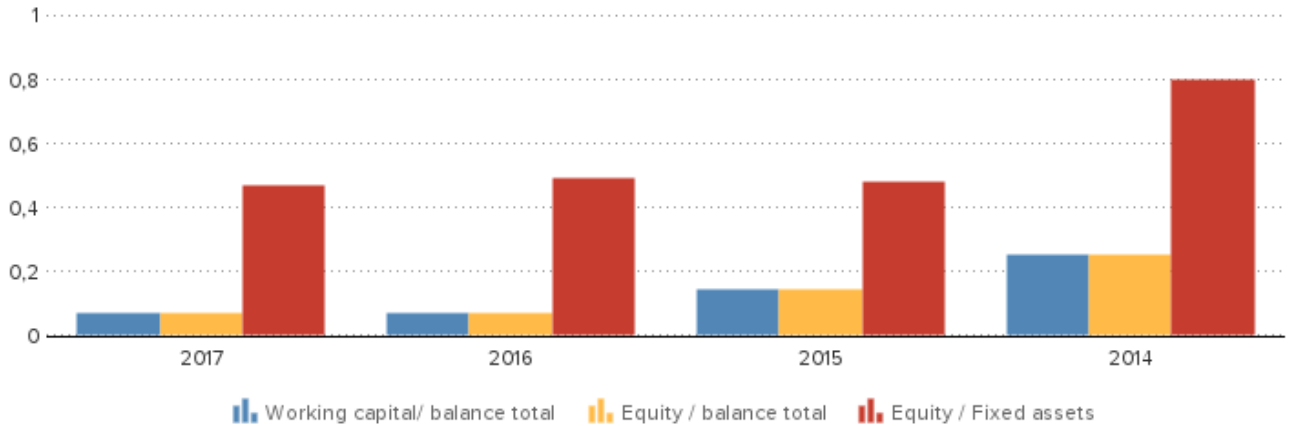
The 2016 financial result structure is a positive working capital of 12.480.263 euro, which is in agreement with 7 % of the total assets of the company.

The working capital has diminished with -30.09 % compared to previous year. The ratio, with respect to the total assets of the company has however, declined.

The deterioration between 2015 and 2016 has mainly been caused by a change of the current liabilities.

The current ratio of the company in 2016 was 1.3. When the current ratio is below 1.5, the company may have problems meeting its short-term obligations.

The quick ratio in 2016 of the company was 0.58. A company with a Quick Ratio of less than 1 cannot currently pay back its current liabilities.



FINANCIAL STATEMENT

Last annual account	2017
Remark annual account	The company is obliged to file its financial statements.
Type of annual account	Consolidated
Annual account	Tanac SA R Torbjorn Weibull 199 Tanac 95780 Montenegro Brazil

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BALANCE

Year	2017	2016	2015	2014
End date	2017-12-31	2016-12-31	2015-12-31	2014-12-31
Type of annual account	Consol.	Consol.	Consol.	Consol.
Intangible fixed assets	101.851	39.304	35.990	53.335
Tangible fixed assets	71.262.445	86.477.653	58.325.316	40.723.200
Other fixed assets	30.526.174	32.135.069	24.374.548	27.103.527
Fixed assets	101.890.470	118.652.027	82.735.855	67.880.063
Total stock	23.047.659	29.765.196	16.949.273	17.205.837
Total receivables	14.453.570	6.421.075	7.148.880	7.054.806
Liquid funds	22.691.180	12.000.466	19.032.001	24.654.765
Other current assets	4.855.337	5.913.037	2.982.718	2.773.735
Current assets	65.047.745	54.099.774	46.112.872	51.689.142
Total assets	166.938.216	172.751.800	128.848.727	119.569.205
Total equity	47.742.337	58.381.558	39.558.655	54.293.259
Provisions	81.179	829.456	707.337	320.941
Long term liabilities	64.999.593	71.921.277	60.322.891	42.718.305
Accounts payable	6.905.978	5.571.531	5.383.242	3.089.094
Liabilities towards credit institutes	42.714.811	30.418.513	19.196.662	15.065.302
Other short term liabilities	4.494.319	5.629.467	3.679.940	4.082.305
Short term liabilities	54.115.108	41.619.511	28.259.845	22.236.701
Total liabilities	166.938.216	172.751.800	128.848.727	119.569.205

Summary

The total assets of the company decreased with -3.37 % between 2016 and 2017.

