

MSSL Estonia WH OÜ

Annual report

2020-2021

Beginning: 1 April 2020
End: 31 March 2021

Registry Code 14194456

Address Harju maakond, Tallinn,
Lasnamäe linnaosa, Lõotsa tn 8,
11416, Estonia

MSSL Estonia WH OÜ

Content

Management reports

Financial Statement

Statement of Comprehensive Income

Statement of Financial Position

Statement of Cash Flows

Statements of Changes in Equity

Notes to the financial statements

Basis of Preparation and Accounting Policies

Company information

Basis of preparation

1. Items Related to the Profit for the Period

1.1 Other Operating Expenses

1.2 Finance costs and income

2. Assets and Liabilities

2.1 Investment in subsidiary

2.2 Interest-bearing financial liabilities

2.3 Other Non-Interest Bearing Liabilities

2.4 Equity

3. Capital Structure and Financial Expenses

3.1 Financial Assets and Liabilities by Valuation Categories

3.2 Financial Risk Management

4. Other Notes

4.1 Related Party Disclosures

4.2 Group Structure

4.3 Contingent Items and Commitments

4.4 Estimation of uncertainties relating to the global health pandemic from COVID-19

4.5 Events after the Financial Period

4.6 Rounding off

Signatures of the Management Board to the Annual Report 2020-21

Auditor's report

Proposal for profit allocation

Sales revenue distribution according to EMTAK

MSSL Estonia WH OÜ

MANAGEMENT REPORT

The directors present their financial statements of the company for the financial year 1.4.2020 – 31.3.2021.

Company information

MSSL Estonia WH OÜ is a private limited company, domiciled in Estonia. The registered office is located at Harju maakond, Tallinn, Lasnamäe linnaosa, Lõõtsa tn 8, 11415, Estonia.

Principal activity

The company is a holding company of PKC Group Oy, Finland. PKC Group Oy and its subsidiaries as a Group is a global partner engaged in designing, manufacturing and integrating electrical distribution systems, electronics and related architecture components for the commercial vehicle industry, rolling stock manufacturers and other selected segments.

Statement of directors' responsibilities

The directors are responsible for preparing the management report and the financial statements in accordance with applicable law and regulations.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the regulatory requirements. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Key activity during the year

The Company has received dividend amounting EUR 20.5 million (FY2019-20 : EUR 20.5 million) during the year from its subsidiary company.

The company has converted loan from parent entity amounting EUR 330.5 million into equity during the year.

The company has taken new loan from related party and made prepayment of part of its outstanding Interest-bearing financial liabilities during the financial year.

Review of business and future developments

Performance

The directors were satisfied with the results for the year and anticipate that the current level of activity will be maintained, therefore allowing the Company to continue to operate successfully for the foreseeable future.

Risks

The principal business activities of the Company is holding, financing and management activities. The subsidiary of the companies supplies components and services to customers mainly involved in automotive and rolling stock sector. Performance in the vehicle components sector is affected by general economic conditions. The board carries out regular strategic reviews including assessments of competitor activity, market trends and forecasts and customer behaviour. Product availability and price fluctuation are other sectoral risks faced. The security of product supply is monitored by the directors on an ongoing basis with supplier financial strength, product quality and service levels regularly reviewed. The company's active review of market prices both provides protection and maximises opportunities from anticipated price rises.

Key performance indicators

The company's key performance indicators are as follows:

EUR 1,000	1.4.2020 to 31.3.2021	1.4.2019 to 31.3.2020
Dividend Income	20,507	20,507
Profit before taxes	21,409	24,663

Environment

The company recognises its corporate responsibility to carry out its operations whilst minimising environmental impacts. The directors' continued aim is to comply with all applicable environmental legislation, prevent pollution and reduce waste wherever possible.

Health and safety

The company is committed to achieving the highest practicable standards in health and safety management and strives to make its premises a safe environment for employees and customers alike.

