

**SMRC AUTOMOTIVE INTERIORS PRODUCTS POLAND S.A.
W LIKWIDACJI**

SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01.01.2019 TO 31.03.2020

SMRC AUTOMOTIVE INTERIORS PRODUCTS POLAND S.A. W LIKWIDACJI
Special purpose financial statements for the period from 01.01.2019 to 31.03.2020

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SMRC AUTOMOTIVE INTERIORS PRODUCTS POLAND S.A. W LIKWIDACJI

Statement of the Liquidator

In accordance with the Accounting Act of 29 September 1994 (Revised Text, Journal of Laws from 2019, pos. 351 with subsequent amendments), the Liquidator is obliged to present the financial statements, which truly and fairly present the financial position at year end and the financial result for the reporting period. For the preparation of the financial statements for the special purpose (hereinafter the „financial statements”), accounting principles suitable for Company's operation were adopted and have consistently been applied by the Company. The valuation of assets and liabilities and the financial result calculation were performed under the assumption that the Company will not continue to operate as a going concern.

The financial statements have been prepared in accordance with the financial reporting principles described in the introduction to these financial statements and are not financial statements prepared in accordance with the Accounting Act for statutory purposes. The purpose of preparing special purpose financial statements is to present them to the Company's supervisory and ownership authorities.

The presented financial statements consist of:

- 1) Introduction to the financial statements;
- 2) Balance sheet as at 31.03.2020 with total assets and total liabilities and equity of PLN 6 365 291,36;
- 3) Profit and loss account for the period from 01.01.2019 to 31.03.2020 with a net profit of PLN 310 155,80;
- 4) Supplementary information and explanations.

Christian Guy Gaunt
Liquidator

SMRC AUTOMOTIVE INTERIORS PRODUCTS POLAND S.A. W LIKWIDACJI

Introduction to the financial statements

1 General information on the Company

1. 1 Company name

SMRC Automotive Interiors Products Poland S.A. w likwidacji

1. 2 Registered office and address of the Company

Street:	27 Grudnia
Building number:	3
Locality:	Poznań
Post office:	Poznań
Postal code	61-737
Country code:	PL
District:	Poznań
Commune:	M. Poznań
Province:	0
Tax Identification Number NIP:	5760002823
REGON	002764776

1. 3 Commercial registration

SMRC Automotive Interiors Products Poland S.A. w likwidacji ("the Company") was registered in the National Court Register kept in the local court in Opole, VIII Business Department, under number: 0000069321. Currently, the Company is registered in the Local Court Poznań - Nowe Miasto and Wilda in Poznań, VIII Business Department

1. 4 Time horizon of business activities of the Company

On 1 August 2019 a resolution on liquidation of the Company was adopted. On 8 August 2019 and 29 August 2019, the first and second announcements on the dissolution of the Company and opening the liquidation were made in Monitor Sądowy i Gospodarczy accordingly. At the same time, the Company's creditors were requested to declare their claims within 6 months from the date of the second announcement.

1. 5 Period covered by the financial statements

The financial statements were prepared for the period from 1 January 2019 to 31 March 2020 and the comparative data is for the period from 1 January 2018 to 31 December 2018.

1. 6 Going concern assumption

The financial statements were prepared under the assumption that the Company will not continue to operate as a going concern for the foreseeable future, due to the circumstances described above.

2 Significant accounting policies

The significant accounting policies which have been adopted in the preparation of these financial statements are as follows:

2. 1 Description of the adopted accounting policies in the scope in which accounting regulations allow the entity the right to choice

2. 1. 1 Basis of preparation

The financial statements have been prepared in accordance with the financial reporting principles presented below and are not financial statements prepared in accordance with the Accounting Act for statutory purposes.

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year, except for the going concern assumption, due to the circumstances described in note 1.4.

SMRC AUTOMOTIVE INTERIORS PRODUCTS POLAND S.A. W LIKWIDACJI

Introduction to the financial statements

2. 2 *Methods of valuation of assets and liabilities (including depreciation)*

2. 2. 1 *Short-term receivables and payables*

Short-term receivables

As at the balance sheet date, receivables are measured at the amount due, taking into consideration the prudence concept, and disclosed in the net value (reduced by write-downs).

