

## INDEPENDENT AUDITORS' REPORT

(English translation of the Independent Auditors' report originally issued in Spanish – See note 11 to the financial statements)

To the Chairman and Directors of  
**SMRC AUTOMOTIVE TECH ARGENTINA S.A.**  
Registered office: Suipacha 1111, 18° Piso  
City of Buenos Aires  
(CUIT (Argentine taxpayer identification number): 30-71462535-3)

### I. Report on financial statements

#### Introduction

1. We have audited the accompanying financial statements of SMRC AUTOMOTIVE TECH ARGENTINA S.A. ("the Company"), which comprise: (a) the balance sheet as of March 31, 2021, (b) the statements of income, changes in shareholders' equity, and cash flows for the fiscal year then ended, and (c) a summary of significant accounting policies and other explanatory information.

#### Responsibility of the Company's Management in connection with the financial statements

2. The Company's Management is responsible for the preparation and fair presentation of the accompanying financial statements in accordance with the information framework established by the IGJ (Argentine regulatory agency of business associations) which, as indicated in note 2(1) to these accompanying financial statements, requires the application of Argentine professional accounting standards in effect in Buenos Aires City unless otherwise provided by law, regulatory provisions or IGJ resolutions. The Company's Management is also responsible for the internal control that it may deem necessary so that such financial statements are free from material misstatements, either due to errors or irregularities.

#### Auditor's responsibilities

3. Our responsibility is to express an opinion on the accompanying financial statements based on our audit. We have performed our work in conformity with the auditing standards established by FACPCE (Argentine Federation of Professional Councils in Economic Sciences) Technical Resolution No. 37. Such standards require that we comply with the ethical requirements and that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material deviations.

An audit comprises the application of procedures to obtain judgmental evidence regarding figures and the information disclosed in financial statements. The procedures selected depend on the auditor's professional judgment, including the assessment of risks of material misstatement of the financial statements, whether due to errors or irregularities. In making these risk assessments, the auditor considers the Company's internal control relevant to the preparation and fair presentation of the financial statements in order to design the appropriate audit procedures in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's control system. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Management, as well as evaluating the overall presentation of the financial statements.



We believe that the judgmental evidence we have obtained is sufficient and appropriate for our audit opinion.

## **Opinion**

4. In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of SMRC AUTOMOTIVE TECH ARGENTINA S.A. as of March 31, 2021, and the results of its operations and cash flows for the year then ended, in conformity with the accounting information framework mentioned in paragraph 2.

## **II. Report on other legal and regulatory requirements**

5. In compliance with current regulations, we further report that:

- a) In the light of what was mentioned in note 8 to the accompanying financial statements, the latter result from books kept, in their formal respects, in accordance with current legal regulations.
- b) As of March 31, 2021, liabilities accrued in employee and employer contributions to the Integrated Pension Fund System, as recorded in the Company's books, amounted to ARS 3,538,048, none of which was due and payable as of that date.
- c) We have applied the anti-money laundering and anti-terrorist financing procedures established by current professional standards.

City of Buenos Aires,  
June 17, 2021

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E.C.A.B.A. Vol. 1 – Fo. 13



GUILLERMO E. BONDANCIA  
Partner

Certified Public Accountant (U.B.A.)  
C.P.C.E.C.A.B.A. Vol. 231 – Fo. 191

**SMRC AUTOMOTIVE TECH ARGENTINA S.A.**

(Translation of the Financial Statements originally issued in Spanish –  
See Note 11)

Registered office: Suipacha 1111, 18° piso, Buenos Aires City

**FISCAL YEAR No. 8 BEGINNING APRIL 1, 2020**

**FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED**

**MARCH 31, 2021**

**PRESENTED COMPARATIVELY WITH THE PRIOR FISCAL YEAR**

Company's main business: design, development, research, import, export, manufacture, installation, complete or partial assembly, modification, sale and marketing of all types of auto parts.

Date of registration with the Public Registry of Commerce:

- Of the by-laws: September 19, 2014.
- Of the last amendment to by-laws: December 14, 2018.

Expiration date of the articles of incorporation: August 14, 2113.

CUIT (Argentine taxpayer identification number): 30-71462535-3.

Registration number with the IGJ (Argentine regulatory agency of business associations): 1.882.477

Parent company information (Note 1):

- Business name: SMRC Automotive Holding South America B.V.
- Registered office: Oude Utrechtseweg 32, 3243 KN Baarn, the Netherlands.
- Main business: Holding company
- Equity interest and voting rights: 95.03%.

