Audit Report on Financial Statements
issued by an Independent Auditor

SMRC AUTOMOTIVE INTERIORS SPAIN, S.L. (SOLE SHAREHOLDER COMPANY)
Financial Statements and Management Report
for the year ended
March 31, 2021

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working world

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AUDIT REPORT ON FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR

Translation of a report and financial statements originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails (See Note 29)

To the Sole shareholder of SMRC AUTOMOTIVE INTERIORS SPAIN, S.L. (SOLE SHAREHOLDER COMPANY):

Opinion

We have audited the financial statements of SMRC AUTOMOTIVE INTERIORS SPAIN, S.L. (SOLE SHAREHOLDER COMPANY) (the Company), which comprise the balance sheet as at March 31, 2021, the income statement, the statement of changes in equity, the cash flow statement, and the notes thereto for the year then ended.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the equity and financial position of the Company as at March 31, 2021 and of its financial performance and its cash flows for the year then ended in accordance with the applicable regulatory framework for financial information in Spain (identified in Note 2 to the accompanying financial statements) and, specifically, the accounting principles and criteria contained therein.

Basis for opinion

We conducted our audit in accordance with prevailing audit regulations in Spain. Our responsibilities under those regulations 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 ethical requirements, including those related to independence, that are relevant to our audit of the financial statements in Spain as required by prevailing audit regulations. In this regard, we have not provided non-audit services nor have any situations or circumstances arisen that might have compromised our mandatory independence in a manner prohibited by the aforementioned requirements.

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

Most relevant audit issues

Most relevant audit issues are those matters that, in our professional judgment, were the most significant assessed risks of material misstatements in our audit of the financial statements of the current period. These risks were addressed in the context of our audit of the financial statements as a whole, and in forming our audit opinion thereon, and we do not provide a separate opinion on these risks.

Domicilio Social: C/ Raimundo Fernández Villaverde, 65. 28003 Madrid - Inscrita en el Registro Mercantil de Madrid, tomo 9.364 general, 8.130 de la sección 3ª del Libro de Sociedades, folio 68, hoja nº 87.690-1, inscripción 1ª. Madrid 9 de Marzo de 1.989. A member firm of Ernst & Young Global Limited.

Revenue recognition

Description	As described in Note 3.13 of the accompanying notes to the financial statements, revenue is recognised when it is probable that the profits or economic benefits associated with the transaction will flow to the Company, the significant risks and rewards of ownership of the asset have been transferred to the buyer, effective management and control are no longer exercised, and the amount of revenue and costs incurred or to be incurred can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of any discounts, rebates or other similar items that the Company may grant and, where appropriate, any interest included in the nominal amount of the loans. Applicable Indirect taxes on transactions which are reimbursed by third parties are not included. The Company is engaged in the production of automotive interior components, which are marketed mainly through another group company with which it has significant balances through specific production contracts as described in note 3.16. of the accompanying notes. In accordance with the foregoing, practically all of its sales are held with related parties and not with third parties, which is why we have considered revenue recognition to be a relevant issue for our audit.
Our response	Our audit procedures have included, among others, the following: ▶ Understanding of the processes established by the Company's Management in the recognition of sales with related parties to determine their correct accounting recording, performing a walk-through on a sales transaction to confirm the understanding and correct design of the process. ▶ Analysis of the most significant production contracts with related parties, reviewing the main clauses, rights and obligations, including the transfer of risks and rewards and stipulated prices. ▶ The performance, for the main contracts, of substantive analytical procedures consisting of the review of the evolution of revenues and costs of sales relating to discounts, incentives and rebates, as well as the actual margins, comparing them with the budgeted data. ▶ The performance of cut-off procedures for a sample of revenue transactions at year-end in order to conclude whether they were recognised for accounting purposes on the corresponding actual transfer of products. ▶ The analysis of other adjustments and credit notes issued after year-end. ▶ The performance of analysis procedures for a representative sample of the balance of the Revenues heading. These procedures are carried out paying special attention to the amount, entries recorded at or after year end and on an unusual basis, including our review of the documentation relating to the delivery of the products to the final customers. ▶ In addition, we have reviewed the disclosures included in notes 19.b and 25 of the accompanying notes to the financial statements for the year in accordance with the applicable financial reporting framework.

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Other information: management report

Other information refers exclusively to the management report for the year ended March 31, 2021, the preparation of which is the responsibility of the Company's directors and is not an integral part of the financial statements.

Our audit opinion on the financial statements does not cover the management report. Our responsibility in terms of the management report is defined in prevailing audit regulations in Spain, which establishes two separate levels:

a. A specific level applicable to the status of non-financial information, which consists of checking only that such information has been provided in the management report, or where appropriate, that the reference to the separate report on non-financial information has been incorporated in the report in the manner provided for in the regulations, and otherwise reporting on it.

b. A general level applicable to the remainder of the information included in the management report, which consists of assessing and reporting on the consistency of the management report with the financial statements based on the knowledge of the entity we obtained while auditing the financial statements, and not including any information not obtained as evidence during the course of the audit. In addition, our responsibility is to assess and report on whether the content and presentation of the management report are in conformity with applicable regulations. If, based on the work carried out, we conclude that there are material misstatements, we are required to disclose them.

Based on the work performed, as described above, the non-financial information mentioned in paragraph a) above has not been included in the management report but a reference to the existence of a separate report including it has been incorporated in the report, although we have checked the other information contained in the management report is consistent with that provided in the financial statements for the year ended March 31, 2021, and their content and presentation are in conformity with applicable regulations.

Directors' responsibilities for the financial statements

The directors are responsible for the preparation of the accompanying financial statements so that they give a true and fair view of the equity, financial position and results of the Company, in accordance with the regulatory framework for financial information applicable to the Company in Spain, identified in Note 2 to the accompanying financial statements, and for such internal control as they determine 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, the directors are 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 the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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 prevailing audit regulations in Spain 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 prevailing audit regulations in Spain, 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 the director'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 the directors of the Company 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.

From the significant risks communicated with the Company's directors, we determine those that were of most significance in the audit of the financial statements of the current period and are therefore the most significant assessed risks.

We describe those risks in our auditor's report unless law or regulation precludes public disclosure about the matter.

ERNST & YOUNG, S.L.
(Inscribed in the Official Auditors of Financial Statements Register with the number S0530)

Signature on Original in Spanish

Luis Rosales López de Carrizosa
(Inscribed in the Official Auditors of Financial Statements Register with the number 21869)

May 26, 2021

SMRC Automotive Interiors Spain, S.L.
(Sole Shareholder Company)

Financial Statements for the year ended March 31, 2021 and Management report for the year 2021

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SMRC Automotive Interiors Spain, S.L. (Sole Shareholder Company)
Balance sheet at March 31,2021
(Expressed in thousands of euros)

ASSETS	Notes	03/31/2021	03/31/2020
NON-CURRENT ASSETS		**62.983**	**48.155**
Intangible assets	**5**	**2.041**	**2.910**
Patents, licenses, trademarks, et al.		95	259
Goodwill		1.109	1.343
Software		837	1.309
Property, plant and equipment	**6**	**38.626**	**43.542**
Land and buildings		4.658	5.024
Plant and other PP&E items		31.331	36.625
Property, plant and equipment under construction and prepayments		2.637	1.893
Long-term investments in group and associated companies	**8, 9**	**21.000**	**-**
Other financial assets		21.000	-
Long term financial investments	**8, 9**	**73**	**57**
Other financial assets		73	57
Deferred tax assets	**18**	**1.242**	**1.645**
CURRENT ASSETS		**22.120**	**46.764**
Inventories	**10**	**4.069**	**4.818**
Raw materials and other consumables		2.318	2.753
Work in progress		422	763
Finished goods		1.294	1.267
Prepayments to suppliers		35	35
Trade and other receivables		**15.047**	**12.361**
Trade receivables	8, 9	3.461	1.418
Trade receivables, group companies and associates	8, 9	11.566	10.933
Receivable from employees	8, 9	1	-
Other receivables from public administrations	20	19	11
Short term investments in group companies and associates	**8, 9**	**104**	**28.105**
Other financial assets		104	28.105
Accruals		**116**	**139**
Cash and cash equivalents	**11**	**2.785**	**1.341**
Cash		2.785	1.341
TOTAL ASSETS		**85.103**	**94.919**

SMRC Automotive Interiors Spain, S.L. (Sole Shareholder Company)
Balance sheet at March 31,2021
(Expressed in thousands of euros)

EQUITY AND LIABILITIES	Notes	03/31/2021	03/31/2020
EQUITY		**48.422**	**45.693**
CAPITAL AND RESERVES		**46.653**	**43.090**
Share capital	**12**	**15.285**	**15.285**
Issued capital		15.285	15.285
Share premium	**12**	**13.248**	**13.248**
Reserves	**13**	**26.671**	**22.916**
Legal and statutory		2.727	2.300
Other reserves		23.944	20.617
Retained earnings	**13**	**(12.630)**	**(12.630)**
Profit for the year	**14, 20**	**4.079**	**4.271**
Grants, donations and legacies	**15**	**1.769**	**2.603**
NON-CURRENT LIABILITIES		**587**	**868**
Deferred tax liabilities	**18**	**587**	**868**
CURRENT LIABILITIES		**36.094**	**48.358**
Short term provisions	**17b**	**1.430**	**1.665**
Short term borrowings from group companies and associates	**8, 16, 25C**	**8.455**	**19.586**
Trade and other payables		**25.505**	**27.106**
Trade Payables	8, 16	16.832	18.243
Trade payables, group companies and associates	8, 16	839	92
Other payables	8, 16	1.518	2.625
Employee benefits payable	8, 16	3.332	4.157
Other payables to public administrations	20	586	-
Other payables to public administrations	20	2.398	1.989
Accruals		**704**	**1**
TOTAL EQUITY AND LIABILITIES		**85.103**	**94.919**

SMRC Automotive Interiors Spain, S.L. (Sole Shareholder Company)
Income statement for the year ended March 31, 2021
(Expressed in thousands of euros)

	Notes	03/31/2021	03/31/2020
CONTINUING OPERATIONS			
Revenues		**132.664**	**167.661**
Sale of goods	19b	129.677	163.960
Rendering of services	19b	2.987	3.701
Changes in inventory of finished goods and work/goods in progress		**-**	**(408)**
Cost of sales		**(66.526)**	**(87.464)**
Consumption of goods for resale	19c	(2.127)	(1.175)
Consumption of raw materials and other consumable materials	19c	(64.411)	(86.398)
Impairment of goods, raw materials and other supplies	10a	13	110
Other operating income		**16**	**20**
Ancillary income		16	(1)
Grants related to income		-	21
Employee benefits expense	**19d**	**(33.957)**	**(38.846)**
Wages, salaries and similar		(25.909)	(28.304)
Social security costs		(8.048)	(10.541)
Other operating expenses		**(19.635)**	**(28.057)**
External services		(19.116)	(27.636)
Taxes		(409)	(408)
Losses on, impairment of and change in trade provisions	9	(109)	(13)
Depreciation	**5 y 6**	**(8.859)**	**(8.813)**
Grants related to non-financial assets and other grants	**15**	**1.146**	**1.421**
Impairment losses and gains (losses) on disposal of non-current assets		**(1)**	**(21)**
Gains (losses) on disposal		(1)	(21)
Other results		**3**	**-**
OPERATING PROFIT		**4.852**	**5.492**
Finance income	**21**	**388**	**138**
From marketable securities and other financial instruments		388	138
From group companies and associates		388	138
Finance costs	**21**	**(172)**	**(59)**
Borrowing from group companies and associates		(170)	(58)
Borrowings from third parties		(1)	(1)
FINANCE COST		**216**	**79**
PROFIT BEFORE TAX		**5.068**	**5.571**
Income tax	**20**	(989)	(1.300)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		**4.079**	**4.271**
PROFIT FOR THE YEAR		**4.079**	**4.271**