Debtors are adjusted by an allowance for doubtful receivables taking into consideration the likelihood of future collection. The allowance is charged either to operating expenses or to financial expenses dependent on the type of receivable to which it relates.

As at the balance sheet date, receivables and payables were measured using an average exchange rate determined by the National Bank of Poland.

Short-term payables

Creditors are stated at the amounts due.

As at the balance sheet date, receivables and payables were measured using an average exchange rate determined by the National Bank of Poland.

2. 2. 2 *Prepayments and accruals*

Prepayments include:

- long-term settlements pertaining to future reporting periods, with time to complete exceeding 12 months from the balance sheet date,
- short-term settlements pertaining to future reporting periods, with time to complete not exceeding 12 months from the balance sheet date.

Prepayments are recognised based on elapsed time or benefits provided.

Accruals include provisions which directly relate to the operating activity, namely production, sale, post- sale activities, and general administration.

The timing and method of settlement, are justified by the nature of settled expenses, taking into consideration the prudence principle.

2. 2. 3 *Short-term investments*

Cash and cash equivalents

Cash in domestic currency is recognised at nominal value.

As at the balance sheet date, cash denominated in foreign currencies is translated into Polish zloty at the average exchange rate determined by the National Bank of Poland.

SMRC AUTOMOTIVE INTERIORS PRODUCTS POLAND S.A. W LIKWIDACJI

Introduction to the financial statements

2. 2. 4 *Taxation*

Current tax liabilities are calculated based on Polish tax regulations.

The Company does not calculate deferred tax for assets and liabilities, as according to Article 37 item 10 of the Accounting Act.

2. 2. 5 *Equity*

In accordance with Article 36 section 3 item 2 of the Accounting Act, the components of the Company's equity were grouped as of the date of opening of liquidation into one share capital, reducing by the outstanding share capital contributions and by own shares, respectively.

2. 2. 6 *Foreign exchange differences - foreign exchange rates used for asset and liability measurement*

The following exchange rates (the average currency exchange rates of the National Bank of Poland) were used for the valuation of monetary items denominated in foreign currencies at the respective year end:

	2020-03-31	2018-12-31
1 EUR	4,5523	4,3000
1 USD	4,1466	3,7597
1 GBP	5,1052	4,7895

Business transactions denominated in foreign currencies are recognised on the date they are entered into at the exchange rate published for the given currency as at the date preceding the transaction.

2. 3 *Financial results calculation*

2. 3. 1 *Income, expenses, financial result*

Revenue and expenses are recognised on the accrual basis in the period to which they relate, regardless of the period in which related payments are made or received.

Income

The Company recognises income activity where the economic benefits are certain of occurring in the reporting period, of reliably estimated value, in the form of an increase in the value of assets or decrease in the value of liabilities resulting in an increase in equity other than contributions made by shareholders or owners.

The Company prepares its profit and loss account with classification of expenses by function.

Expenses

The Company classifies to expenses the reductions in economic benefits certain of occurring during the reporting period, of reliably estimated value, in the form of a decrease in the value of assets or increase in the value of liabilities and provisions resulting in a decrease in equity other than withdrawals made by shareholders or owners.

Financial result

The net financial result includes:

1. operating result, including the result on other operating income and expenses (related indirectly with the Company's operations),
2. result on financial transactions,
3. statutory appropriations of the financial result including income tax the Company is a payer of and similar payments required under separate regulations.

2. 3. 2 *Taxation*

Corporate income tax, as presented in the profit and loss account, comprises current tax.

SMRC AUTOMOTIVE INTERIORS PRODUCTS POLAND S.A. W LIKWIDACJI

Introduction to the financial statements

2. 3. 3 *Foreign exchange differences*

Foreign exchange differences resulting from remeasurement and settlement of monetary assets and liabilities denominated in foreign currencies, excluding long-term investments, and from the sale of foreign currencies are recorded as financial revenue or expenses. Certain eligible foreign exchange differences are capitalised to finished goods and merchandise inventory, tangible fixed assets, construction in progress or intangible fixed assets.