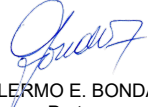
**CAPITAL STRUCTURE (Note 4)**

(Figures stated in Argentine pesos. Note 2.2)

<b>Type and class of shares</b>	<b>Subscribed, paid-in, and issued (Note 4)</b>
Common, registered, nonendorsable shares, face value 1 per share and entitled to one vote per share	484,948,482
Registered, nonendorsable preferred shares, face value 1 per share and entitled to one vote per share	212,500,000
	<u>697,448,482</u>

Signed for identification purposes  
with our report dated 06-17-2021  
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E.C.A.B.A. Vol. 1 – Fo. 13

EDUARDO GENTA  
Statutory auditor

  
GUILLERMO E. BONDANCIA  
Partner  
Certified Public Accountant (U.B.A.)  
C.P.C.E.C.A.B.A. Vol. 231 - Fo. 191

FLORENTIN GEFFROY  
Legal Representative

## SMRC AUTOMOTIVE TECH ARGENTINA S.A.

(Translation of the Financial Statements originally issued in Spanish –  
See Note 11)

### BALANCE SHEET

AS OF MARCH 31, 2021

PRESENTED COMPARATIVELY WITH THE PRIOR FISCAL YEAR

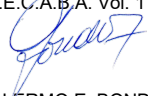
(Figures stated in Argentine pesos. Note 2.2)

	<u>03/31/2021</u>	<u>03/31/2020</u>
<b>CURRENT ASSETS</b>		
Cash (Note 3.a)	85,353,880	208,191,221
Trade receivables (Note 3.b)	96,899,611	90,369,437
Other receivables (Note 3.c)	300,179,014	328,102,928
Inventories (Note 3.d)	160,133,690	95,725,332
<b>Total current assets</b>	<u>642,566,195</u>	<u>722,388,918</u>
<b>NONCURRENT ASSETS</b>		
Other receivables (Note 3.c)	111,638,857	31,540,313
Property, plant and equipment (Exhibit I)	856,288,052	762,994,585
<b>Total noncurrent assets</b>	<u>967,926,909</u>	<u>794,534,898</u>
<b>Total assets</b>	<u>1,610,493,104</u>	<u>1,516,923,816</u>
<b>CURRENT LIABILITIES</b>		
Trade payables (Note 3.e)	356,912,145	291,694,193
Salaries & wages and payroll taxes (Note 3.f)	36,268,389	29,545,195
Taxes payable (Note 3.g)	10,566,789	7,114,205
Other liabilities (Note 3.h)	74,344,302	376,229,627
<b>Total current liabilities</b>	<u>478,091,625</u>	<u>704,583,220</u>
<b>NONCURRENT LIABILITIES</b>		
Trade payables (Note 3.e)	57,427,746	19,266,907
Other liabilities (Note 3.h)	178,468,043	116,330,921
Allowances and provisions (Exhibit II)	6,475,273	7,995,837
<b>Total noncurrent liabilities</b>	<u>242,371,062</u>	<u>143,593,665</u>
<b>Total liabilities</b>	<u>720,462,687</u>	<u>848,176,885</u>
<b>SHAREHOLDERS' EQUITY</b> (as per related statement)	<u>890,030,417</u>	<u>668,746,931</u>
<b>Total liabilities and equity</b>	<u>1,610,493,104</u>	<u>1,516,923,816</u>

The accompanying notes 1 through 11 and exhibits I through V are an integral part of these financial statements.

Signed for identification purposes  
with our report dated 06-17-2021  
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E.C.A.B.A. Vol. 1 – Fo. 13

EDUARDO GENTA  
Statutory auditor

  
GUILLERMO E. BONDANCIA  
Partner  
Certified Public Accountant (U.B.A.)  
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**SMRC AUTOMOTIVE TECH ARGENTINA S.A.**

(Translation of the Financial Statements originally issued in Spanish –  
See Note 11)

**STATEMENT OF INCOME**

**FOR THE FISCAL YEAR ENDED March 31, 2021**

**PRESENTED COMPARATIVELY WITH THE PRIOR FISCAL YEAR**

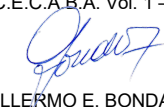
(Figures stated in Argentine pesos. Note 2(2))