SMRC Automotive Interiors Spain, S.L. (Sole Shareholder Company)
Statement of changes in equity for the year ended March 31, 2021
(Expressed in thousands of euros)

A) Statement of recognized income and expenses for the year ended March 31, 2021

	Notes	03/31/2021	03/31/2020
Profit for the period		**4.079**	**4.271**
Income and expense recognized directly in equity			
Grants, donations and bequests received	15	30	1.791
Tax effect	15	(8)	(448)
Total income and expense recognized directly in equity		**23**	**1.343**
Amounts transferred to the income statement			
Grants, donations and bequests received	15	(1.146)	(1.421)
Tax effect	15	287	356
Total transferred to income statement		**(860)**	**(1.065)**
TOTAL RECOGNIZED INCOME AND EXPENSE		**3.242**	**4.549**

(Expressed in thousands of euros)

B) Statement of all changes in equity for the year ended 31 March 2021

	Issued capital (Note 12)	Share premium (Note 12)	Reserves (Note 13)	Retained earnings (results from previous years) (Note 13)	Profit for the year (Note 20)	Grants, donations and bequests received (Note 15)	TOTAL
BALANCE AT DECEMBER 31, 2019	**15.285**	**13.248**	**20.944**	**(12.630)**	**1.972**	**2.222**	**41.041**
Total recognised income and expense	-	-	-	-	**4.271**	**278**	**4.549**
Other variations in Equity	-	-	**1.972**	-	**(1.972)**	**104**	**104**
Profit appropriation	-	-	1.972	-	(1.972)	-	-
Other variations	-	-	-	-	-	104	104
BALANCE AT MARCH 31, 2020	**15.285**	**13.248**	**22.916**	**(12.630)**	**4.271**	**2.603**	**43.693**
Total recognised income and expense	-	-	-	-	**4.079**	**(837)**	**3.242**
Other variations in Equity	-	-	**3.755**	-	**(4.271)**	**3**	**(513)**
Profit appropriation	-	-	4.271	-	(4.271)	-	-
Other variations	-	-	(516)	-	-	3	(513)
BALANCE AT MARCH 31, 2021	**15.285**	**13.248**	**26.671**	**(12.630)**	**4.079**	**1.769**	**46.422**

SMRC Automotive Interiors Spain, S.L. (Sole Shareholder Company)
Cash flow statement for the year ended March 31, 2021
(Expressed in thousands of euros)

(Thousand of Euros)	Notes	03/31/2021	03/31/2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**5.068**	**5.571**
Adjustments to profit		**7.263**	**7.470**
Depreciation and amortization	5 y 6	8.860	8.813
Changes in provisions		(235)	136
Grants related to income	15	(1.146)	(1.421)
Finance income	21	(388)	(138)
Finance costs	21	172	58
Other income and expenses		-	22
Change in working capital		**(14.526)**	**12.699**
Inventories		773	(661)
Trade and other receivables		(2.685)	10.464
Otros activos corrientes		24	-
Trade and other payables		(13.316)	2.897
Other non-current assets and liabilities		703	-
Other cash flows from operating activities		**216**	**80**
Interests paid	21	(172)	(58)
Interests received	21	388	138
Cash flows from operating activities		**(1.980)**	**25.821**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments on investments		**(3.612)**	**(34.878)**
Group companies and associates		(516)	(28.105)
Intangible assets	5	(106)	(73)
Property, plant and equipment	6	(2.974)	(6.737)
Other financial assets		(16)	37
Disposal proceeds		**7.006**	**-**
Group and associated companies		7.000	-
Property, plant and equipment		6	-
Cash flows from investing activities		**3.394**	**(34.878)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from and payments on equity instruments		**30**	**1.535**
Grants, donations and legacies		30	1.535
Cash flows from financing activities		**30**	**1.535**
NET INCREASE/DECREASE OF CASH AND CASH EQUIVALENTS		**1.443**	**(7.522)**
Cash and cash equivalents at beginning	**11**	**1.341**	**8.864**
Cash and cash equivalents at year end	**11**	**2.785**	**1.341**

1. General Information

SMRC Automotive Interiors Spain, S.L. (Sole-Shareholder Company), hereafter the Company, was incorporated on 22 June 1999 as a limited liability company and its domiciled at Plaza Elías Ahujas, 1A (Edificio Puerta Grande, Planta 2, Oficina 6), in El Puerto de Santa María (Cádiz). The industrial facilities and offices are located in Igualada (Barcelona), Mas Blau (Barcelona), Salceda (Pontevedra) and Medina de Rioseco (Valladolid).

Its corporate purpose is the design, development, manufacture, assembly, sale and marketing of components, parts, accessories or equipment for the automobile or other types of industrial and commercial components, parts, accessories or equipment.

The Company's activity is basically based on the business carried on by Plastic Omnium Industrial, S.A., which was absorbed in a merger in 1999. In accordance with the merger agreement, Plastic Omnium Industrial, S.A. was dissolved without liquidation and all its assets and liabilities were transferred as a whole to the absorbing company, which acquired the rights and obligations of the absorbed company by universal succession.

The Company is controlled by Samvardhana Motherson Reydel Automotive Parts Holding Spain S.L. (Sole-Shareholder Company), incorporated in Spain, which owns 100% of the shares and files consolidated financial statements in accordance with current legislation at the Mercantile Registry of Cadiz.

In accordance with Articles 13 and 16 of the Spanish Corporate Law, the Company has been registered at the Mercantile Registry as a sole Shareholder Company since July 28, 1999.

As from October 31, 2014, following the acquisition by Reydel Automotive Holdings BV of the Visteon Group's "interiors" business, the Company is integrated into the Reydel Group.

On August 2, 2018, following the acquisition of the Reydel Group by Samvardhana Motherson Automotive Systems Group B.V., the Company was integrated into the Samvardhana Motherson Group.

From August 20, 2018 the Company changed its corporate name to SMRC Automotive Interiors Spain, S.L. (Sole-Shareholder Company).

According to the minutes of November 7, 2018 of the decisions taken by the Sole Shareholder of the Company, Samvardhana Motherson Reydel Automotive Parts Holding Spain, S.L., it was decided to amend the Company's financial year, which will commence on April 1st of each year and end on March 31 of the following year.

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

a) True and fair view

The financial statements have been prepared from the Company's accounting records and are presented in accordance with current commercial legislation and the rules established in the Spanish GAAP approved by Royal Decree 1514/2007 and the amendments incorporated in Royal Decree 1159/2010, in order to give a true and fair view of the Company's assets, financial position and results, as well as the fair view of the cash flows included in the cash flow statement.

The Company's financial statements are presented in thousands of euros, being the euro the Company's presentation and functional currency.

The Board of Directors considers that the financial statements for 2021 will be approved by the Sole Shareholder without modification.

b) Comparison of information

In accordance with mercantile legislation, for comparative purposes, in addition to the figures for the year ended March 31, 2021, the figures for the previous year are presented with each of the items of the balance sheet, the income statement, the statement of changes in equity and the cash flow statement, in addition to the figures for the year ended March 31, 2021. The notes to the financial statements also include quantitative information for the previous year, except when an accounting standard specifically states that this is not necessary.

c) Critical issues concerning the assessment of uncertainty

The preparation of the financial statements requires the use by the Company of certain estimates and judgements regarding the future that are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates, by definition, are unlikely to equal the corresponding actual results.

Although the estimates considered have been made on the basis of the best information available at the date of preparation of these financial statements, any future changes in these estimates would be applied prospectively from that time onwards, recognizing the effect of the change in the estimate made in the income statement for the corresponding year.

The main estimates and judgements considered in the preparation of the financial statements are as follows:

Useful lives of Fixed Assets

Company management determines the estimated useful lives and corresponding depreciation charges for its property, plant and equipment. The useful lives of fixed assets are estimated in relation to the period over which the assets will generate economic benefits. The Company reviews the useful lives of its fixed assets at each balance sheet date and, if the estimates differ from those previously made, the effect of the change is accounted for prospectively from the year in which the change is made (notes 5 and 6).

Recoverable amount of inventory

The recoverable amount of inventories is determined on the basis of projected data on turnover and sales prices (see note 10), although the Company mainly produces through a contract with group companies in which the sales price is determined using the cost of production plus a predefined margin.

Provisions

Provisions are recognised when it is probable that a present obligation, resulting from past events, will result in an outflow of resources and the amount of the obligation can be reliably estimated. To meet the requirements of the accounting standard, significant estimates are required. Company management makes estimates, evaluating all relevant information and events, of the probability of occurrence of the contingencies and of the amount of the liability to be settled in the future. Noteworthy are the provision for customer impairment (note 9) registered as described in note 3.4 and the provision for trade guarantees (note 17).

Income tax and deferred tax assets

The calculation of income tax requires interpretations of the tax regulations applicable to the Company. In addition, the Company assesses the recoverability of deferred tax assets on the basis of the existence of future taxable income against which it is possible to recover these assets (notes 18 and 20).

Impairment of non-current assets

When measuring non-current assets other than financial assets, especially goodwill, estimates must be made to determine their fair value to assess if they are impaired. To determine fair value, the directors estimate the expected cash flows from assets and the cash-generating units to which they belong, applying an appropriate discount rate to calculate the present value of these cash flows.

On March 11, 2020, the World Health Organization upgraded the public health emergency caused by the outbreak of the coronavirus (COVID-19) to an international pandemic. The rapid evolution of events, on a national and international scale, represents an unprecedented health crisis, which will impact the macroeconomic environment and the evolution of business. To address this situation, among other measures, the Spanish Government has proceeded to declare a state of alarm, through the publication of Royal Decree 463/2020, of March 14, and to approve a series of extraordinary urgent measures to address the economic and social impact of COVID-19, through Royal Decree-Law 8/2020, of March 17.

Future cash flows depend on meeting the budgets for the next five years, which could be influenced depending on the magnitude of the effects that could result from the economic crisis caused by the COVID-19 pandemic, while the discount rates depend on the interest rate and the risk premium associated with each cash generating unit, which, likewise, could be affected by such effects. (Note 5).

The Company's directors consider that there is no impairment at the time of preparation of these financial statements, although, depending on future developments, events could occur that would be adjusted prospectively.

3. ACCOUNTING POLICIES

3.1 Intangible assets

a) Goodwill

Goodwill is initially measured upon acquisition at cost, i.e. the excess of the cost of the business combination over the Company's interest in the net fair value of the acquiree's identifiable assets, less the liabilities assumed. Consequently, goodwill is only recognised when it has been acquired for consideration and relates to future economic benefits from assets that cannot be individually identified and separately recognised.

Goodwill is allocated to cash-generating units (CGUs) for the purpose of testing for impairment. The allocation is made to those CGUs that are expected to benefit from the business combination in which the goodwill arose.

Impairment losses recognised for goodwill are not reversed in subsequent years.

Goodwill recognized separately was amortized up to 31 December 2007 and therefore shows accumulated amortization (note 5).

In accordance with the Spanish GAAP approved by Royal Decree 1514/2007, goodwill and intangible assets considered to have an unlimited useful life were not amortized from January 1st 2008 and were tested for impairment annually and measured at cost less accumulated impairment losses. In accordance with Royal Decree 602/2016, of 2 December, which amends the Spanish GAAP, from January 1st 2016 the Company has been systematically amortizing goodwill and intangible assets that were considered to have an indefinite useful life in previous years over a period of 10 years.