2. 4 *Determining the methods of preparation of the financial statements*

2. 4. 1 *Income, expenses*

The Company prepares its profit and loss account by function of expenditure.

2. 4. 2 *Statement of cash flows*

The Company does not prepare the statement of cash flows.

SMRC AUTOMOTIVE INTERIORS PRODUCTS POLAND S.A. W LIKWIDACJI**Balance Sheet**

(All amounts are stated in PLN)

ASSETS	Nota	Note	31.03.2020	31.12.2018
Non current assets			-	-
Intangible fixed assets	<u>1.</u>	<u>1.</u>		
Current assets			6 365 291,36	6 102 621,74
Short-term receivables, including:	<u>4.</u>	<u>4.</u>	6 336 807,38	6 074 998,72
Short-term investments, including:			28 483,98	27 623,02
short-term financial assets, including:			28 483,98	27 623,02
- cash in hand and at bank			28 483,98	27 623,02
TOTAL ASSETS			6 365 291,36	6 102 621,74
EQUITY AND LIABILITIES				
Equity			6 313 678,71	6 025 662,91
Share capital	<u>8.1</u>	<u>8.1</u>	6 313 678,71	73 718 594,00
Supplementary capital, including:			-	101 061 644,46
Revaluation reserve, including:			-	-
Other capital reserves			-	5 371 969,97
Accumulated profit/(loss) from previous years			-	(174 204 755,16)
Net profit / (loss)			-	78 209,64
Liabilities and provisions for liabilities			51 612,65	76 958,83
Provisions for liabilities, including:	9.	9.	50 136,65	39 444,00
Short-term liabilities, including:			1 476,00	37 514,83
trade liabilities, including:			1 476,00	24 040,42
- up to 12 months			1 476,00	24 040,42
Special funds			-	13 474,41
TOTAL EQUITY AND LIABILITIES			6 365 291,36	6 102 621,74

SMRC AUTOMOTIVE INTERIORS PRODUCTS POLAND SPÓŁKA AKCYJNA**Profit and Loss Account**

(All amounts are stated in PLN)

	Note	01.01.2019- 31.03.2020	01.01.2018 - 31.12.2018
A. Net sale revenue and net sale revenue equivalents		-	-
B. Manufacturing of products sold		-	-
C. Selling costs		-	-
D. General and administrative costs		131 095,99	164 451,49
E. Profit (loss) on sales (A-B-C-D)		(131 095,99)	(164 451,49)
F. Other operating revenue, including:		13 474,41	2 471,32
- revaluation of non-financial assets		-	-
		<u>13 474,41</u>	<u>2 471,32</u>
G. Other operating expenses, including:		-	(7 405,49)
- revaluation of non-financial assets		-	-
		<u>-</u>	<u>(7 405,49)</u>
H. Financial revenue, including:		427 777,38	247 595,30
II. Interest, including:		82 966,65	69 618,65
- from related parties		82 966,65	69 618,65
		<u>427 777,38</u>	<u>247 595,30</u>
I. Financial expenses		<u>-</u>	<u>-</u>
J. Profit/(loss) before taxation (E+F-G+H-I)		310 155,80	78 206,64
K. Corporate income tax		-	-
L. Net profit/(loss) (J-K)		310 155,80	78 206,64

Christian Guy Gaunt
Liquidator

Vistra Corporate Services Sp. z o.o.
Entity responsible for maintaining the accounting records

Poznan, 18.05.2020

SMRC AUTOMOTIVE INTERIORS PRODUCTS POLAND S.A. W LIKWIDACJI

Supplementary information and explanations

(All amounts are stated in PLN)