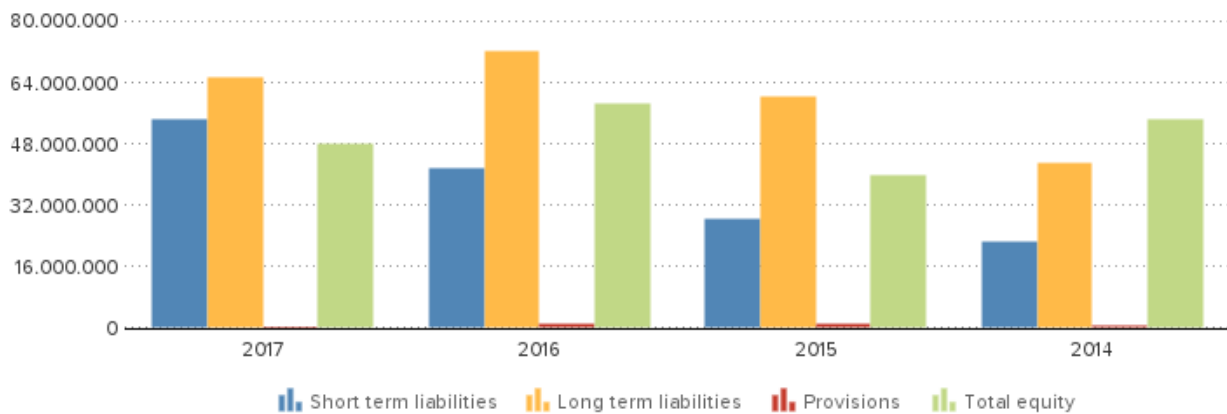
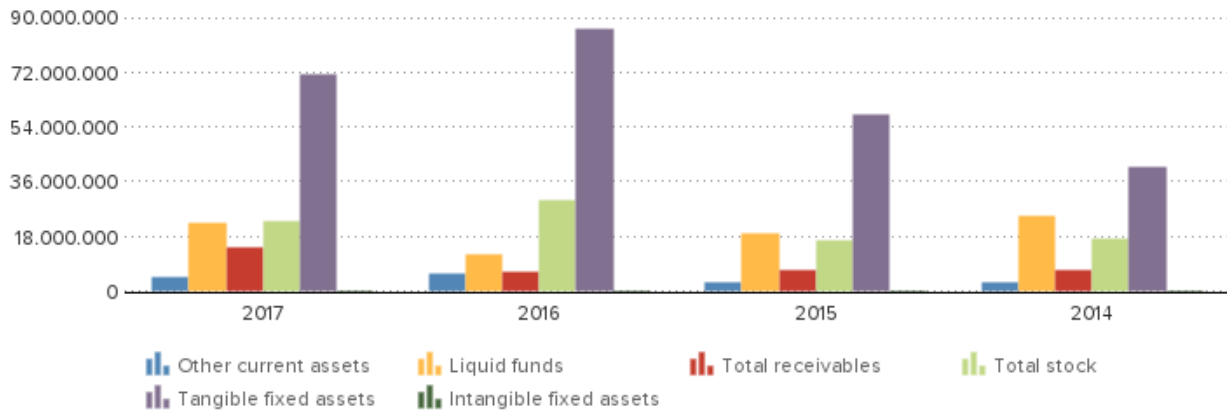
This downturn is mainly retrievable in the fixed asset decrease of -14.13 %.

In 2017 the assets of the company were 61.03 % composed of fixed assets and 38.97 % by current assets. The assets are being financed by an equity of 28.6 %, and total debt of 71.4 %.

The total assets of the company increased with 34.07 % between 2015 and 2016.

The total asset increase is retrievable in the fixed asset growth of 43.41 %.