In accordance with the single transitional provision of Royal Decree 602/2016, in 2016 the Group opted to amortize the carrying amount of goodwill prospectively (note 5). The amortization charge for the year ended March 31, 2021 amounted to 233 thousand euros, 233 thousand euros in the year ended March 31, 2020, (note 5) and is recorded under "Depreciation and amortization" in the income statement.

b) Software

Software licenses acquired from third parties are capitalized on the basis of the costs incurred to acquire them and prepare them to use the specific program. These expenses are amortized on a straight-line basis over the useful life of the asset (3 to 5 years).

c) Patents

Patents can be used for a period of 10 years and are amortized on a straight-line basis over this period.

d) Licenses

Licenses for the use of intellectual property can be used for an initial period of 10 years, depending on the type of license. This initial period can be renewed at the Company's option at no cost, provided that the license conditions are met, so that, until 2015, it was estimated that they had an indefinite useful life and, in accordance with the provisions of the General Accounting Plan approved in Royal Decree 1514/2007, they were not amortized.

(Expressed in thousands of euros)

Pursuant to the provisions of the sole transitory provision of Royal Decree 602/2016, of December 2, with effect from January 1, 2016 these assets are depreciated prospectively on a straight-line basis over a period of 10 years.

3.2 Property, Plant and Equipment

Property, plant and equipment are initially measured at either acquisition or production cost (plus the revaluations made in 1996 in accordance with Royal Decree Law 7/1996), less accumulated depreciation and the cumulative amount of recognised losses.

The amount of work performed by the Company on its own property, plant and equipment is calculated by adding the direct or indirect costs attributable to such assets to the acquisition price of the consumables.

The costs of expansion, modernization or improvement of property, plant and equipment are included in the asset as an increase in its value only when they increase its capacity or productivity or extend its useful life, and provided that it is possible to ascertain or estimate the carrying amount of the items that are removed from the inventory because they have been replaced.

The costs of major repairs are capitalized and depreciated over their estimated useful life, while maintenance expenses are charged to the income statement in the year incurred.

Depreciation of property, plant and equipment, except for land which is not depreciated, is calculated systematically on a straight-line basis over its estimated useful life, taking into account the depreciation actually incurred in its operation, use and enjoyment. The estimated useful lives are:

	Useful lives in years
Buildings	25 a 33
Plant and machinery	5 a 12,5
Other facilities, tooling and furniture	4 a 10
Other PP&E items	3 a 10

The heading "Tooling" includes moulds owned by the Group to be used in the production process. Moulds pending billing to customers are recorded under loans and receivables (note 3.4).

The residual value and the useful life of the assets are reviewed, and adjusted if necessary, at each balance sheet date. When the book value of an asset exceeds its estimated recoverable amount, its value is immediately reduced to its recoverable amount (note 3.3).

Finance costs that are directly attributable to the acquisition or construction of fixed assets that require more than one year to bring them into use are included in the cost of the asset until they are in operating condition.

3.3 Impairment loss of non-financial assets

Assets that are subject to depreciation are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the excess of the asset's carrying amount over its recoverable amount, which is the greater of the asset's fair value less costs to sell or value in use.

For the purposes of assessing impairment losses, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash-generating units).

Non-financial assets, other than goodwill, that have suffered an impairment loss are reviewed at each balance sheet date for any reversal of the loss.

3.4 Financial assets

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, including trade receivables, deposits and guarantees and other receivables.

They are included in current assets, except for maturities greater than 12 months from the balance sheet date, which are classified as non-current assets. Loans and receivables are included in "Loans to companies" and "Trade and other receivables" in the balance sheet.

These financial assets are initially measured at fair value, including directly attributable transaction costs, and subsequently at amortised cost, recognising the interest accrued on the basis of the effective interest rate. However, trade receivables maturing within one year are measured, both on initial recognition and subsequently, at their nominal value provided that the effect of not discounting the cash flows is not material.

At least at year-end, the necessary value adjustments for impairment are made if there is objective evidence that not all the amounts due will be collected. The amount of the impairment loss is the difference between the asset's carrying amount and the present value of estimated future cash flows. Value adjustments, and any reversal thereof, are recognised in the income statement.

Cancellation

Financial assets are derecognized when the contractual rights to the financial asset related cash flows have expired or when the assets are transferred, provided that ownership related risks and rewards are substantially transferred. If the Company has not substantially transferred or retained the risks and rewards incidental to ownership of the financial asset, it is derecognized if control over the asset has not been retained. If control over the asset is retained, the Company continues to recognize it to the extent to which it is exposed to changes in the value of the transferred asset, i.e. due to its continuing involvement, recognizing as well the associated liability.

The difference between the consideration received, net of attributable transaction costs, including any new financial asset obtained less any liability assumed, plus any cumulative gain or loss directly recognized in equity, determines the gain or loss generated upon derecognition, and is included in the income statement in the year to which it relates.

The Company does not derecognize financial assets in the sale of financial assets in which it has retained substantially the risks and rewards inherent to ownership, such as discounted invoices, factoring, disposals of financial assets under repurchase agreements at fixed prices or at the sale price plus interest, and securitizations of financial assets in which the seller retains subordinate financing or other types of guarantees which substantially absorb estimated losses. In these cases, it recognizes a financial liability at an amount equal to the compensation received.

3.5 Inventories

Inventories are measured at the lower of production cost and net realizable value. When the net realizable value of the inventories is lower than their cost, the appropriate valuation adjustments are made and recognized as an expense in the income statement.

Cost is determined by the first-in-first-out (FIFO) method. The cost of finished goods and work in progress includes raw materials, direct labour, other direct costs and manufacturing overheads. Net realizable value is the estimated selling price in the normal course of business, less the estimated costs necessary to perform the sale, and in the case of raw materials and products in process, the estimated costs necessary to complete their production.

Commercial inventories correspond to moulds pending billing to the customer, which are valued at their acquisition price.

3.6 Non-current assets and disposal groups held for sale

Non-current assets (or disposal groups) are classified as held for sale when it is considered that their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is considered to be met only when the sale is highly probable, is available for immediate sale in its current condition and is expected to be completed within one year from the date of classification.

These assets are measured at the lower of carrying amount and fair value less costs to sell and are not depreciated.

3.7 Equity

The share capital is represented by ordinary shares. The costs of issuing new shares or options are presented directly against equity, as lower reserves.

3.8 Financial liabilities

Trade and other payables

This category includes trade payables and non-trade payables. These borrowings are classified as current liabilities, unless the Company has an unconditional right to defer settlement for at least 12 months after the balance sheet date. These liabilities are initially recognized at fair value adjusted for directly attributable transaction costs and are subsequently recognized at amortized cost using the effective interest rate method.

However, trade payables maturing in no more than one year and not bearing a contractual interest rate are measured, both initially and subsequently, at their nominal value when the effect of not discounting the cash flows is not significant.

Cancelation

The Company derecognizes a financial liability when the obligation has expired.

When debt instruments are exchanged, provided that their contractual terms are substantially different, the original financial liability is derecognized and the new financial liability is recognized. Financial liabilities whose contractual terms are substantially modified are treated in the same manner. The difference between the carrying amount of the derecognized financial asset (or part of it) and the compensation paid, including any attributable transaction costs, which also includes any new asset transferred other than cash or liability assumed, is recognized in the income statement in the year to which it relates.

When debt instruments are exchanged whose contractual terms are not substantially different, the original financial liability is not derecognized, and the commissions paid are recognized as an adjustment to the carrying amount. The new amortized cost of a financial liability is determined by applying the effective interest rate, which equals the carrying amount of the financial liability on the modification date to the cash flows to be paid as per the new terms.

For this purpose, the terms of the contracts are considered to be substantially different when the lender is the same as the one that granted the initial loan and the present value of the cash flows of the new financial liability, including net fees, differs by at least 10% from the present value of the outstanding cash flows of the original financial liability, both discounted at the effective interest rate of the original liability.

3.9 Grants

Non-reimbursable grants are recorded directly in equity as income and are charged as income to the profit and loss account on a systematic and rational basis in correlation with the expenses derived from the grant. Non-reimbursable grants received from partners are recorded directly in equity. Grants considered to be reimbursable are recorded under liabilities until they meet the conditions in force for their consideration as non-reimbursable.

For this purpose, a grant is considered non-reimbursable when there is an individual agreement for the concession of the grant, all the conditions established for its concession have been fulfilled and there is no reasonable doubt that it will be collected.

Monetary grants are measured at the fair value of the amount granted and non-monetary grants at the fair value of the asset received, both referred at the time of the grant recognition.

Non-reimbursable grants related to the acquisition of intangible assets, property, plant and equipment and investment property are recognized as income for the year in proportion to the depreciation of the related assets or, where appropriate, when they are sold, adjusted for impairment or derecognized.

3.10 Current and deferred taxes

In the minutes of the Shareholders' Meeting held on December 18, 2000, the Sole Shareholder of the Company agreed to request acceptance to file under the consolidated tax return regime, as provided in Law 43/1995 of December 27, on Corporate Income Tax, for the years starting on January 1, 2001.

The parent company of the tax group is Samvardhana Motherson Reydel Automotive Parts Holding Spain S.L (Sole-Shareholder Company), a group formed by the subsidiary SMRC Automotive Interiors Spain, S.L. (Sole-Shareholder Company). With effect from April 1, 2019, SMP Automotive Technology Iberica, S.L. became the parent company.

The income tax expense (revenue) is the amount accrued in this regard during the year and comprises both current and deferred tax expense (revenue). Both the current and deferred tax expense (income) is recognized in the income statement. However, the tax effect related to items that are recorded directly in equity is recognized in equity.

The income tax expense of companies filed on a consolidated basis is determined taking into account, in addition to the parameters to be considered in the case of individual taxation as set out above, the following parameters:

a) Temporary and permanent differences arising from the elimination of intercompany transactions in the Group as a result of the process of determining the consolidated tax base.

b) The tax credits and relief available to each company in the tax group under the consolidated tax return; for these purposes, the credits and relief will be allocated to the company that carried on the activity or obtained the income required to obtain the right to the tax credit or relief.

The Parent of the tax group records the total amount payable for consolidated corporate income tax. The amount of the Company's debt is recorded with a charge to the income statement and credited to the "Current Liabilities - Payable to Group Companies and Associates" caption.

Current tax assets and liabilities are measured at the amounts expected to be paid to or recovered from the tax authorities in accordance with the regulations in force or approved and pending publication at the year-end.

Deferred taxes are calculated, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts.

Deferred tax is determined by applying the tax regulations and rates approved or about to be approved at the balance sheet date and which are expected to apply when the corresponding deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be compensated.

3.11 Employee benefits

Termination benefits

The Company recognises these benefits in the income statement when it has demonstrably undertaken to terminate the employment of employees in accordance with a detailed formal plan without the possibility of withdrawal or to provide termination benefits as a result of an offer to encourage voluntary resignation.

3.12 Provisions and contingent liabilities

Provisions for environmental recovery, restructuring costs and litigation are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are measured at the present value of the disbursements expected to be required to settle the obligation. Provisions maturing in one year or less with a non-material financial effect are not discounted.

Compensation to be received from a third party when provisions are settled is recognized as an asset, without reducing the amount of the provision, provided that there is no doubt that the reimbursement will be received, and without exceeding the amount of the recorded obligation. When there is a legal or contractual link to the externalization of the risk, by virtue of which the Company is not obliged to respond to the risk, the amount of this compensation is deducted from the amount of the provision.

Contingent liabilities are considered to be possible obligations that arise from past events and whose materialization is conditional on the occurrence or non-occurrence of one or more future events beyond the control of the Company. These contingent liabilities are not recognized for accounting purposes and are disclosed in the notes to the consolidated financial statements (note 22).

3.13 Revenue recognition

Revenue from sales and services

Revenue is recognized when it is probable that the Company will receive the economic benefits or returns derived from the transaction and the amount of revenue and costs incurred or to be incurred can be measured reliably. Revenue is recognized at the fair value of the consideration received or receivable and represents the amounts receivable for goods delivered and services provided in the ordinary course of the Company's business, less returns, rebates, discounts and value added tax.

In addition, the significant risks and rewards of ownership of the goods must have been transferred to the buyer and neither managerial involvement nor effective control over the goods sold retains.