Principal risks and uncertainties

The company's key operational and financial risks are set out below along with the risk management policies put in place to mitigate these risks.

Financial risk management

The Company is exposed in its operations to different financial risks. Financial risks are managed according to the company's Treasury Policy as approved by the Parent Company's Board of Directors. The Treasury Policy defines the main activities, common management principles, division of responsibilities as well as required control environment for Treasury and related risk management processes to be applied by the company.

Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The company does not have any exposure in foreign currency in its statement of financial position at the year end.

Interest rate risk

Changes in interest rate levels affect mainly the fair values of interest-bearing liabilities in the statement of financial position and related interest payments. The objective of interest rate risk management in the company is to optimise interest expenses and at the same time ensure that changes in interest rates do not cause unpredictable effects on the profit or loss, cash flows or statement of financial position of the company. Interest rate risk is managed by maintaining an optimal balance between the abovementioned objectives.

Liquidity risk

The objective of cash and liquidity management is to centralise the management of the cash and other liquid assets of company and thereby ensure the efficient use of the company's liquidity while avoiding liquidity risk. The Treasury of company shall optimise the company's cash balances to cover the short term outgoing payments plus the liquidity reserve. To manage liquidity risk, the objective is to maintain a sufficient liquidity reserve in all situations.

Capital structure management

Capital structure management covers equity and net debt in the statement of financial position. The objective of managing the capital structure is to support the company's business by ensuring normal operating conditions for the businesses and to increase the shareholder's value with a target of gaining maximum return on capital. An optimal capital structure also ensures the optimal capital costs. The capital structure can be affected by dividend distributions, share issues and loan restructurings. The capital structure is continuously monitored.

Impact of COVID-19

The Company has evaluated the impact of COVID – 19. The Company has concluded that the impact of COVID – 19 is not material based on these estimates. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of investment. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts and consensus estimates from market sources on the expected future demand of its products. The Company has performed analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

MSSL Estonia WH OÜ

Financial Statement

Statement of Comprehensive Income for the year 1.4.2020 to 31.3.2021

EUR 1,000	Notes	1.4.2020 to 31.3.2021	1.4.2019 to 31.3.2020
Revenue			
Dividend Income		20,507	20,507
		20,507	20,507
Other operating expenses	1.1	-102	-33
Operating profit		20,405	20,474
Finance cost	1.2	-2,536	-7,103
Other income	1.2	3,540	11,292
Profit before taxes		21,409	24,663
Income taxes		-	-
Net profit/ (loss) for the financial period		21,409	24,663
Other comprehensive income		-	-
Total comprehensive income for the financial period		21,409	24,663

MSSL Estonia WH OÜ

Statement of Financial Position as at March 31, 2021

EUR 1,000	Notes	31.03.2021	31.03.2020
Assets			
Non-current assets			
Investment in subsidiary	2.1	570,997	570,997
Total non-current assets		570,997	570,997
Current assets			
Cash and cash equivalents		338	1,226
Total current assets		338	1,226
Total assets		571,335	572,223
Equity and liabilities			
Equity			
Share capital		3	3
Voluntary reserve		330,501	-
Retained earnings		44,081	22,672
Total equity		374,585	22,675
Non-current liabilities			
Interest-bearing financial liabilities	2.2	194,800	127,580
Total non-current liabilities		194,800	127,580
Current liabilities			
Interest-bearing financial liabilities	2.2	-	403,609
Other non-interest bearing liabilities	2.3	1,950	18,359
Total current liabilities		1,950	421,968
Total liabilities		196,750	549,548
Total equity and liabilities		571,335	572,223