In 2016 the assets of the company were 68.68 % composed of fixed assets and 31.32 % by current assets. The assets are being financed by an equity of 33.8 %, and total debt of 66.2 %.



PROFIT AND LOSS

Year	2017	2016	2015	2014
Revenues	93,836,395	106,443,687	71,569,950	67,421,133
Net turnover	94,080,435	106,443,687	71,716,028	67,829,518
Cost of sales	71,100,340	66,410,303	40,037,113	47,272,563
Gross margin	22,980,095	40,033,384	31,678,915	20,556,955
Operating expenses	18,657,965	26,229,311	16,011,176	15,991,534
Operating result	4,322,129	13,804,073	15,667,740	4,565,422
Financial income	10,257,242	25,393,451	12,843,566	5,748,716
Financial expenses	18,239,971	22,265,742	28,896,378	9,372,711
Financial result	-7,982,729	3,127,708	-	-3,623,995
			16,052,811	
Result on ordinary operations before taxes	-3,660,600	16,931,781	-385,072	941,426

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Taxation on the result of ordinary activities	-2.106.610	4.620.379	-1.102.759	-307.607
Result of ordinary activities after taxes	-1.553.990	12.311.403	717.687	1.249.033
Net result	-1.553.990	12.311.403	717.687	1.249.033
Summary				

The turnover of the company decreased by -11.61 % between 2016 and 2017.

The gross profit of the company decreased by -42.6 % between 2016 and 2017.

The operating result of the company declined with -68.69 % between 2016 and 2017. This evolution implies a decrease of the company's economic profitability.

The result of these changes is a reduction of the company's Economic Profitability of -122.35 % of the analysed period, being equal to -2.19 in the year 2017.

This fall has contributed to a asset turnover decrease, whose index evolved from -9.68 to a level of 0.56.

The Net Result of the company decreased by -112.62 % between 2016 and 2017.

The company's Financial Profitability has been negatively affected by the financial activities in comparison to the EBITs behaviour.

The result of these variations is a profitability reduction of -126.45 % of the analysed period, being -7.67 in the year 2017.

The company's financial profitability has been positively affected by its financial structure.

The turnover of the company grew with 48.42 % between 2015 and 2016.

The gross profit of the company grew with 26.37 % between 2015 and 2016.

The operating result of the company declined with -11.89 % between 2015 and 2016. This evolution implies a decrease of the company's economic profitability.

The result of these changes is an increase of the company's Economic Profitability of 3366.67 % of the analysed period, being equal to 9.8 in the year 2016.