	<u>03/31/2021</u>	<u>03/31/2020</u>
NET SALES	874,541,705	806,423,407
COST OF SALES (Exhibit IV)	<u>(1,054,172,723)</u>	<u>(844,051,981)</u>
<b>Gross loss</b>	<b>(179,631,018)</b>	<b>(37,628,574)</b>
SELLING EXPENSES (Exhibit V)	(30,582,112)	(40,461,957)
ADMINISTRATIVE EXPENSES (Exhibit V)	(93,318,625)	(108,758,898)
OTHER OPERATING INCOME AND EXPENSES, NET (Note 3.i)	372,290,597	(47,949,028)
FINANCIAL AND HOLDING RESULTS, NET (Note 3.j)	<u>(13,577,882)</u>	<u>69,767,261</u>
<b>Income (loss) before income tax</b>	<b>55,180,960</b>	<b>(165,031,196)</b>
INCOME TAX (Note 2.3.h)	<u>(62,137,122)</u>	<u>8,133,474</u>
<b>Net loss for the year</b>	<b><u>(6,956,162)</u></b>	<b><u>(156,897,722)</u></b>

The accompanying notes 1 through 11 and exhibits I through V are an integral part of these financial statements.

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## SMRC AUTOMOTIVE TECH ARGENTINA S.A.

(Translation of the Financial Statements originally issued in Spanish –  
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### STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE FISCAL YEAR ENDED MARCH 31, 2021

PRESENTED COMPARATIVELY WITH THE PRIOR FISCAL YEAR

(Figures stated in Argentine pesos. Note 2.2.)

	03/31/2021				03/31/2020
	Owners' contributions		Accumulated losses	Total	Total
	Subscribed capital	Capital adjustment			
Amounts at beginning of year	484,948,482	1,369,860,885	(1,186,062,436)	668,746,931	670,960,562
Accumulated losses absorption (1)	-	(1,171,990,189)	1,171,990,189	-	-
Capital increase (2)	212,500,000	15,739,648	-	228,239,648	154,684,091
Loss for the year, net	-	-	(6,956,162)	(6,956,162)	(156,897,722)
<b>Amounts at end of year</b>	<b>697,448,482</b>	<b>213,610,344</b>	<b>(21,028,409)</b>	<b>890,030,417</b>	<b>668,746,931</b>

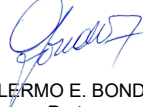
(1) Approved by the General Special Shareholders' Meeting held on May 29, 2020.

(2) Approved by the General Special Shareholders' Meeting held on January 19, 2021 and November 14, 2019.

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# SMRC AUTOMOTIVE TECH ARGENTINA S.A.

(Translation of the Financial Statements originally issued in Spanish –  
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## STATEMENT OF CASH FLOWS <sup>(1)</sup>

FOR THE YEAR ENDED MARCH 31, 2021,

PRESENTED COMPARATIVELY WITH THE PRIOR FISCAL YEAR

(Figures stated in Argentine pesos. Note 2.2.)

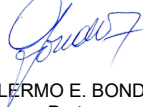
	03/31/2021	03/31/2020
<b>CHANGES IN CASH</b>		
Cash at beginning of year	208,191,221	50,499,431
Cash at end of year	85,353,880	208,191,221
(Decrease) Increase in cash, net	(122,837,341)	157,691,790
<b>CAUSES OF CHANGES IN CASH</b>		
<b>OPERATING ACTIVITIES</b>		
Loss for the year, net	(6,956,162)	(156,897,722)
Income tax	62,137,122	(8,133,474)
<b>Adjustments to reach net cash flows (used in) provided by operating activities</b>		
Depreciation of property, plant and equipment	81,407,259	77,489,797
Inventory holding gains	(53,363,812)	(43,128,695)
Change in the provision for lawsuits and contingencies, net	(1,520,564)	(2,779,067)
Change in the allowance for inventories obsolescence, net	5,638,004	8,381,012
Change in the allowance for impairment in value of Property, plant and equipment, net	(61,101,544)	(7,302,384)
Change in the allowance for impairment in value of other tax credits, net	11,510,779	7,479,498
Changes in allowance for doubtful accounts, net	(1,494,768)	8,462,027
Result from disposals of Property, plant and equipment	7,137,849	-
Loss on exposure to changes in currency purchasing power provided by cash	37,954,390	25,271,051
<b>Changes in operating assets and liabilities</b>		
(Increase) Decrease in trade receivables	(5,035,406)	147,341,465
Increase in other receivables	(125,822,531)	(102,698,353)
(Increase) Decrease in inventories	(16,682,550)	68,533,508
Increase in trade payables	103,378,791	69,318,874
Increase in salaries & wages and payroll taxes	6,723,194	1,191,297
Increase (decrease) in tax payables	3,452,584	(7,579,407)
(Decrease) increase in other liabilities	(239,748,203)	20,695,380
<b>Net cash flow (used in) provided by operating activities</b>	<b>(192,385,568)</b>	<b>105,644,807</b>
<b>INVESTING ACTIVITIES</b>		
Acquisition of Property, plant and equipment	(120,737,031)	(77,366,057)
<b>Net cash flows used in investing activities</b>	<b>(120,737,031)</b>	<b>(77,366,057)</b>
<b>FINANCING ACTIVITIES</b>		
Capital contributions	228,239,648	154,684,091
<b>Net cash flows provided by financing activities</b>	<b>228,239,648</b>	<b>154,684,091</b>
<b>Loss on exposure to changes in currency purchasing power provided by cash</b>	<b>(37,954,390)</b>	<b>(25,271,051)</b>
<b>(Decrease) Increase in cash, net</b>	<b>(122,837,341)</b>	<b>157,691,790</b>