MSSL Estonia WH OÜ

Statement of Cash Flows for the year 1.4.20 to 31.3.21

EUR 1,000	1.4.2020 to	
	31.3.2021	1.4.2019 to 31.3.2020
Cash flows from operating activities		
Profit before taxation	21,409	24,663
Adjustments for:		
Dividend Income	-20,507	-20,507
Interest expenses	2,536	7,103
Unrealised foreign exchange loss/(gain)	-3,540	-11,292
Increase / (Decrease) in other non-interest bearing liabilities	44	-
Net cash from operating activities (A)	-58	-33
Cash flows from investing activities		
Dividends received from investments	20,507	20,507
Net cash used in investing activities (B)	20,507	20,507
Cash flows from financing activities		
Proceeds from non-current borrowings	89,000	0
Repayment of current/non-current borrowings	-91,618	-19,565
Interest and other financial charges paid	-18,719	-836
Net cash used in financing activities (C)	-21,337	-20,400
Net increase (+) or decrease (-) in cash and cash equivalents (A+B+C)	-888	73
Cash and cash equivalents at the beginning of the financial year	1,226	1,153
Cash and cash equivalents at the end of the financial year	338	1,226

Statements of Changes in Equity for the year 1.4.20 to 31.3.21

EUR 1,000	Share capital	Retained earnings	Voluntary reserve	Total equity
Equity as at 1.4.2020	3	22,672	-	22,675
Net profit for the period	-	21,409	-	21,409
Total other comprehensive income	-	-	-	-
Total comprehensive income for the financial year	-	21,409	-	21,409
Contribution by shareholders	-	-	330,501	330,501
Total equity as at 31.3.2021	3	44,081	330,501	374,585

Statements of Changes in Equity for the period 1.4.19 to 31.3.20

EUR 1,000	Share capital	Retained earnings	Voluntary reserve	Total equity
Equity as at 1.4.2019	3	-1,991	-	-1,988
Net profit for the period	-	24,663	-	24,663
Total other comprehensive income	-	-	-	-
Total comprehensive income for the financial year	-	24,663	-	24,663
Total equity as at 31.3.2020	3	22,672	-	22,675

Notes to the financial statements

Basis of Preparation and Accounting Policies

Company information

MSSL Estonia WH OÜ is a private limited company, domiciled in Estonia. The registered office is located at Harju maakond, Tallinn, Lasnamäe linnaosa, Lõõtsa tn 8, 11415, Estonia.

Basis of preparation

The financial statements of MSSL Estonia WH OÜ for the year ended 31 March 2021 were authorised for issue in accordance with a resolution of the directors on May 15, 2021. The separate financial statements of MSSL Estonia WH OÜ are prepared in accordance with the International Financial Reporting Standards (IFRS) in force at March 31, 2021 as adopted by the European Union.

The financial statements have been prepared on a going concern basis and in accordance with the accrual basis of accounting. The financial statements have been prepared on a historical cost basis unless otherwise indicated.

The financial statements are presented in Euro and all values are rounded to the nearest thousand (€000), except when otherwise indicated.

Accounting policies for the financial statements

The general accounting policies of the financial statements are described in this section. Detailed accounting policies and descriptions of decisions based on management's judgement and management's use of estimates are presented later at each item of the financial statements.

Use of estimates

The preparation of the financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the valuation of the reported assets and liabilities and other information, such as contingent assets and liabilities and the recognition of income and expenses in profit or loss. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from the estimates.

The most important items, which require management estimates and assumptions and which may include uncertainty, are impairment testing of investments. Detailed descriptions of decisions based on management's judgement and management's use of estimates are presented later at each item of the financial statements.

The Company's management makes judgements concerning the adoption and application of the accounting policies for the financial statements. The management has used its judgement in selecting and applying the accounting policies.

Dividend Income

Dividend income is recognised when the right to receive payment is established

Standards issued but not effective

New and amended standards had no impact in the financial statement of the company. The company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

1. Items Related to the Profit for the Period

1.1 Other Operating Expenses

Accounting policy

Indirect expenses of operations are recognised as other operating expenses.