Calculation of corporate income tax

	01.01.2019 - 31.03.2020						01.01.2018 - 31.12.2018			
	Z zysków kapitałowych	Z innych źródeł przychodów	Razem	Art.	Ust.	Pkt.	Lit.	Z zysków kapitałowych	Z innych źródeł przychodów	Razem
	from capital gains	from other source of revenue	Total	Art.	Par.	Pnt.	Ltr.	from capital gains	from other source of revenue	Total
I. Profit/(loss) before tax	-	310 155,80	310 155,80					-	78 209,64	78 209,64
III. Revenue not classified as taxable income in the current year, including:	-	(345 023,60)	(345 023,60)					-	(201 734,77)	(201 734,77)
unrealised valuation exchange gains	-	(345 727,14)	(345 727,14)	15a				-	(195 823,01)	(195 823,01)
Other	-	703,54	703,54					-	(5 911,76)	(5 911,76)
IV. Revenue classified as taxable income in the current year included in the accounting books in previous years:	-	-	-					-	5 819,16	5 819,16
V. Costs not classified as tax-deductible expenses (permanent difference between profit/loss for accounting purpose and taxable profit/loss for tax purpose), including:	-	-	-					-	7 405,49	7 405,49
VI. Costs classified as non tax deductible cost in the current year, including:	-	(11 447,35)	(11 447,35)					-	15 193,85	15 193,85
accruals for financial year costs	-	(11 447,35)	(11 447,35)	16	1	27		-	-	-
Other	-	-	-					-	15 193,85	15 193,85
VII. Costs classified as tax deductible cost in the current year included in accounting books in the previous years:	-	-	-					-	-	-
VIII. Losses from prior years	-	-	-					-	-	-
IX. Other changes in taxable base	-	-	-					-	-	-
Taxable profit / tax loss	-	(46 315,15)	(46 315,15)					-	(95 106,63)	(95 106,63)
Donations	-	-	-					-	-	-
X. tax loss	-	(46 315,15)	(46 315,15)					-	(95 106,63)	(95 106,63)
XI. Current tax (19%)	-	-	-					-	-	-

SMRC AUTOMOTIVE INTERIORS PRODUCTS POLAND S.A. W LIKWIDACJI

Supplementary information and explanations

(All amounts are stated in PLN)

1. Intangible fixed assets

1. 1 Changes in intangible fixed assets

	Development costs	Goodwill	Other intangible fixed assets	Prepayments for intangible fixed assets	Total
Gross book value					
As at 01.01.2019			269 367,47		269 367,47
As at 31.03.2020	-	-	269 367,47	-	269 367,47
Accumulated depreciation					
As at 01.01.2019			(269 367,47)		(269 367,47)
As at 31.03.2020	-	-	(269 367,47)	-	(269 367,47)
Net book value					
As at 01.01.2019	-	-	-	-	-
As at 31.03.2020	-	-	-	-	-

2. Fixed assets

As at the balance sheet date the Company did not have or produce any fixed assets.

3. Inventory

3. 1

Interest and foreign exchange differences increasing merchandise acquisition price or finished product production costs

In the current period there were no interest or foreign exchange differences increasing merchandise acquisition price or finished product production costs.

4. Short-term receivables

4. 1 Structure of short-term receivables

	31.03.2020	31.12.2018
Cash Pooling	6 336 807,38	6 074 998,72
	6 336 807,38	6 074 998,72

5. Long-term liabilities

5. 1 Security on assets given by the Company

The Company does not apply hedging on assets.

6. Operating expenses

	31.03.2020	31.12.2018
Amortisation and depreciation	-	-
Consumption of materials and energy	-	-
External services	131 095,99	164 451,49
Taxes and charges, including:	-	-
Payroll	-	-
Social security and other benefits	-	-
Other costs by kind	-	-
Total	131 095,99	164 451,49

SMRC AUTOMOTIVE INTERIORS PRODUCTS POLAND S.A. W LIKWIDACJI

Supplementary information and explanations

(All amounts are stated in PLN)

7. Financial revenues

7.1 Interest

	01.01.2019- 31.03.2020	01.01.2018- 31.12.2018
Interest, including:	82 966,65	69 618,65
- cash pool interest	82 966,65	69 618,65