Interest income

Interest income is recognized using the effective interest rate method.

3.14 Operating leases

Leases in which the lessor retains a significant portion of the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the income statement for the year in which they accrue on a straight-line basis over the lease term.

3.15 Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign currency gains and losses resulting from the settlement of these transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

3.16 Transactions between related parties

Manufacturing contracts have been signed between SMRC Automotive Modules France SAS, formerly Reydel Automotive France SAS, and the Company for final customers Peugeot, Nissan, Renault and Calsonic. The Company sells its products to SMRC Automotive Modules France SAS, which negotiates with the customers, obtains the purchase orders and subcontracts the production of these products in the various production units. The contracts between SMRC Automotive Modules France SAS and the Company were implemented for Peugeot customers on February 1st 2015, for Nissan on June 1st 2015, for Renault on June 29, 2015 and for Calsonic on April 6, 2016.

To correct the operations carried out that had been invoiced directly to customers and consequently generated an excess of remuneration in the operational units, invoices were issued to adjust the margins practiced by the operational units, in order to adequately distribute the remuneration of the operation among the various entities, in accordance with the functions and risks assumed by each one. These invoices and credits amounted to 11,5 million euros on March 31, 2021 as greater sales (8,3 million euros as greater sales on March 31, 2020), as an adjustment to the margins practiced in sales to customers.

The margins are set out in the contracts reflecting market conditions.

3.17 Environment

Expenses arising from business activities aimed at protecting and improving the environment are accounted for as an expense in the year in which they are incurred.

When these expenses involve additions to property, plant and equipment aimed at minimizing environmental impact and protecting and improving the environment, they are recognized as an increase in the value of the assets and are depreciated over their useful lives, as indicated in note 3.2.

With respect to possible contingencies that may arise in environmental matters, Management considers that these are sufficiently covered by the insurance policies that have been taken out.

4. FINANCIAL RISK MANAGEMENT

The Company's activities are exposed to several financial risks such as exchange rate risk and liquidity risk.

The Company has a series of policies, procedures and systems aimed at identifying, measuring and managing the various risk categories to ensure that the most significant risks are correctly identified, assessed and managed, and to minimize the potential adverse effects on its financial profitability.

a) Exchange rate risk

The Company operates internationally and is therefore exposed to exchange rate risk on transactions in foreign currencies, particularly the euro, although the exposure at 31 March 2021 is minor and insignificant.

The Company does not hold any independently traded derivative contracts.

b) Liquidity risk

Prudent liquidity risk management involves maintaining sufficient cash and marketable securities, the availability of financing through a sufficient amount of committed credit facilities and the ability to settle market positions. Given the dynamic nature of the underlying businesses, the Company's Treasury Department aims to maintain flexibility in financing through the availability of committed credit lines with group companies.

Management monitors the Company's liquidity reserve forecasts on the basis of expected cash flows.

(Expressed in thousands of euros)

5. INTANGIBLE ASSETS

The movements in the items composing "Intangible assets" are as follows:

(Thousand of Euros)	Starting balance	Additions and allowances	Disposals and reversal of impairment loss	Transfers	Ending balance
Year ended 03/31/2021					
Cost					
Goodwill	7.282	-	-	-	7.282
Software	4.658	106	-	-	4.764
Patents, licences and similar	1.143	-	-	-	1.143
	13.083	106	-	-	13.189
Accumulated depreciation					
Goodwill	(993)	(233)	-	-	(1.226)
Software	(3.348)	(579)	-	-	(3.927)
Patents, licences and similar	(884)	(163)	-	-	(1.048)
	(5.225)	(975)	-	-	(6.201)
Impariment losses	(4.947)	-	-	-	(4.947)
	(4.947)	-	-	-	(4.947)
Net carrying amount	**2.910**				**2.041**

(Thousand of Euros)	Starting balance	Additions and allowances	Disposals and reversal of impairment loss	Transfers	Ending balance
Year ended 03/31/2020					
Cost					
Goodwill	7.282	-	-	-	7.282
Software	4.584	73	-	-	4.658
Patents, licences and similar	1.143	-	-	-	1.143
	13.009	73	-	-	13.083
Accumulated depreciation					
Goodwill	(759)	(233)	-	-	(993)
Software	(2.627)	(721)	-	-	(3.348)
Patents, licences and similar	(721)	(163)	-	-	(884)
	(4.107)	(1.118)	-	-	(5.225)
Impariment losses	(4.947)	-	-	-	(4.947)
	(4.947)	-	-	-	(4.947)
Net carrying amount	**3.955**				**2.910**

As detailed in note 3.1.a), goodwill was amortized up to December 31, 2007 and is therefore presented net of accumulated amortization (original cost of Euros 54,266 thousand and accumulated amortization of Euros 46,984 thousand up to December 31, 2007). Since January 1st, 2008, under the New Spanish GAAP, it was not amortized and was tested for impairment annually and was measured at cost less accumulated impairment losses.

(Expressed in thousands of euros)

In accordance with Royal Decree 602/2016, of December 2, which amends the Spanish GAAP, from January 1ST, 2016 the Group has systematically amortized the goodwill on consolidation that was considered to have an indefinite useful life in previous years.

In accordance with the single transitional regulation of Royal Decree 602/2016, in 2016 the Group opted to amortize the carrying amount of goodwill on consolidation prospectively. Goodwill is amortized on a straight-line basis over its useful life of 10 years. The depreciation charge for the period ended March 31, 2021 amounted to EUR 233 thousand (233 thousand during the period ended 31 March 2020) and is recognized under "Depreciation and Amortization" in the accompanying income statement.

The goodwill arises from the following business combinations:

(Thousand of Euros)	Goodwill	Accumulated depreciation	Net Value
1) Goodwill from the merger between Plastic Omnium Industrial, S.A. and Componentes Automóviles Reydel, S.A.	6.177	6.172	5
2) Goodwill arising from the merger between Visteon Sistemas Interiores España, S.L. and Plastic Omnium Industrial S.A.	48.089	40.812	7.277
Total	**54.266**	**46.984**	**7.282**

1) Goodwill from the merger between Plastic Omnium Industrial, S.A. and Componentes Automóviles Reydel, S.A.

This goodwill originated in 1998 at Plastic Omnium Industrial S.A. as a result of the merger between the aforementioned company and Componentes Automóviles Reydel, S.A.

This goodwill relates to the difference between the acquisition cost of the absorbed company (Componentes Automóviles Reydel, S.A.) and its equity at 1 January 1998, the date of accounting effects of the merger.

2) Goodwill arising from the merger between Visteon Sistemas Interiores España, S.L. and Plastic Omnium Industrial S.A.

With effects from 1 July 1999, Plastic Omnium Industrial S.A. was absorbed by Visteon Sistemas Interiores España S.L. As a result of this transaction goodwill of Euros 50,257 thousand was recognised in Visteon Sistemas Interiores España, S.L., corresponding to the difference between the acquisition cost of the absorbed company (Plastic Omnium Industrial, S.A.) and the value of the equity of the absorbed company at the time of acquisition.

During year 2000 this goodwill increased by 2,106 thousand euros, due to an additional payment for the purchase of this absorbed company, and in year 2001 it was reduced by 4,274 thousand euros, as a result of the merger between Visteon Sistemas Interiores España SL and Visteon Centro, SA.

a) Impairment losses

During the year 2021, no impairment losses were recognized or reversed for any intangible assets. During the year 2021, no impairment losses have been recognized or reversed for any intangible assets. The Company has evaluated the existence of impairment indicators considering its current business plan, which includes an average sales growth rate of 3% for the coming years, as well as a discount rate of 8.90%. Based on the analysis, the Company has not determined the need to recognize impairment.

In year 2014, a valuation adjustment was recognised on goodwill for a decrease in the expected future workload of the Igualada plant amounting to 4,947 thousand euros, considering the budgets of the cash-generating unit for the following 5 years and a discount rate of 10.4%.

b) Fully depreciated assets

At March 31, 2021, there are intangible assets with an original cost of 3,366 thousand euros corresponding to computer software that have been fully amortized and ire still in use (1,972 thousand euro at March 31, 2020).

c) Insurance

The Company has subscribed various insurance policies to cover the risks to which its intangible assets are subject. The coverage of these policies is considered sufficient.

d) Acquisitions from group companies

The Company has made acquisitions of intangible assets during the year ended March 31, 2021 from group companies for 0 thousand euro (0 thousand euro in 2020).

(Expressed in thousands of euros)

6. PROPERTY, PLANT AND EQUIPMENT

The variations and details in “Property, plant and equipment” are as follows:

(Thousand of Euros)	Starting balance	Additions and allowances	Disposals and reversal of impairment loss	Transfers	Ending Balance
Year ended 03/31/2021					
Cost					
Land and buildings	14.691	-	(13)	125	14.803
Plant and other PP&E items	113.524	-	(2.601)	2.105	113.029
PP&E under construction	1.893	2.974	-	(2.230)	2.637
	130.109	2.974	(2.613)	-	130.469
Accumulated depreciation					
Buildings	(9.667)	(490)	13	-	(10.144)
Plant and other PP&E items	(76.899)	(7.394)	2.595	-	(81.698)
	(86.566)	(7.884)	2.608	-	(91.843)
Net carrying amount	**43.542**				**38.626**
Year ended 03/31/2020					
Cost					
Land and buildings	14.544	-	-	147	14.691
Plant and other PP&E items	102.739	401	(1.308)	11.692	113.524
PP&E under construction	7.493	6.336	-	(11.936)	1.893
	124.776	6.737	(1.308)	(96)	130.109
Accumulated depreciation					
Buildings	(9.180)	(487)	-	-	(9.667)
Plant and other PP&E items	(71.070)	(7.208)	1.282	96	(76.899)
	(80.250)	(7.695)	1.282	96	(86.566)
Net carrying amount	**44.526**				**43.542**

The main acquisitions of property, plant and equipment correspond to investments in the Medina plant to increase production capacity and the manufacturing of new models.

a) Impairment losses

In 2021 and 2020 no impairment losses were recognised or reversed for any property, plant and equipment. (See note 5.a).

(Expressed in thousands of euros)

b) Revaluations made under Royal Decree-Law 7/1996 of 7 June

The accumulated net revaluations at the end of the year ended March 31, 2021 amounted to 288 thousand euros (294 thousand euros at March 31, 2020), the detail being as follows:

(Thousand of Euros)	03/31/2021	03/31/2020
Buildings	921	921
Plant and machinery	781	781
Other plant, tools and furniture	56	56
Other PP&E	5	5
Accumulated depreciation	(1.475)	(1.469)
	288	**294**

The increase in value resulting from the revaluation is depreciated over the remaining periods of the useful life of the assets that have been revalued. The revaluation carried out in 1996 increased depreciation for the year ended March 31, 2021 by approximately 6 thousand euros (8 thousand euros increase at March 31, 2020). Also, at March 31, 2021, fully depreciated revalued assets were not derecognised (0 thousand euros at March 31, 2020).

c) Fully amortized assets

At March 31, 2021, there were property, plant and equipment (technical plant and other property, plant and equipment) with an original cost of 61,093 thousand euros relating to assets that were fully depreciated and still in use (52,941 thousand euros at March 31, 2020).

d) Assets under operating leases

In 2021 and 2020 the Company leased, under operating leases, warehouses and facilities, forklifts, vehicles and other equipment, such as containers, machinery, stands, air compressors, computer equipment, switchboards, etc.

In the year ended March 2021 the expense recognized in the income statement in relation to these leases amounts to 750 thousand euros (813 thousand euros in 2020) (note 23.b).

e) Insurance

The Company has subscribed various insurance policies to cover the risks to which its tangible fixed assets are subject. The coverage of these policies is considered sufficient.

f) Value of land

The value of land included under land and buildings not subject to depreciation amounts to EUR 1.9 million (EUR 1.9 million in 2020).