EUR 1,000	1.4.2020 to 31.3.2021	1.4.2019 to 31.3.2020
Legal & professional expenses	102	33
Total	102	33

1.2 Finance costs and income

Accounting policy

Finance costs and other income consist of interest expenses, foreign exchange gain / (losses) on long-term loans and other costs that an entity incurs in connection with the borrowing of funds.

Transactions in foreign currencies are initially recorded by the entity at the prevailing spot rates at the date of the transaction first qualifies for recognition. Subsequently, the monetary assets and liabilities denominated in foreign currencies are translated at the spot rates of exchange at the reporting date. Differences arising on settlement or restatement of monetary items are recognised in profit or loss.

Finance costs:

EUR 1,000	1.4.2020 to 31.3.2021	1.4.2019 to 31.3.2020
Interest expenses		
on long term borrowings	-2,535	-7,103
Other financial charges paid	-1	0
Total	-2,536	-7,104

Other income

EUR 1,000	1.4.2020 to 31.3.2021	1.4.2019 to 31.3.2020
Exchange fluctuation (net)	3,540	11,292
Total	3,540	11,292

2. Assets and Liabilities

2.1 Investment in subsidiary

Accounting policy

In line with IAS 27, the investments have been valued at cost in the company's financial statements.

Impairment of investment

At the end of each reporting period, the Company performs a review of its investments to determine whether there were indications that any of these investments may have been impaired. The amount of impairment is the difference between the investments carrying amount and the recoverable amount. The recoverable amount is the higher of fair value less costs of disposal and the value in use. Calculation of recoverable amount is based on estimated future cash flows, discounted at the effective interest rate at the reporting date. As at the end of March 31, 2021 there were no indications of decline in the recoverable value and hence no impairment test has been performed for the investment in the subsidiary.

EUR 1,000	31.03.2021	31.03.2020
Investment in subsidiary "PKC Group Oy"	570,997	570,997
Total	570,997	570,997

PKC Group Oy is based out in Finland and is wholly owned subsidiary of the company

2.2 Interest-bearing financial liabilities

Non-current interest-bearing financial liabilities

EUR 1,000	31.03.2021	31.03.2020
Loans from related parties	194,800	127,580
Total	194,800	127,580

Current interest-bearing financial liabilities

EUR 1,000	31.03.2021	31.03.2020
Loans from related parties	0	403,609
Total	0	403,609

Terms of unsecured interest-bearing financial liabilities

EUR 105.80 million (March 31, 2020: EUR 119.00 million) carrying interest rate of 6 months Euribor+ 0.75% payable by March 2023.

EUR 15.00 million (March 31, 2020: Nil) carrying interest rate of 6 months Euribor+ 0.75% payable by June 2023.

EUR 74.00 million (March 31, 2020: Nil) carrying interest rate of 6 months Euribor+ 0.75% payable by October 2023.

Nil (March 31, 2020: EUR 333.61 million) carrying interest rate of 6 months Libor+ 0.75%.

Nil (March 31, 2020: EUR 8.58 million) carrying interest rate of 6 months Libor+ 0.75%.

2.3 Other Non-Interest Bearing Liabilities

Accounting policy

Other Non-Interest Bearing Liabilities include Interest accrued but not due on borrowings and expenses payable

EUR 1,000	31.03.2021	31.03.2020
Interest accrued but not due on borrowings	1,906	18,359
Expenses payable	44	0
Total	1,950	18,359

2.4 Equity

A. Issued capital

EUR 1,000	31.03.2021	31.03.2020
Authorised capital	10	10
Issued capital	3	3

Movement in issued capital

EUR 1,000	31.03.2021
As at 1.4.2019	3
Contribution by shareholders	0
As at 31.3.2020	3
Contribution by shareholders	0
As at 31.3.2021	3

The subscription price of a share received by the company in connection with share issues is credited to the share capital. The Company has only one class of equity shares. Each holder of equity is entitled to one vote per share held. The Company declares and pays dividends in Euro. The dividend, if proposed by the Board of Directors, is subject to the approval of the shareholders in the Annual General Meeting.