(1) Cash: Cash.

The accompanying notes 1 through 11 and exhibits I through V are an integral part of these financial statements.

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## SMRC AUTOMOTIVE TECH ARGENTINA S.A.

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See Note 11)

### NOTES TO THE FINANCIAL STATEMENTS AS OF MARCH 31, 2021

#### PRESENTED COMPARATIVELY WITH THE PRIOR YEAR

(Figures stated in Argentine pesos. Note 2.2)

#### 1. THE COMPANY

Reydel Automotive Argentina S.A. (the “Company”) was incorporated on August 14, 2014, to engage in the design, development, research, import, export, manufacture, installation, complete or partial assembly, sale and marketing of auto parts.

On December 2016, the Company’s Board of Directors became aware of the transfer of all of the Company’s shares held by Visteon Corporation and Visteon International Holdings Inc. in favor of Reydel Automotive South America B.V. and Reydel Automotive South America Minority Holding B.V. Consequently, the parent company of Reydel Automotive Argentina S.A. as of December 31, 2017, was Reydel Automotive South America B.V, holding an equity interest on the Company, as well as 90% of voting rights. The remaining 10% equity interest was held by Reydel Automotive South America Minority Holding B.V.

In August 2018, Reydel Group was acquired by Samvardhana Motherson Group (SMG), one of the fastest-growing manufacturers of specialized vehicle components.

Based on the previous comments, the Company changed its firm name to SMRC Automotive Tech Argentina S.A. The shareholders also changed their firm names, but not their equity interests in the Company. Reydel Automotive South America B.V. became SMRC Automotive Holding South America BV, and Reydel Automotive South America Minority Holdings B.V. became SMRC Automotive Modules Services South America Minority Holdings BV, with equity interests of 90% and 10%, respectively.

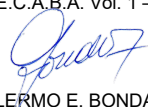
In addition, to be in line with the Group’s accounting closing, the Company changed its year-end to March 31.

In the last few years, the Company faced operating losses that caused the shareholders to make capital contributions to keep the equity balance and fulfill commercial and tax obligations.

The Company’s Board of Directors is facing important challenges in 2021, mainly including the continuous development of assumed projects and being able to designate new customers. These tasks, always as part of the Company’s quality policy that –according to our customers– position the Company as a model in relation to the highest quality standards, will allow improving operating income in the next few years.

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## SMRC AUTOMOTIVE TECH ARGENTINA S.A.

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### 2. SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Accounting standards applied

The Company's financial statements were prepared under the accounting information framework provided by the IGJ (Argentine regulatory agency of business associations), which requires the application of the professional accounting standards in effect in Buenos Aires City as long as the law, the regulations or resolutions issued by such enforcement agency do not provide otherwise.

The expression "effective professional accounting standards" refers to the accounting framework provided by the technical resolutions and interpretations issued by the FACPCE (Argentine Federation of Professional Councils in Economic Sciences) and approved by the CPCECABA (Professional Council in Economic Sciences of the City of Buenos Aires). The accounting framework allows for the following alternatives:

- a) the IFRS issued by the International Accounting Standards Board (IASB) or the IFRS for SMEs added by the FACPCE to its accounting regulations through TR 26 and IFRS adoption circulars;
- b) Argentine professional accounting standards issued by the FACPCE and approved by the CPCECABA other than TR 26.

The Company opted for the alternative mentioned in (b) above.