(Expressed in thousands of euros)

7. NON-CURRENT ASSETS HELD FOR SALE

At March 31 2021 and March 31 2020 there are no non-current assets held for sale.

8. FINANCIAL INSTRUMENTS ANALYSIS

8.1 Analysis by category

The carrying value of each of the categories of financial instruments established in the "Financial instruments" recording and valuation standard is as follows:

	Non current financial assets	
	Loans, derivatives and other	
(Thousand of Euros)	**03/31/2021**	**03/31/2020**
Loans and receivables		
Loans and receivables	21.000,00	-
Financial investments (note 9)	73	57
	21.073	**57**

	Current financial assets	
	Loans, derivatives and other (*)	
(Thousand of Euros)	**03/31/2021**	**31/03/2020**
Loans and receivables		
Trade and other receivables (note 9)	15.028	12.350
Short-term investments in group companies and associates (note 9)	104	28.105
	15.132	**40.455**

(*) Does not include balances with tax authorities

	Current financial liabilities	
	Other financial liabilities (*)	
(Thousand of Euros)	**31/03/2021**	**31/03/2020**
Accounts payable		
Trade and other payables (note 16)	22.521	25.117
Debt with group and associated companies (note 16)	8.455	19.586
	30.976	**44.704**

(*) Does not include balances with tax authorities

(Expressed in thousands of euros)

8.2 Maturity analysis

The amounts of financial instruments with a given or determinable maturity classified by year of maturity are as follows:

03/31/2021	**Financial assets**						
(Thousand of Euros)	**2022**	**2023**	**2024**	**2025**	**2026**	**Subsequent years**	**Total**
Long-term investments in group and associated companies							
- Debt securities	-	16.300	-	4.700	-	-	21.000
	-	**16.300**	**-**	**4.700**	**-**	**-**	**21.000**
Long term financial investments							
- Deposits	-		-	-	-	73	73
	-	**-**	**-**	**-**	**-**	**73**	**73**
Trade and other receivables							
- Trade receivables	3.461	-	-	-	-	-	3.461
- Trade receivables group companies	11.566	-	-	-	-	-	11.566
- Receivables from Employees	1	-	-	-	-	-	1
	15.028	-	-	-	-	-	**15.028**
Short term investments in group companies and associates							
- Other financial assets	104	-	-	-	-	-	104
	104	-	-	-	-	-	**104**
	15.132	**16.300**	**-**	**4.700**	**-**	**73**	**36.206**

03/31/2020	**Financial assets**						
(Thousand of Euros)	**2021**	**2022**	**2023**	**2024**	**2025**	**Subsequent years**	**Total**
Long term financial investments							
- Deposits	-	-	-	-	-	57	57
	-	**-**	**-**	**-**	**-**	**57**	**57**
Trade and other receivables							
- Trade receivables	1.418	-	-	-	-	-	1.418
- Trade receivables group companies	10.933	-	-	-	-	-	10.933
	12.350	-	-	-	-	-	**12.350**
Short term investments in group companies and associates	-	-	-	-	-	-	-
- Other financial assets	28.105	-	-	-	-	-	28.105
	28.105	-	-	-	-	-	**28.105**
	40.455	**-**	**-**	**-**	**-**	**57**	**40.512**

(Expressed in thousands of euros)

03/31/2021	**Financial liabilities**						
(Thousand of Euros)	**2022**	**2023**	**2024**	**2025**	**2026**	**Subsequent years**	**Total**
Short-term debts to group and associated companies							
- Debts with group companies	8.455	-	-	-	-	-	8.455
	8.455	**-**	**-**	**-**	**-**	**-**	**8.455**
Trade and other payables							
- Trade payables	16.832	-	-	-	-	-	16.832
- Trade payables, group companies and associates	839	-	-	-	-	-	839
- Other payables	1.518	-	-	-	-	-	1.518
- Employee benefits payable	3.332	-	-	-	-	-	3.332
	22.521	**-**	**-**	**-**	**-**	**-**	**22.521**
	30.976	**-**	**-**	**-**	**-**	**-**	**30.976**

03/31/2020	**Financial liabilities**						
(Thousand of Euros)	**2021**	**2022**	**2023**	**2024**	**2025**	**Subsequent years**	**Total**
Short-term debts to group and associated companies							
- Debts with group companies	19.586	-	-	-	-	-	19.586
	19.586	**-**	**-**	**-**	**-**	**-**	**19.586**
Trade and other payables							
- Trade payables	18.243	-	-	-	-	-	18.243
- Trade payables, group companies and associates	92	-	-	-	-	-	92
- Other payables	2.625	-	-	-	-	-	2.625
- Employee benefits payable	4.157	-	-	-	-	-	4.157
	25.117	**-**	**-**	**-**	**-**	**-**	**25.117**
	44.704	**-**	**-**	**-**	**-**	**-**	**44.704**

The detail of loans to group companies is as follows:

	Contract start date	**Amount outstanding at March, 31**		**Expiration**	**Interest rate**	**Accrued financial income (Nota 21)**	
(Thousand of Euros)		**2021**	**2020**			**2021**	**2020**
SMRC - Morocco	01/09/2020	4.700	-	13/12/2025	Euribor 3 mes + 2%	20	-
SMRC Automotive Holdings Netherlands B.V	01/01/2021	16.300	-	31/12/2022	Euribor 3 mes + 1,8%	368	-
		21.000	-			**388**	-

9. LOANS AND RECEIVABLES

The detail of financial assets included in the balance sheet at December 31 is as follows:

(Expressed in thousands of euros)

(Thousand of Euros)	03/31/2021	03/31/2020
Long-term investments in group and associated companies		
Debt securities (note 25.c)	21.000	-
	21.000	**-**
Long term financial investments		
Deposits (note 8.1)	73	57
	73	**57**
Trade and other receivables		
Trade receivables	3.461	1.418
Trade receivables group companies (note 25.c)	11.566	10.933
Receivables from Employees	1	-
	15.028	**12.350**
Short term investments in group companies and associates		
Otros financial assets (note 25.c)	104	28.105
	104	**28.105**
	36.206	**40.512**

The variation in the provision for impairment of trade receivables is as follows:

(Thousand of Euros)	03/31/2021	03/31/2020
Opening balance	(13)	-
Reversal/application of provisions	-	-
Charge for the year	(109)	(13)
Balance at March, 31	**(122)**	**(13)**

The maximum exposure to credit risk at the reporting date is the fair value of each of the above categories of receivables. The Company does not hold any guarantees as insurance.

The carrying value of the Company's accounts receivable is denominated entirely in euros.

10. INVENTORIES

The detail of inventories net of valuation adjustments at March 31, is as follows:

(Thousand of Euros)	03/31/2021	03/31/2020
Raw materials and other supplies	2.318	2.753
Goods in progress	422	763
Finished goods	1.294	1.267
Advances to vendors	35	35
	4.069	**4.818**

a) Impairment

The company has recorded an impairment loss on its inventories at March 31, 2021 amounting to 915 thousand euros (928 thousand euros in 2020).

(Expressed in thousands of euros)

(Thousand of Euros)	03/31/2021	03/31/2020
Opening balance	(928)	(1.037)
Impairment losses	(51)	-
Impairment Reversal	64	110
	(915)	**(928)**

b) Capitalized financial expenses

During years 2021 and 2020 no interest expenses has been capitalized as inventories production cycle is no longer than a year.

c) Forward Contracts (Derivatives)

No derivative contracts exist over inventories at 2021 or 2020 year end.

d) Limitations on availability

There are no limitations on the availability of stock, other than tooling, owned by the end customer.

e) Insurance

The Company has subscribed various insurance policies to cover the risks to which its inventories are subject. The coverage of these policies is considered sufficient.

f) Advances on tooling

The value of the advances to vendors is relative to the investments made by the Company in different tooling "owned by the final customer", which are transferred at the end of the project. At the end of 2021, the advances provided for the production of these tools amounted to 35 thousand euros (35 thousand euros in 2020).

11. CASH AND CASH EQUIVALENTS

The detail of “Cash and cash equivalents” is as follows:

(Thousand of Euros)	03/31/2021	03/31/2020
Cash	2.785	1.341
	2.785	**1.341**

There are no restrictions on the availability of cash. Current accounts earn market interest rates.

12. SHARE CAPITAL AND SHARE PREMIUM

a) Subscribed share capital

The Company was incorporated on June 22, 1999 with a share capital of 3,100 euros, consisting of 31 shares of 100 euros par value each, fully subscribed and paid by Visteon Holdings España, S.L., currently Samvardhana Motherson Reydel Automotive Parts Holding Spain S.L. (Sole-Shareholder Company), a company registered in El Puerto Santa María (Cádiz).

(Expressed in thousands of euros)

On June 30, 1999 a capital increase was approved in 14,996,900 euros by issuing 149,969 shares with a share premium of 13,000,000 euros. This capital increase was subscribed and paid up by the sole shareholder of the Company.

On 20 January 2000, the General Meeting of Shareholders approved a capital increase of Euros 285,000 through the issuance of 2,850 shares with a par value of Euros 100, with a total share premium of Euros 247,900. This increase was subscribed and paid by the sole shareholder of the Company. As a result, the share capital at 31 March 2021 is represented by 152,850 shares with a share premium of 100 euros each (the same amount at 31 December 2020).

In accordance with current legislation, a summary of the contracts signed between the sole shareholder and the Company, indicating their nature and conditions, is as follows:

Date of contract	Nature	Maturity
June 30, 1999	Loan Agreement	June 30, 2014

In December 2012, by Group decision, the Company paid off the loan in full, proceeding to the early termination of the contract.

In accordance with Articles 13 and 16 of the Spanish Corporate Law, the Company is registered in the Mercantile Registry as a sole shareholder company.

b) Share premium

This reserve is freely distributable.

13. RESERVES AND RESULTS FROM PREVIOUS YEARS

The detail and variation in the items composing the reserves and the results of previous years are as follows:

(Thousand of Euros)	03/31/2021	03/31/2020
Legal reserve	2.727	2.300
Goodwill reserve	1.109	1.343
Voluntary reserves	22.835	19.274
	26.671	**22.916**
Negative results from previous years	(12.630)	(12.630)
	(12.630)	**(12.630)**

a) Legal reserve

The legal reserve was constituted in accordance with Article 274 of the Spanish Corporate Law, which stipulates that 10% of profits for each year must be transferred to this reserve until it represents at least 20% of share capital. It may not be distributed and if it is used to offset losses, in the event that no other reserves are available for this purpose, it must be replaced with future profits. At the end of the year, 20% of the amount of share capital required by law had not been constituted.

b) Goodwill reserve

The goodwill reserve will be reclassified to the company's voluntary reserves at the amount exceeding the goodwill recorded on the assets side of the balance sheet pursuant to the single transitional provision of Royal Decree 602/2016, of December 2.

(Expressed in thousands of euros)

c) Voluntary reserves

These reserves are freely distributable. During the year ended March 31, 2021, a negative adjustment in the amount of 516 thousand euros was made (no adjustments were recorded directly against voluntary reserves during the year ended March 31, 2020).

14. PROFIT FOR THE YEAR

a) Profit appropriation

The proposed profit and reserves appropriation to be presented to the General Meeting of Shareholders is as follows:

	31/12/2021
Proposed appropriation	
Profit for the year	4.079
	4.079
Appropriation	
Legal reserve	408
Voluntary reserves	3.671
	4.079

b) Limitations for the dividend distribution

Once the requirements provided for by law or the bylaws have been covered, dividends may only be distributed from the profit for the year or from unrestricted reserves if the value of the net book equity is not, or as a result of the distribution is not, less than the share capital.

If there are losses from previous years that make the value of the Company's net worth less than the amount of the share capital, the profit will be used to offset these losses.