In the event of liquidation of the Company, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their share holding.

Details of shareholders

EUR 1,000	% Holding 31.03.2021	% Holding 31.03.2020	% Holding 0
MSSL (GB) Limited	100%	100%	100%

B. Voluntary reserve

Movement in voluntary reserve

EUR 1,000	31.03.2021
As at 1.4.2019	0
Contribution by shareholders	0
As at 31.3.2020	0
Contribution by shareholders	330,501
As at 31.3.2021	330,501

The voluntary reserve is created out of non-monetary contribution by the share holder of the company. This non-monetary contribution is made out of outstanding principal amount of loan taken by the company from its share holder.

3. Capital Structure and Financial Expenses

3.1 Classification, Accounting and Valuation Principles, Carrying Amounts and Fair Values of Financial Assets and Liabilities by Valuation Categories

Accounting policy

Classification, accounting and valuation principles

The principles company applies in classifying, recognising, derecognising and valuing of financial assets and liabilities are presented below.

The financial liabilities of Company are classified into the following categories:

- Financial liabilities at fair value through profit and loss
- Financial liabilities at amortised cost (other financial liabilities)

Transaction costs are included in the original carrying amount of financial liabilities at amortised cost. Financial liabilities are classified as current unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after end of the reporting period. The Company derecognises a financial liability (or part of it) only when it is extinguished, i.e. when the obligation specified in the contract is discharged, cancelled or expired.

Fair value hierarchy

A number of Company's accounting policies and disclosures require the measurement of fair values. For Company this applies primarily to financial assets and liabilities.

For financial instruments that are measured in the statement of financial position at fair value, IFRS requires disclosure of fair value measurements by level of the fair value measurement hierarchy. The fair value hierarchy is based on the source of inputs used in determining fair values (used in the valuation techniques) as follows:

- Level 1: fair values are based on quoted price in active markets for identical assets or liabilities
- Level 2: fair values are based on market rates and prices, discounted future cash flows etc.
- Level 3: for assets and liabilities in level three, there is no reliable market source available and thus fair value measurement cannot be based on observable market data.

When measuring the fair value of an asset or a liability, Company uses observable market data to the extent possible.

Financial liabilities at amortised cost (loans and borrowings)

This is the category most relevant to the company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability.

The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and similar investments. These investments include highly liquid investments with an original maturity of three months or less from the acquisition date.

Classification of financial assets and liabilities by measurement category as at March 31, 2021

EUR 1,000	Financial liabilities measured at amortised cost	Carrying amounts of statement of financial position's items	Fair values of statement of financial position's items	Fair value hierarchy level
Current financial assets				
Cash and cash equivalents	338	338	338	
Total current financial assets	338	338	338	
Total financial assets	338	338	338	
Non-current financial liabilities				
Non-current Interest-bearing liabilities	194,800	194,800	194,800	Level 3
Total non-current financial liabilities	194,800	194,800	194,800	
Current financial liabilities				
Current non-interest bearing liabilities	1,950	1,950	1,950	Level 3
Total current financial liabilities	1,950	1,950	1,950	
Total financial liabilities	196,750	196,750	196,750	

Classification of financial assets and liabilities by measurement category as at March 31, 2020

EUR 1,000	Financial liabilities measured at amortised cost	Carrying amounts of statement of financial position's items	Fair values of statement of financial position's items	Fair value hierarchy level
Current financial assets				
Cash and cash equivalents	1,226	1,226	1,226	
Total non-current financial assets	1,226	1,226	1,226	
Total financial assets	1,226	1,226	1,226	
Non-current financial liabilities				
Non-current interest-bearing liabilities	127,580	127,580	127,580	Level 3
Total non-current financial liabilities	127,580	127,580	127,580	
Current financial liabilities				
Current Interest-bearing liabilities	403,609	403,609	403,609	Level 3
Current non-interest bearing liabilities	18,359	18,359	18,359	Level 3
Total current financial liabilities	421,968	421,968	421,968	
Total financial liabilities	549,548	549,548	549,548	

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for interest bearing borrowing taken by the company.

Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the fair value of the financial instruments is determined using discounted cash flow analysis.

The company has taken loan at floating rate of interest and are adjusted to current market rates. Because of this, effective finance cost to the company is at current market rate.

3.2 Financial Risk Management

The Company is exposed in its operations to different financial risks. Financial risks are managed according to the company's Treasury Policy as approved by the Parent Company's Board of Directors. The Treasury Policy defines the main activities, common management principles, division of responsibilities as well as required control environment for Treasury and related risk management processes to be applied by the Company.

Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The company does not have any exposure in foreign currency in its statement of financial position as at March 31, 2021.

Below are presented transaction risk positions related to the statement of financial position of the company's most significant currency pairs, as well as the sensitivity of the company's pre-tax profit to currency rate changes at the end of the reporting period.

		as at March 31, 2021	as at March 31, 2020
Functional currency		EUR	EUR
Foreign currency		GBP	GBP
EUR 1,000			
Interest-bearing financial liabilities		-	342,189
Other non-interest bearing liabilities		-	17,935
	Change in foreign currency %		
EUR 1,000			
Sensitivity	+1	-	3,581
	-1	-	-3,581

Interest rate risk

Changes in interest rate levels affect mainly the fair values of interest-bearing liabilities in the statement of financial position and related interest payments. The entity's exposure to the risk of changes in market interest rates relates primarily to the entity's long-term debt obligations with floating interest rates.

At the end of reporting period the Group did not have any open interest rate derivatives.

Sensitivity of the Company's pre-tax profit arising from financial instruments to changes in interest rate at the end of reporting period:

EUR 1,000	2020-21 Income statement	2019-20 Income statement
+/- 1% change in market interest rates	-910/+0	-1,220/+52

Sensitivity calculation does not take into account the impact of negative short term market rates.

Credit risk

The Company does not have financial assets in its statement of financial position other than cash and cash equivalents.

Liquidity risk

The objective of cash and liquidity management is to centralise the management of the cash and other liquid assets of company and thereby ensure the efficient use of the company's liquidity while avoiding liquidity risk. The Treasury of company shall optimise the company's cash balances to cover the short term outgoing payments plus the liquidity reserve. To manage liquidity risk, the objective is to maintain a sufficient liquidity reserve in all situations.

Maturity analysis of financial liabilities as at March 31, 2021

EUR 1,000	2021-22	2022-23	2023-24	Total
Loans from related parties	-	105,800	89,000	194,800
Financing costs on loans from related parties	3,367	1,461	322	5,150
Total	3,367	107,261	89,322	199,950

Maturity analysis of financial liabilities as at March 31, 2020

EUR 1,000	2020-21	2021-22	2022-23	Total
Loans from related parties	403,609	8,580	119,000	531,189
Financing costs on loans from related parties	17,124	363	3,347	20,834
Total	420,733	8,943	122,347	552,023

Capital structure management

Capital structure management covers equity and net debt in the financial position. The objective of managing the capital structure is to support the performance of the subsidiary company by ensuring normal operating conditions for the businesses and to increase the shareholder's value with a target of gaining maximum return on capital. An optimal capital structure also ensures the optimal capital costs. The capital structure can be affected by dividend distributions, share issues and loan restructurings.

4. Other Notes

4.1 Related Party Disclosures

Motherson Sumi Systems Limited, India ("MSSL"), through its subsidiary MSSL (GB) Limited, holds 100% of the voting shares in the company. MSSL and their direct and indirect held subsidiaries, collectively known as group companies.

The company's related parties comprise the Group companies and members of the Company's Board of Directors.