7.2 Other financial revenues

	01.01.2019- 31.03.2020	01.01.2018- 31.12.2018
<i>Others, including:</i>	344 810,73	177 976,65
<i>surplus of exchange gains over exchange losses</i>	344 810,73	177 976,65
- <i>exchange gains realised in current year</i>	8 375,69	3 290,00
- <i>exchange losses realised in current year</i>	9 292,10	5 942,51
- <i>unrealised valuation exchange gains</i>	478 237,55	195 823,01
- <i>unrealised valuation exchange losses</i>	132 510,41	15 193,85
	<u>344 810,73</u>	<u>177 976,65</u>

8. Equity capital

8.1 Ownership structure of share capital

As at the balance sheet date 31.03.2020 the structure of the share capital was as follows:

	Number of shares held	Percentage share in the total number of votes	Face value of shares	Percentage share in the capital
SMRC AUTOMOTIVE HOLDING NETHERLANDS B.V	19 399 630	100%	73 718 594,00	100%

9. Other short-term provisions

	31.03.2020	31.12.2018
- Provision for costs related to the closure of the Company's activity	22 140,00	-
- Provision for costs of audit of the Company's financial statements	27 996,65	-
	<u>50 136,65</u>	<u>-</u>

10. Valuation of financial instruments and assets according to fair value

10.1 Changes in the revaluation reserve due to revaluation of fair value

	01.01.2019 - 31.03.2020	01.01.2018 - 31.12.2018
Revaluation reserve due to revaluation of fair value at the beginning of the period	-	-
Changes in the revaluation reserve		
additions (provision for documentation archiving)	22 140,00	-
disposals	-	-
Revaluation reserve due to revaluation of fair value at the end of the period	<u>22 140,00</u>	<u>-</u>

SMRC AUTOMOTIVE INTERIORS PRODUCTS POLAND S.A. W LIKWIDACJI

Supplementary information and explanations

(All amounts are stated in PLN)

11. Revenue or costs that occurred incidentally or of extraordinary value

Both in the current fiscal year ending 31 March 2020 and in the previous fiscal year there were no revenues or costs that occurred incidentally or of extraordinary value.

12. Subsequent events not included in the financial statements

No events occurred after the year end that would require disclosure in the financial statements.

13. Employment

Until the balance sheet date, the Company did not employ employees.

14. Loans and advance paid to members of the management, supervisory and administration boards

The Company did not grant loans or advances to members of the Management Board. The Company does not have a Supervisory or Administration Board.

There are no liabilities arising from pensions and similar benefits or liabilities incurred in connection with these pensions and liabilities or incurred as guarantees and warranties as at 31 March 2020 and 31 December 2018.

15. Information about the consolidated financial statements

The entity preparing consolidated financial statements at the lowest level of capital group is:

Samvardhana Motherson Automotive Systems Group BV with the headquarters in the Netherlands.

16. Contingent liabilities

There were no contingent liabilities as at the balance sheet date.

17. Tax regulations

In Poland there are numerous regulations regarding value added tax, corporate tax as well as social security premiums. Tax laws are regularly being updated and changed which may result in some discrepancies and differing interpretations within the tax authority offices and between government bodies and tax payers, which in turn may result in uncertainty and disputes.

Tax settlements and other areas subject to statutory compliance, such as customs, or foreign currency controls, can result in audits by the relevant authorities who have the right to impose penalties together with statutory interest. Consequently, the tax risk in Poland can be higher than in more developed tax jurisdictions. Tax settlements can be subject to audits for a period of up to five years from the end of the calendar year in which the tax payment elapsed.

18. Own shares

The Company did not acquire / dispose of own shares in the current period.

19. Changes in accounting principles (policy)

There were no changes in accounting principles in the financial period with the exception of changes in valuation principles in connection with the opening of the Company's liquidation.

*Christian Guy Gaunt
Liquidator*

*Vistra Corporate Services Sp. z o.o.
Entity responsible for keeping accounting books*

Poznan, 18.05.2020