15. GRANTS AND DONATIONS

a) Grants received

The detail of non-reimbursable capital grants is as follows:

(Expressed in thousands of euros)

Concessionaire	Amount granted (thousands of euros)	Amount pending at 03.31.2021 (thousands of euros)	Purpose	Date of concession
Ministerio de Industria, Turismo y Comercio	1.068	-	Implementation of actions within the framework of the Automotive Sector Competitiveness Plan	May 6, 2009
Junta de Castilla y León	790	-	Manufacture of automotive components in Medina de Rioseco	February 10, 2011
Junta de Castilla y León	395	-	Manufacture of plastic products in Medina de Rioseco	September 2, 2014
Ministerio de Hacienda	311	-	Manufacture of door panels for automobiles	January 27, 2012
Ministerio de Hacienda	30	21	Energy efficiency actions in PYME and large companies in the industrial sector.	December 1, 2020

The movements in the items composing non- reimbursable grants are as follows:

(Thousand of Euros)	03/31/2021	03/31/2020
Opening balance	81	292
Initial adjustment	(9)	7
Increases	30	-
Tax effect (adjustment)	(8)	-
Allocation to profit and loss	(98)	(291)
Tax effect	25	73
Closing balance	**21**	**81**

During 2009, the Company received a grant under the Automotive Sector Competitiveness Plan - Order ITC/21/2009, of January 16 (BOE 20-01-2009), assigned by the Ministry of Industry, Tourism and Trade for the amount of 1,068 thousand euros, corresponding to a fundable budget of 3,991 thousand euros.

On May 5, 2011, the Company received a decision to verify the supporting account, by virtue of which the grant was partially revoked in the amount of 281 thousand euros, which was repaid by the Company in 2013.

On March 31, 2021, the amount still to be transferred to the income statement was 0 thousand euros (7 thousand euros at March 31, 2020).

In 2011, the Company received a grant in the context of the project declaration of special interest from the Castilla y León Autonomous Community Government amounting to 797 thousand euro for the development of a project for the "Manufacture of Automotive Components", corresponding to a fundable budget of 4,983 thousand euros.

On June 1, 2015, the resolution of the default procedure was notified, whereby the appropriate grant was modified by an amount of 790 thousand euros.

(Expressed in thousands of euros)

On March 31, 2021, the amount pending to be charged to the income statement was 0 thousand euros (30 thousand euros at March 31, 2020).

During 2017, the Company received a grant within the scope of the project declaration as special interest from the Castilla y León Regional Government in the amount of 395 thousand euros for the development of a project for the "Manufacture of automotive components", corresponding to a bankable budget of 4,935 thousand euros.

At 31 March 2021, the amount pending to be transferred to the profit and loss account was 0 thousand euros (44 thousand euros at March 31, 2020).

During the 2021 year, the Company has received final notification of the acceptance of the justification of a grant from the Ministry for the Ecological Transition and Demographic Challenge in the amount of 30 thousand euros for the development of a project "Energy efficiency actions in SMEs and large companies in the industrial sector", corresponding to a financeable budget of 218 thousand euros.

As of March 31, 2021, the amount pending to be charged to the profit and loss account amounts to 21 thousand euros.

b) Donations received

The movement of the donations received is as follows:

(Thousand of Euros)	31/03/2021	31/03/2020
Opening balance	2.522	1.930
Initial adjustment	12	97
Increases	-	1.791
Tax effect (adjustment)	-	(448)
Allocation to profit and loss	(1.048)	(1.130)
Tax effect	262	283
Closing balance	**1.748**	**2.522**

This caption includes donations made during the year by Renault/Nissan and Peugeot/Citroën customers on the basis of agreements signed with them to partially finance the acquisition of certain assets.

In 2017, the Company received a non-refundable contribution from Renault amounting to 815 thousand euros for the development of a certain programme.

During the first quarter of 2019, the Company received a non-reimbursable contribution from Peugeot amounting to EUR 672 thousand for the development of a certain programme.

In 2020, the Company received a non- reimbursable contribution from Renault amounting to EUR 1,791 thousand for the development of a programme.

At 31 March 2021, the amount pending recognition in the income statement was EUR 1,748 thousand (EUR 2,522 thousand at 31 March 2020).

16. ACCOUNTS PAYABLE

(Expressed in thousands of euros)

(Thousand of Euros)	03/31/2021	03/31/2020
Short-term debt with group companies (note 25.c)	8.455	19.586
	8.455	**19.586**
Trade and other payables (*)		
- Accounts payable	16.832	18.243
- Accounts payable, group companies (note 25.c)	839	92
- Trade creditors	1.518	2.625
- Personnel (pending payments)	3.332	4.157
	22.521	**25.117**
	30.976	**44.704**

(*) Does not include balances with tax authorities

At March 31, 2021 the short-term debts to group companies and associates related mainly to the balance outstanding with the direct parent company in Spain, Samvardhana Motherson Reydel Automotive Parts Holding Spain, S. L. (Sole-Shareholder Company), for the effects of tax consolidation, whose debt at March 31, 2021 amounted to 0 thousand euros (6,259 thousand euros at March 31 2020) (see Note 25.c), and the debt for the loans to SMRC Automotive Holdings B.V.

During the year, the Company has accrued interest with SMP Automotive Technology Iberica S.L.U. amounting to 5 thousand euros.

The carrying amount of the short-term debt is close to its fair value, since the effect of discounting is not significant.

The carrying value of the Company's debts is denominated in the following currencies:

(Thousand of Euros)	03/31/2021	03/31/2020
Thousand of Euros equivalent		
Yen	3	5
US Dollars	1	(7)
Total	**4**	**(2)**

On March 13, 2020, the Company initiated a temporary employment regulation plan; however, in order not to delay the collection of this payment from its employees, it advanced the payment of the March 2020 payroll without considering this effect, so that the personnel (pending payment) account for outstanding remuneration is presented net of this advance in the amount of 779 thousand euros in 2020.

In accordance with the sole additional provision of the Resolution of January 29, 2016, of the Accounting and Audit Institute, on the information to be included in the notes to the financial statements in relation to the average period for payment to vendors in commercial transactions, comparative information on the average period for payment is presented:

(Days)	03/31/2021	03/31/2020
Average period of payment to vendors	69	66
Paid Transaction Ratio	70	60
Outstanding transactions ratio	62	67

(Thousand of Euros)		
Total payments	97.761	143.190
Total outstanding payments	12.984	11.304

(Expressed in thousands of euros)

17. OTHER PROVISIONES

a) Non-current provisions

There is no variation in non-current provisions during the financial years 2021 and 2020.

b) Current provisions

The variation in current provisions in 2021 and 2020 were as follows:

(Miles de Euros)	31/03/2021	31/03/2020
Opening balance	1.665	1.529
Provision	-	136
Reversal	(235)	-
Saldo final	**1.430**	**1.665**

The Company maintains a short-term provision of 207 thousand euros (412 thousand euros in 2020) for "trade guarantees" to cover the warranty period for defective products sold to third parties in the last three years or so. This provision is calculated on the basis of a detailed study based on historical data on sales and quality defects claimed by customers.

The Company also has a short-term provision of 1,223 thousand euros (1,253 thousand euros in 2020) to cover commitments and costs or losses estimated to be incurred in connection with the performance of its own business and various short-term commitments, including employee incentives.

18. DEFERRED TAXES

The breakdown of the deferred taxes is as follows:

(Thousand of Euros)	31/03/2021	31/03/2020
Deferred tax assets:		
Temporary differences for non-deductible depreciation	381	483
Temporary differences due to inventory depreciation	229	214
Temporary differences due to provision for guarantees	52	104
Temporary differences due to advances of donations collected	580	844
	1.242	**1.645**
Deferred tax liabilities:		
Temporary differences for donations not charged to the profit and loss account	(587)	(868)
	(587)	**(868)**

In accordance with current legislation and the principle of prudence, deferred tax assets are only recognized to the extent that it is probable that future taxable profit will be available to enable them to be recovered. During the year ended March 31, 2021, the Company has not adjusted any deferred tax assets based on an estimate of recoverability.

The gross movement in deferred taxes was as follows:

(Thousand of Euros)	31/03/2021	31/03/2020
Opening balance	777	993
Charged to equity		
- Deferred income tax liability for the year	281	(127)
Transferred to the profit and loss account (note 20):		
- Deferred income tax asset for the year	(403)	(90)
Closing balance	**655**	**777**

The Company has recorded the tax effect for the donations received.

19. INCOME AND EXPENSES

a) Transactions in foreign currency

(Thousand of Euros)	03/31/2021	03/31/2020
Equivalent value in thousands of euros		
Purchases	-	74
	-	**74**

b) Revenues

Revenue from the Company's continuing operations is distributed geographically in percentage terms as follows:

(Thousand of Euros)	03/31/2021	03/31/2020
Sales	129.677	163.960
Rendering of services	2.987	3.701
Market		
- Spain	98%	98%
- Europe	2%	2%
	100%	**100%**

All sales correspond to automotive components or group services re-invoicing.

c) Consumption of goods and raw materials

(Thousand of Euros)	03/31/2021	03/31/2020
Purchasing of goods	2.562	1.238
Stock Variation	(435)	(63)
	2.127	1.175
Purchasing of raw materials	64.411	86.398
	64.411	86.398
Total consumption	**66.538**	**87.573**

(Expressed in thousands of euros)

d) <u>Personnel expenses</u>

The breakdown is as follows:

(Thousand of Euros)	03/31/2021	03/31/2020
Wages, salaries et al.	25.909	28.304
Social security expenses	8.048	10.541
	33.957	**38.846**

The detail of social security expenses is as follows:

(Thousand of Euros)	03/31/2021	03/31/2020
Social Security	6.996	8.729
Other Social Security contributions	1.052	1.812
	8.048	**10.541**

At March 31, 2021 the line "Wages, salaries et al" includes severance payments amounting to 69 thousand euros (164 thousand euros at March 31, 2020).

The average number of employees during the year is as follows:

(Thousand of Euros)	03/31/2021	03/31/2020
Senior Executives	5	8
Technicians, scientists and support staff	72	80
Other qualified personnel	195	274
Unskilled workers	341	544
	613	**906**

Furthermore, the distribution by gender of the Company's employees at the end of 2021 and 2020 is as follows:

(Expressed in thousands of euros)

	Number of employees at the end of the year			Average number of people with disabilities > 33% of the total employed in the year
	Men	**Women**	**Total**	
03/31/2021				
Senior Executives	4	1	5	-
Technicians, scientists and support staff	63	9	72	-
Other qualified personnel	160	34	194	-
Unskilled workers	220	122	342	10
	447	**166**	**613**	**10**
03/31/2020				
Senior Executives	6	1	7	-
Technicians, scientists and support staff	73	12	85	-
Other qualified personnel	235	46	281	-
Unskilled workers	346	155	501	13
	660	**214**	**874**	**13**

20. INCOME TAX AND TAX SITUATION

The detail of the balances relating to tax assets and liabilities at 31 March is as follows:

(Thousand of Euros)	03/31/2021	03/31/2020
Other receivables from public authorities		
Tax authorities, debtor VAT	19	11
	19	**11**
Other payables to public administrations	(586)	-
Other payables to public authorities		
Tax authorities, creditors for withholdings	(629)	(657)
Social security agencies, creditors	(954)	(852)
Tax authorities, Sales VAT	(814)	(479)
	(2.983)	**(1.989)**

The reconciliation between the net income and expenses for the year and the taxable income for income tax purposes is as follows:

(Expressed in thousands of euros)

(Thousand of Euros)	Increases	Decreases	Amount
12/31/2021			
Result for the year			4.079
Income tax	-	-	989
Permanent differences	-	(495)	(495)
Temporary differences	785	(2.397)	(1.612)
Taxable income (tax result)			**2.961**

(Thousand of Euros)	Increases	Decreases	Amount
12/31/2020			
Result for the year			4.271
Income tax	-	-	1.300
Permanent differences	4	-	4
Temporary differences	908	(1.268)	(361)
Taxable income (tax result)			**5.214**

The current income tax is the result of applying a tax rate of 25% to the taxable income.