During the year the company entered into transactions, in the ordinary course of business, with related parties. Transactions entered into with the related parties are in the ordinary course of business undertaken by the company.

Details of related party transactions for the year ended March 31, 2021

EUR 1,000	Immediate	Subsidiaries	Other related	Total
	Parent		parties	
Dividend income	-	20,507	-	20,507
Interest expenses	1,323	-	1,212	2,535

Details of related party balances as at March 31, 2021

EUR 1,000	Immediate	Subsidiaries	Other related	Total
	Parent*		parties	
Loans payable	-	-	194,800	194,800
Interest payable	25	-	1,881	1,906

* During the year the company has converted loan amounting EUR 330.50 million from immediate parent entity into equity and repaid remaining loan including interest amount to immediate parent entity

Details of related party transactions for the year ended March 31, 2020

EUR 1,000	Immediate	Subsidiaries	Other related	Total
	Parent		parties	
Dividend income	-	20,507	-	20,507
Interest expenses	6,143	-	960	7,103

Details of related party balances as at March 31, 2020

EUR 1,000	Immediate	Subsidiaries	Other related	Total
	Parent		parties	
Loans payable	412,189	-	119,000	531,189
Interest payable	17,690	-	669	18,360

4.2 Group Structure

Immediate Parent

Company	Principal Activity	Domicile	Holding %	Votes %
MSSL (GB) Limited	Manufacturing	UK	100	100

PKC Group Oy, is wholly owned subsidiary of the company. Group structure of PKC Group Oy and its direct and indirect subsidiaries as at March 31, 2021 are given below:

Company	Principal Activity	Domicile	Holding %	Votes %
PKC Group Oy	Administration	Finland	100	100
PKC Wiring Systems Oy	Administration	Finland	100	100
PK Cables do Brasil Industria e Comercio Ltda	Manufacturing	Brazil	100	100
PKC Group Canada Inc.	Sales	Canada	100	100
PKC Group APAC Limited	Administration	Hong Kong	100	100
PKC Vehicle Technology (Suzhou) Co. Ltd	Manufacturing	China	100	100
PKC Vehicle Technology (Hefei) Co., Ltd.	Manufacturing	China	50	50
PKC Vehicle Technology (Fuyang) Co., Ltd.^(A)	Manufacturing	China	100	100
Hubei Zhenggao PKC Automotive Wiring Company Ltd	Manufacturing	China	40	40
Jiangsu Huakai-PKC Wire Harness Co., Ltd.	Manufacturing	China	50	50
Shandong Huakai-PKC Wire Harness co., Ltd *)	Manufacturing	China		
Project Del Holding S.à.r.l.	Holding	Luxembourg	100	100
AEES Manufacturera, S. De R.L. de C.V	Administration	Mexico	100	100
Arneses y Accesorios de México, S. de R.L. de C.V.	Manufacturing	Mexico	100	100
Arneses de Ciudad Juarez, S. de R.L. de C.V.	Manufacturing	Mexico	100	100
Asesoria Mexicana Empresarial, S. de R.L. de C.V.	Administration	Mexico	100	100
Cableados del Norte II, S. de R.L. de C.V.	Manufacturing	Mexico	100	100
PKC Group de Piedras Negras, S. de R.L. de C.V.	Manufacturing	Mexico	100	100
PKC Group AEES Commercial, S. de R.L. de C.V.	Sales	Mexico	100	100
Manufacturas de Componentes Eléctricos de México S. de R.L. de C.V.	Manufacturing	Mexico	100	100
PKC Group Mexico S.A. de C.V.	Manufacturing	Mexico	100	100
PKC SEGU Systemelektrik GmbH	Manufacturing	Germany	100	100
PKC Wiring Systems Llc	Manufacturing	Serbia	100	100
TKV-sarjat Oy	Holding	Finland	100	100
Motherson Rolling Stocks S. de R.L. de C.V.	Manufacturing	Mexico	100	100
PKC Eesti AS	Administration	Estonia	100	100
PKC Group Lithuania UAB	Manufacturing	Lithuania	100	100
PKC Group Poland Sp. z o.o.	Manufacturing	Poland	100	100
OOO AEK	Manufacturing	Russia	100	100
Motherson PKC Harness Systems FZ-LLC	Manufacturing	UAE	100	100
PKC Group USA Inc.	Administration	USA	100	100
AEES Inc.	Administration	USA	100	100
AEES Power Systems Limited Partnership	Manufacturing	USA	100	100