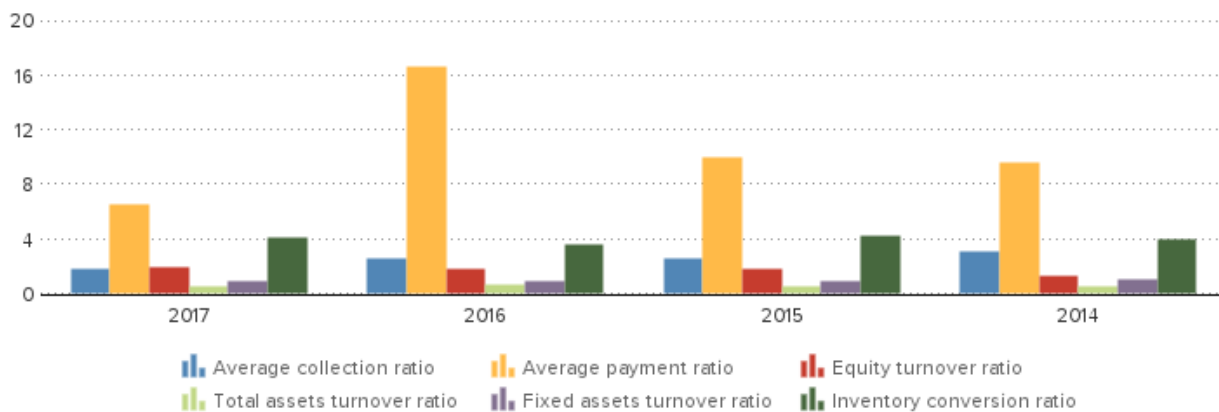
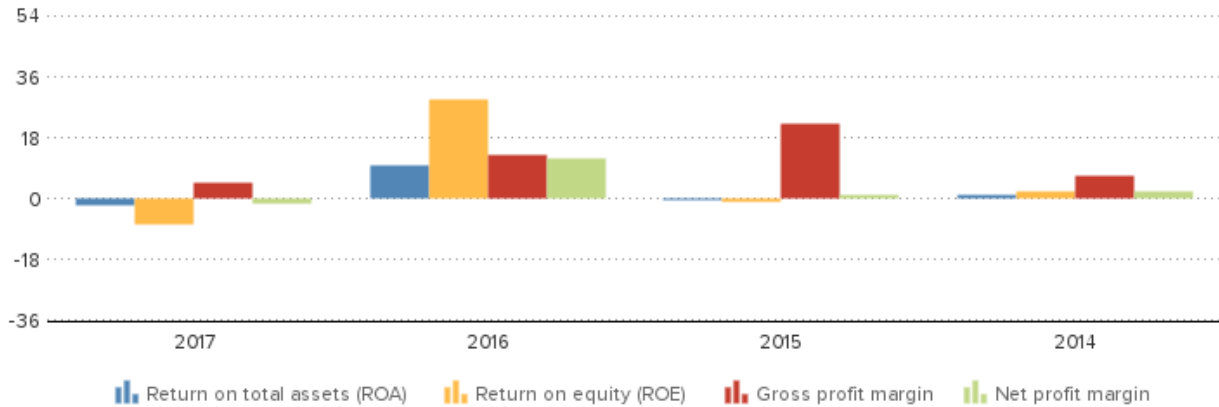
This growth has contributed to the increase in assets turnover, increasing by 10.71 % reaching 0.62.

The Net Result of the company increased by 1615.43 % between 2015 and 2016.

The company's Financial Profitability has been positively affected by the financial activities in comparison to the EBITs behaviour.

The result of these variations is a profitability increase of 3089.69 % of the analysed period, being 29 in the year 2016.

The company's financial structure has slowed down its financial profitability.



COUNTRY INFORMATION

Population	206.1 million
GDP per capita	8.727 USD
Country risk	Average
Company risk	Below average

PUBLICATIONS

Remarks	Status: Active Category: Large company Last year: 2017 Turnover last year: 94.080.435 EUR
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Result last year: -1.553.990 EUR
TOTAL assets last year: 166.938.216 EUR
Number of employees: 251
Number of shareholders: 0
Number of subsidiaries: 1
Number of branches: 1

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 71.74
UK Pound	1	INR 90.58
Euro	1	INR 81.46
BRL	1	INR 18.36

Note : Above are approximate rates obtained from sources believed to be correct

INFORMATION DETAILS

Analysis Done by :	VIVR
Report Prepared by :	TPT

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RATING EXPLANATIONS

Credit Rating	Explanation	Rating Comments
A++	Minimum Risk	Business dealings permissible with minimum risk of default
A+	Low Risk	Business dealings permissible with low risk of default
A	Acceptable Risk	Business dealings permissible with moderate risk of default
B	Medium Risk	Business dealings permissible on a regular monitoring basis
C	Medium High Risk	Business dealings permissible preferably on secured basis
D	High Risk	Business dealing not recommended or on secured terms only
NB	New Business	No recommendation can be done due to business in infancy stage
NT	No Trace	No recommendation can be done as the business is not traceable

NB is stated where there is insufficient information to facilitate rating. However, it is not to be considered as unfavourable.

This score serves as a reference to assess SC's credit risk and to set the amount of credit to be extended. It is calculated from a composite of weighted scores obtained from each of the major sections of this report. The assessed factors are as follows:

- Financial condition covering various ratios
- Company background and operations size
- Promoters / Management background
- Payment record
- Litigation against the subject
- Industry scenario / competitor analysis
- Supplier / Customer / Banker review (wherever available)