The income tax expense consists of:

(Thousand of Euros)	31/03/2021	31/03/2020
Taxable income at 25%	740	1.304
Deductions	(154)	(259)
Current Tax	586	1.045
Deferred income tax liability for the year	-	127
Deferred income tax assets for the year	403	90
Income tax Adjustment Previous Years	-	39
	988	**1.300**

The Company declares taxes under the consolidated tax regime since April 1, 2019 and as the parent of the SMP Automotive Technology Iberica S.L. tax group. The Parent of the tax group records the total amount payable (or receivable) for consolidated income tax.

On March 30, the Company received notification for the verification of the inclusion in the declared taxable base of VAT of the amounts collected as a grant or donation for the years 2017 to 2019. This procedure is currently in the phase of providing documentation.

Therefore, the Company has commenced tax inspections and is open to inspection by the tax authorities for the following years:

Income tax	2017 to 2021
VAT	2016 to 2021
Personal Income Tax Law	2016 to 2021
RCM	2016 to 2021
Local taxes	2016 to 2021
Customs	2016 to 2021
Other (ITP, AJD,…)	2016 to 2021

(Expressed in thousands of euros)

21. FINANCIAL RESULT

The breakdown of the financial result is as follows:

	03/31/2021	03/31/2020
Financial income:		
From marketable securities and other financial instruments		
- From group companies (note 25.a)	388	138
	388	138
Financial expenses:		
On debts to group companies (note 25.b)	(170)	(58)
On debts to third parties	(1)	(1)
	(172)	(59)
Financial Result	**216**	**79**

22. CONTINGENCIES AND GUARANTEES

The Company has contingent liabilities for litigation arising in the normal course of business other than those already provided for (note 17).

At March 31, 2021 and March 31, 2020, the Company had not provided any guarantees to public entities.

23. COMMITMENTS

a) Purchase and sale commitments

At the balance sheet date, the Company has no signed purchase and sale commitments other than supplies under the agreements with Group companies indicated in note 3.16.

b) Operating lease commitments (without royalties)

In the year ended March 31, 2021, the expense recognized in the income statement in relation to rentals under operating leases amounted to 750 thousand euros (813 thousand euros at March 31, 2020). Details of these expenses are as follows:

(Thousand of Euros)	Igualada	Medina	Salceda	Central	Total
Warehouses/ Facilities	-	-	-	87	87
Trolleys	104	180	64	-	349
Other Rentals	17	255	16	26	314
Total (Note 6.d)	**121**	**435**	**80**	**113**	**750**

(Expressed in thousands of euros)

Situation as of December 31, 2020:

(Thousand of Euros)	Igualada	Medina	Salceda	Central	Total
Warehouses/ Facilities	-	-	-	104	104
Trolleys	104	245	-	-	349
Other Rentals	-	164	156	40	360
Total (Note 6.d)	**104**	**409**	**156**	**144**	**813**

The total future minimum payments for operating leases are as follows:

(Thousand of Euros)	03/31/2021	03/31/2020
Less than one year	750	813
Between one and two years	-	-
	750	**813**

d) <u>Operating lease commitments (Company as lessor)</u>

The Company does not lease fixed assets under operating leases.

24. REMUNERATION OF THE BOARD OF DIRECTORS AND SENIOR EXECUTIVES

a) <u>Remuneration of the members of the Board of Directors and Senior Executives</u>

During the financial years 2021 and 2020 there was no remuneration for the members of the Board of Directors.

The amount accrued by senior executives consists of the following items and amounts:

(Thousand of Euros)	31/03/2021	31/03/2020
Salaries	964	710
Other remuneration	24	-
	988	**710**

During the years ended March 31, 2021 and March 31, 2020, no contributions were made to pension funds or plans in favor of former or current members of the Board of Directors or senior management of the Company. Similarly, no obligations have been incurred in respect of these items.

The members of the Board of Directors and the Company's senior executives have not received any shares or stock options during the year, nor have they exercised any options or have any pending options.

During the year ended March 31, 2021 the individuals who represent the Company on the governing bodies where the Company is a legal entity have not received any remuneration from the Company (likewise in the year ended March 31, 2020).

Likewise, during the year ended March 31, 2021, no payment has been made for the directors' civil liability insurance premium for damages caused by acts or omissions in the performance of their duties (likewise in the year ended March 31, 2020).

b) Advances and loans to members of the Board of Directors and Senior Executives

The Company has not granted any advances or loans to former or current members of the Board of Directors and Senior Management of the Company.

c) Conflict of interest situations

In accordance with the provisions of Articles 229 and 231 of the Spanish Corporations Law, in order to reinforce the transparency of the companies, and by publishing information received from the directors, it is communicated that the directors are not involved in situations of conflict with the interests of the Company.

25. OTHER OPERATIONS WITH RELATED PARTIES

During 2013 and until October 31, 2014, the Company belonged to the Visteon Group. The Group is controlled by Visteon Holdings España, S.L. (Sole-Shareholder Company), currently Samvardhana Motherson Reydel Automotive Parts Holding Spain, S.L. (Sole-Shareholder Company), incorporated in Spain, which owns 100% of the shares.

After October 31, 2014, and after the sale of the "interiors" business of the Visteon Group in Spain, the Company belonged to the Reydel Group.

On August 2, 2018, following the acquisition by Samvardhana Motherson Automotive Systems Group BV of the Reydel Automotive Group, the Company became part of the Samvardhana Motherson Group.

The Group's parent company in Spain is Samvardhana Motherson Reydel Automotive Parts Holding Spain, S.L. (Sole-Shareholder Company).

From August 20, 2018 the Company changed its name to SMRC Automotive Interiors Spain, S.L. (Sole-Shareholder Company).

The transactions detailed below were carried out with related parties.

(Expressed in thousands of euros)

a) Sale of goods and rendering of services of the Company with group companies and related parties:

03/31/2021	**Income**		
(Thousand of Euros)	**Net sales**	**Services rendered and other income**	**Interest received**
SMRC Automotive Modules France	117.527	-	-
SMRC Argentina	(16)	-	-
SMRC Brazil	-	-	-
SMRC Harnes	10	-	-
SMRC Headquarters	-	-	-
SMRC Germany	20	-	-
SMRC Gondecourt	1.672	-	-
SMRC Morocco	138	-	19
SMRC Rougegoutte	17	-	-
SMRC Russia	237	-	-
SMRC Slovakia	30	-	-
SMRC Automotives Techno Minority Holdings BV	-	-	369
SMP Automotive Technology Iberica S.L.U	-	-	-
Total income	**119.635**	**-**	**388**

03/31/2020	**Income**		
(Thousand of Euros)	**Net sales**	**Services rendered and other income**	**Interest received**
SMRC Automotive Modules France	152.041	-	-
SMRC Argentina	16	-	-
SMRC Brazil	4	-	-
SMRC Harnes	11	-	-
SMRC Headquarters	3	-	-
SMRC Germany	-	-	-
SMRC Gondecourt	1.166	-	-
SMRC Morocco	26	-	-
SMRC Rougegoutte	1	-	-
SMRC Russia	37	-	-
SMRC Thailandia	5	-	-
SMRC Automotive Holdings Netherlands B.V.	-	3.701	133
SMP Automotive Technology Iberica S.L.U	-	-	5
Total income	**153.310**	**3.701**	**138**

Goods and services are normally traded with related parties on a margin over cost basis, allowing the Company a market spread.

(Expressed in thousands of euros)

b) Purchase of merchandise, goods and provision of services by the Company from group companies and related parties:

03/31/2021	**Expenses**		
(Thousand of Euros)	**Net purchases**	**Services received and other expenses**	**Interest paid**
SMRC Automotive Products India Private, LTD.	11	-	-
SMRC Gondecourt	137	-	-
Yuji - SMRC Modules Corp.	186	-	-
SMRC Slovakia	13	-	-
SMRC Automotives Techno Minority Holdings BV	-	-	156
Total expenses	**347**	**-**	**156**

03/31/2020	**Expenses**		
(Thousand of Euros)	**Net purchases**	**Services received and other expenses**	**Interest paid**
SMRC Automotive Products India Private, LTD.	208	-	-
SMRC Gondecourt	329	-	-
Yuji - SMRC Modules Corp.	497	-	-
SMRC Slovakia	(42)	-	-
SMRC Automotive Holdings B.V.	-	-	-
SMRC Automotive Techno Minority Holdings B.V.	-	240	-
SMRC Automotive Holdings Netherlands B.V.	-	-	54
Total expenses	**992**	**240**	**54**

(Expressed in thousands of euros)

c) <u>Closing balances from sales and purchases of goods and services of the Company with group companies and related parties:</u>

03/31/2021	**Financial assets**			**Financial liabilities**	
(Thousand of Euros)	**Long term credits (Note 9)**	**Short term credits (Note 9)**	**Account receivables, group companies (Note 9)**	**Short-term loans to group companies (note 16)**	**Group company account payable (note 16)**
SMRC Automotive Modules France	-	-	11.089	-	-
SMRC Automotive Holdings Netherlands B.V.	16.300	86	192	-	(825)
Samvardhana Motherson Reydel Autotecc Morocco SAS	4.700	18	69	-	-
SMRC Argentina	-	-	-	-	-
SMRC Brazil	-	-	-	-	(7)
SMRC Germany	-	-	17	-	
SMRC Gondecourt	-	-	197	-	-
SMRC Harnes	-	-	2	-	-
SMRC Russia	-	-	-	-	-
SMRC Automotive Products India Private, LTD.	-	o	-	-	(7)
Yuji - SMRC Modules Corp.	-	-	-	-	-
SMRC Slovakia	-	-	-	-	(7)
SMRC Automotives Techno Minority Holdings BV	-	-	-	(8.455)	-
SMRC Interiors Systems Holding Spain SL	-	-	-	-	-
Total	**21.000**	**104**	**11.566**	**(8.455)**	**(846)**

Only Group companies at year-end are included.

03/31/2020	**Financial assets**			**Financial liabilities**	
(Thousand of Euros)	**Long term credits (Note 9)**	**Short term credits (Note 9)**	**Account receivables, group companies (Note 9)**	**Short-term loans to group companies (note 16)**	**Group company account payable (note 16)**
SMRC Automotive Modules France	-	-	10.462	-	-
SMRC Automotive Holdings Netherlands B.V.	-	28.105	295	-	49
Samvardhana Motherson Reydel Autotecc Morocco SAS	-	-	14	-	-
SMRC Argentina	-	-	16	-	-
SMRC Brazil	-	-	-	-	(24)
SMRC Gondecourt	-	-	107	-	(85)
SMRC Harnes	-	-	7	-	-
SMRC Russia	-	-	32	-	-
SMRC Automotive Products India Private, LTD.	-	-	-	-	(20)
Yuji - SMRC Modules Corp.	-	-	-	-	(12)
SMRC Thailandia	-	-	-	-	-
SMRC Automotive Techno Minority Holdings B.V.	-	-	-	(13.326)	-
SMRC Interiors Systems Holding Spain SL	-	-	-	(6.259)	-
Total	**-**	**28.105**	**10.933**	**(19.585)**	**(92)**

The services provided and received refer to administrative accounting, computer and personnel services, invoiced at market price.

The debts generated by the centralized treasury system (cash pooling) are cancelled in accordance with the financing needs of the group of companies.

(Expressed in thousands of euros)

26. ENVIRONMENT INFORMATION

An environmental activity is considered to be any operation whose main purpose is the minimization of environmental impact and the protection and improvement of the environment.

During the years ended March 31, 2021 and March 31, 2020 the Company did not make any significant investments in environmental matters. Expenses for the protection and improvement of the environment charged directly to the income statement in the year ended March 31, 2021 amounted to 499 thousand euros (356 thousand euros at March 31, 2020).