Company	Principal Activity	Domicile	Holding %	Votes %
Fortitude Industries Inc.	Manufacturing	USA	100	100
T.I.C.S. Corporation	Holding	USA	100	100
PKC Group Poland Holding Sp. z o.o.	Holding	Poland	100	100
Groclin Luxembourg S.à.r.l.	Holding	Luxembourg	100	100
Kabel Technik Polska Sp. z o.o.	Manufacturing	Poland	100	100
Motherson Rolling Stock Systems GB Limited (under liquidation)	Manufacturing	United Kingdom	100	100
Wisetime Oy	Information Technology	Finland	100	100

^) Owned by PKC Vehicle Technology (Hefei) Co., Ltd. 100%

*) Owned by Jiangsu Huakai-PKC Wire Harness Co., Ltd. 100%

4.3 Contingent Items and Commitments

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company (e.g. outcome of on-going judicial process). A contingent liability is also a present obligation, which probably does not require payment obligation or the amount of the obligation cannot be measured with sufficient reliability. At the end of the financial year 31 March 2021 Company has no material contingent items or commitments.

4.4 Estimation of uncertainties relating to the global health pandemic from COVID-19

The Company has evaluated the impact of COVID – 19. The Company has concluded that the impact of COVID – 19 is not material based on these estimates. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties relating to performance of subsidiaries in future periods.

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of investment. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts and consensus estimates from market sources on the expected future demand of its products. The Company has performed analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

4.5 Events after the Financial Year

The Company's management is not aware of any other significant events occurring after 31 March 2021.

4.6 Rounding off

Amounts appearing as zero "0" in financial statements are below the rounding off norm adopted by the Company.

Signatures of the Management Board to the Annual Report 2020-21

We hereby confirm the correctness of the information presented in the FY 2020-21 financial statements of MSSL Estonia WH OÜ:



Gaya Nand Gauba

Member of the Management Board
26 May 2021



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Translation of the Estonian Original

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of MSSL ESTONIA WH OÜ

Opinion

We have audited the financial statements of MSSL ESTONIA WH OÜ, which comprise the statement of financial position as at 31 March 2021, and the statement of comprehensive income, statement of cash flows and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of MSSL ESTONIA WH OÜ as at 31 March 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Estonia). 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 the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) together with the ethical requirements that are relevant to our audit of the financial statements in Estonia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. Other information consists of management report, but does not consist of the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 as adopted by the European Union, 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.

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 (Estonia) 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 (Estonia), we exercise professional judgment and maintain professional skepticism 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.

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.

Tallinn, 26 May 2021



Erki Usin
Authorised Auditor's number 496
Ernst & Young Baltic AS
Audit Company's Registration number 58

Proposal for profit allocation

The Management Board of MSSL Estonia WH OÜ proposes to the General Meeting of Shareholders to distribute the profit as follows

EUR 1,000

Total distributable profit as of 31.3.2021	21,409
Transfer to legal mandatory reserve	-
Dividend distribution	-
Profit brought forward	22,672
Retained earnings as of 31.3.2021	44,081



Gaya Nand Gauba

Member of the Management Board
26 May 2021

Sales revenue distribution according to EMTAK

2020-21 sales revenue divided according to EMTAK codes is as the following

EUR 1,000	31.03.2021	31.03.2020
Total Revenue	-	-