Situation at March 31, 2021:

(Thousand of Euros)	Igualada	Medina	Salceda	Total
Environmental protection expenses:				
Sanitation fee (paid to the Autonomous Regions)	2	3	1	6
Collection and treatment of waste by authorised operators	19	169	43	231
Measurements and treatments of air pollution	-	-	1	1
Personnel expenses for environmental protection activities	20	138	103	261
Total	**41**	**310**	**148**	**499**

Any contingencies, indemnities and other environmental risks that the Company may incur are adequately covered by the civil liability insurance policies it has taken out.

Situation at March 31, 2020:

(Thousand of Euros)	Igualada	Medina	Salceda	Total
Environmental protection expenses:				
Sanitation fee (paid to the Autonomous Regions)	1	3	1	5
Collection and treatment of waste by authorised operators	13	74	43	130
Measurements and treatments of air pollution	-	-	1	1
Personnel expenses for environmental protection activities	19	81	120	220
Total	**33**	**158**	**165**	**356**

27. SUBSEQUENT EVENTS AT YEAR END DATE

On April 1, 2021 the Company sold the part of the business corresponding to the IT services provided to Motherson Information Technologies Spain, S.L.U., a company belonging to the Motherson group.

28. AUDIT FEES

Audit fees accrued in 2021 amounted to 62 thousand euros (62 thousand euros in 2020). In addition, no fees were accrued for other verification services.

29. ADDITIONAL NOTE FOR ENGLISH TRANSLATION

These financial statements were originally prepared in Spanish. In the event of discrepancy, the Spanish language version prevails.

These financial statements are presented on the basis of accounting principles generally accepted in Spain. Consequently, certain accounting practices applied by the Company may not conform with generally accepted principles in other countries.

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1. Situation and evolution of the Company

This is the twenty-first full year of life of the Company, as it was incorporated on June 22, 1999 and on December 28, 1999 it merged with Plastic Omnium Industrial, S.A. (with accounting effects as of July 1, 1999). On September 6, 2001, Visteon Centro, S.A. was merged by absorption into Visteon Sistemas Interiores España, S.L. (effective for accounting purposes as from January 1, 2001). In 2014 the Company was acquired by the Reydel Group and its name was changed to Reydel Automotive Spain, S.L (Sole-Shareholder Company).

Since August 2018 the company has belonged to the Samvardhana Motherson group and its name has changed to SMRC Automotive Interiors Spain, S.L. (Sole-Shareholder Company).

On a like-for-like basis, the company's activity on March 31, 2021 was lower than on March 31, 2020. Sales at 31.03.21 for this twelve-month period amounted to 133 million euros, well below sales for the year ended March 31, 2020 which amounted to 168 million euros. This was mainly due to the impact of the COVID-19 crisis in the first quarter.

The evolution of the company's activity by plant was as follows:

Igualada - This fiscal year has been conditioned by the Covid-19 crisis, which has led to a drop in volumes in all vehicles compared to the previous year. In addition, the Nissan factory in Zona Franca has announced its closure by the end of 2021, which will affect the end of life of the X12k and H60 projects. The X12k project ended the year with 3,000 cars. The H60 volumes were 10,000 cars. The PSA project, corresponding to the production of parts for the F3, ended in the middle of the year, with volumes of almost 7,000 cars. As for Renault, the Renault HFE Ph2 project finished with 50 thousand cars, while the HJB had volumes of 185 thousand cars. Igualada started last year new projects for other plants of the Group, the X62 (Renault Master) with the Gondecourt plant in France, this project has sold 58 thousand cars. Igualada also produces components for the group company Motherson, which corresponds to the production of parts for the Seat Leon with volumes of 85 thousand cars. Finally, this year also some parts have been manufactured to sell directly to the SEAT customer, with volumes of 75 thousand cars.

Salceda - For the fiscal year April 2020 to March 2021, the main production is that of the K9 (New Peugeot Partner , Citroen Refter) having produced 338,382 vehicles, the B78 21,973 vehicles and the M3M4 of 22,603 vehicles.

In FY21 there has been no turnover for COVID -19 in the whole month of April and in the first half of May.

Medina - Drop in sales of 21.5M euros (7M euros more than expected), due to the crisis in the sector caused by Covid-19, 13M euros directly in Q1 due to the plant shutdown and the other 9M euros due to the drop in sales in the last quarter of the year. The drop in sales has been transformed into a 19% drop in manufacturing margin, below the estimated 30% thanks to cost control actions. At EBIT level, this decline is increased by the negative margin of tooling (-4M euros). By business lines, the biggest decreases are in Rno -11.5M euros, PSA -6M euros and VW -4M euros.

2. Foreseeable development of the Company

Igualada - Expectations for the next fiscal year are conditioned by the evolution of COVID-19 and the current semiconductor crisis, especially at its main customer, Renault. At the project level, 2 new projects are expected to start, new molds for the Renault Captur for the Medina plant and the console for the new Renault Kadjar. Also, the Nissan plant in Zona Franca will cease production at the end of 2021, which will mean the loss of the Nissan Navara and Nissan NV200 projects.

Salceda - For the fiscal year April 2021 - March 2022, K9 volumes of 385 thousand vehicles, B78 volumes of over 6 thousand vehicles and M3M4 volumes of 10 thousand vehicles are expected. 2021 will be the year of the end of production of the B78 vehicle, with no other model to replace it.

Medina - Expectations for the year 21-22 is an increase in sales of 7.5M euros (13.6%). Sales reactivation is expected mainly from the second half of the fiscal year with 5.5M euros better than in 2021. Variable material and MOD costs will be adapted to the new volumes in order to try to transform the increase in sales into an additional 30% in the result.

3. Subsequent events

There are no relevant subsequent events at year-end.

In addition, as described in Note 2.b, on March 11, 2020 the World Health Organization upgraded the public health emergency caused by the outbreak of the coronavirus (COVID-19) to an international pandemic. The rapid development of events, both nationally and internationally, is an unprecedented health crisis that will impact the macroeconomic environment and business developments. To address this situation, among other measures, the Spanish Government has declared a state of alarm by publishing Royal Decree 463/2020 of March 14 and has approved a series of extraordinary urgent measures to address the economic and social impact of COVID-19 by Royal Decree Law 8/2020 of March 17.

The Company has considered the effects of these events and concluded that they do not entail an adjustment to the financial statements for the year ended March 31, 2021, although they could have a significant impact on its operations and, therefore, on its future results and cash flows.

In view of the complexity of the situation and its rapid evolution, it is not possible at this time to make a reliable quantified estimate of its potential impact on the Company, which will be recorded prospectively in the 2021 financial statements.

However, the directors and management of the Company have made a preliminary analysis of the current situation on the basis of the best information available. For the reasons mentioned above, this information may be incomplete. The following matters of the results of this evaluation are highlighted:

- Liquidity risk: the impact of COVID on the economy and the financial markets implies, according to the estimates of the main financial market regulators, that an increase in non-performing receivables is foreseeable, as well as greater difficulty in accessing credit, which could result in cash flow tensions. However, based on the Company's available cash position and the estimated future cash flow plan, the Company's directors consider that they will be able to meet their liabilities and comply with financing conditions and requirements.

- Operating risk: the degree of spread of the virus and its effect on the population indicate that there could be a possibility of contamination for the Company's employees and, therefore, a situation of decreased activity or interruption of the Company's operations, which could have an impact on possible breaches of previously established commitments to customers. In order to minimize this risk in its operations, the company is taking appropriate measures to control and monitor its operations, measures on the health of employees to take care of their health and avoid contagion, as well as, to the extent necessary, negotiating with critical suppliers for essential supplies and guaranteeing the potential consequences of a timely break in the supply chain.

Therefore, and considering the above, the Company is taking the appropriate steps to address the situation and minimize its impact, considering that this is a temporary situation which, according to the most current estimates and the cash position to date, does not compromise the application of going concern basis.

On April 18, 2020, the Company returned to production at one of its three plants.

The remaining plants are expected to start production again shortly, in a progressive manner.

4. R&D Activities

No research and development activities were carried out during the year.

5. Acquisitions of own shares

There were no transactions in treasury shares during the year ended March 31, 2021 or during the year ended March 31, 2020.

6. Financial Instruments

The Company has not used complex financial instruments during the year ended 31 March 2021 and during the year ended 31 March 2020. Information on receivables and payables is detailed in notes 8, 9 and 16 to the financial statements.

7. Risks and uncertainties facing the Company

There are no risks and uncertainties other than the determination of the useful lives of the assets, the recoverable value of the inventories, the calculations and assumptions used to determine the provisions, and the calculations and assumptions used to determine the possible impairment of the assets and the recoverability of the deferred tax assets.

(Expressed in thousands of euros)

8. Personnel Information

	Number of employees at the end of the year			Average number of people with disabilities > 33% of the total employed in the year
	Men	Women	Total	
03/31/2021				
Senior Executives	4	1	5	-
Technicians, scientists and support staff	63	9	72	-
Other qualified personnel	160	34	194	-
Unskilled workers	220	122	342	10
	447	**166**	**613**	**10**
03/31/2020				
Senior Executives	6	1	7	-
Technicians, scientists and support staff	73	12	85	-
Other qualified personnel	235	46	281	-
Unskilled workers	346	155	501	13
	660	**214**	**874**	**13**

9. Environment

In environmental matters, the Company complies with current legislation.

10. Financial risk management objectives and policies

The Company's activities are exposed to various financial risks such as exchange rate risk and liquidity risk.

The Company has a series of policies, procedures and systems aimed at identifying, measuring and managing the various risk categories to ensure that the most significant risks are correctly identified, assessed and managed, and to minimize the potential adverse effects on its financial profitability.

a) Exchange rate risk

The Company operates internationally and is therefore exposed to exchange rate risk from transactions in foreign currencies, particularly the US dollar.

The Company does not hold any independently traded derivative contracts.

b) Liquidity risk

Prudent liquidity risk management involves maintaining sufficient cash and marketable securities, the availability of financing through a sufficient amount of committed credit facilities and the ability to settle market positions. Given the dynamic nature of the underlying businesses, the Company's Treasury Department aims to maintain flexibility in financing through the availability of committed credit facilities.

Management monitors the Company's liquidity reserve forecasts on the basis of expected cash flows.

The Financial Management periodically analyses the payment schedule of the financial debt and the corresponding short and medium term liquidity needs. In accordance with the sole additional provision of the Resolution of 29 January 2016 of the Spanish Accounting and Audit Institute on the information to be included in the notes to the financial statements in relation to the average period for payment to suppliers in commercial transactions, comparative information on the average payment period is presented:

(Expressed in thousands of euros)

(Days)	**03/31/2021**	**03/31/2020**
Average period of payment to vendors	69	66
Paid Transaction Ratio	70	60
Outstanding transactions ratio	62	67

(Thousand of Euros)		
Total payments	97,761	143.190
Total outstanding payments	12,984	11.304

11. Average supplier payment period

The Company pays its suppliers within 66 days (67 in 2020), the Directors are taking actions to reduce this period to the legally permitted terms.

(Days)	**03/31/2021**	**03/31/2020**
Average period of payment to vendors	69	66
Paid Transaction Ratio	70	60
Outstanding transactions ratio	62	67

(Thousand of Euros)		
Total payments	97,761	143.190
Total outstanding payments	12,984	11.304

12. Statement of non-financial information

The statement of non-financial information required by Royal Decree Law 18/2017 of November 24 amending the Spanish Commercial Code, the revised text of the Companies Act approved by Royal Decree Law 1/2010 of July 2 and Law 22/2015 of July 20 on the auditing of accounts is included in a separate document.

As this Statement of Non-Financial Information does not form part of the Annual Accounts, SMRC Automotive Interiors Spain, S.L. (Sole-Shareholder Company), will be filed separately with the relevant Company Registry.

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