#### a) Significant accounting judgments, estimates and assumptions

Preparing the financial statements in accordance with such standards requires that the Company's Management make and consider the significant opinions, estimates and assumptions that affect the reported figures for assets and liabilities, revenues and expenses, as well as the assessment and disclosure of contingent assets and liabilities as of the date of those statements. In this sense, the uncertainty related to estimates and assumptions adopted could give rise in the future to final results that could differ from those estimates and require significant adjustments to reported balances of assets and liabilities affected.

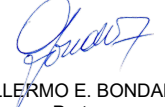
#### b) Unforeseen issues: application of supplementary regulatory sources

The measurement issues not established in Argentine professional accounting standards may be resolved (i) by using specific accounting standards dealing with similar and related issues (unless the standard intended to be used prohibited the application to the particular case to be solved or indicated that the accounting treatment proposed should not be applied to other cases by analogy), (ii) by applying standards on accounting measurement in general, and (iii) through the concepts included in the general framework of current professional accounting standards, in the abovementioned order of priority.

Whenever the resolution for the issue of measurement was not established in the abovementioned sources and, therefore, it was not apparent, the following standards shall be used supplementarily for Management to establish its criterion and for the creation of the relevant accounting policy, in the following descending order of priority: (i) IFRS, IFRS for SMEs and

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Interpretations approved and issued by the International Accounting Standards Board (IASB), and (ii) subject to no established order, the most recent resolutions from other issuers using a similar general framework for the issuance of accounting standards, accepted industry practices and accounting jurisprudence, on condition that the supplementary sources used do not contradict the regulatory sources mentioned in the previous paragraph, until the FACPCE issued a standard to regulate the measurement issue involved.

### 2.2 Unit of measurement

#### a) Economic context and regulatory framework

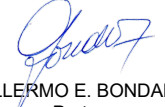
The financial statements as of March 31, 2021, were adjusted to be stated at the peso purchasing power as of that date in agreement with IGJ regulations, which require applying the standards issued by the FACPCE and adopted by the CPCECABA for restating the financial statements into constant pesos.

Below are the main legal and professional accounting standards regulating the restatement of the financial statements into constant currency:

- i. Law No. 27,468, which abrogates Presidential Decree No. 1269/2002 (amended by Presidential Decree No. 664/2003) that introduced a restriction to accept the restated financial statements by certain enforcement agencies, and implements section 62 *in fine* of Argentine General Business Associations Law No. 19,550, as amended.
- ii. FACPCE Technical Resolution No. 6 (Financial statements in constant currency) and TR No. 6 Adoption Guide 6 issued by the CENCyA (Special Accounting and Auditing Standards Committee).
- iii. FACPCE Resolution JG No. 539/18, which, considering the provisions included in section 3(1) (Disclosure in constant currency) of TR No. 17 and in Interpretation No. 8 (Application of paragraph 3(1) of TR No. 17), declared the existence of a highly inflationary context in Argentina as from July 1, 2018, and requires the adoption of TR No. 6 (Financial statements in constant currency) in preparing the financial statements and establishes to such end (a) a transition period by means of which the restatement into constant currency is required for the financial statements for annual or interim periods ending as from December 31, 2018, and (b) a series of simplifications to facilitate the restatement upon applying the adjustment for inflation for the first time.
- iv. CPCECABA Resolution C.D No. 107/2018, which ratifies Resolution JG No. 539/18 for the mandatory restatement of the annual or interim financial statements ending as from December 31, 2018.
- v. IGJ General Resolution No. 10/2018, which adopts the aforementioned professional standards.
- vi. CPCECABA MD No. 11/2019, which amends and extends the scope of certain simplifications under CPCECABA Resolution CD No. 107/18 for the restatement of financial statement into constant currency.

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To define an inflation context, the professional accounting standards on units of measurement propose analyzing the behavior of the population, prices, interest rates and salaries considering the changes in the price indexes and the loss in the currency purchasing power, and establish as a practical solution that the financial statements be restated to reflect the changes in the currency purchasing power when the cumulative changes in the price indexes reached is equal to or higher than 100%.

In view of different macroeconomic factors, the 2018 three-year inflation exceeded such percentage, while Argentine government goals and other available estimates indicate that this trend will not be reversed in the short term.

To assess this quantitative condition, and to restate the financial statements, the accounting standards on the unit of measurement establish that the series of indexes to be used is that established by the FACPCE. This series of indexes combines the Argentine consumer price index (CPI) published by the INDEC (Argentine Statistics and Census Institute) as from January 2017 (baseline month: December 2016) with the domestic wholesale price index published by the INDEC until that date. In relation to November and December 2015, for which there is no INDEC information on domestic wholesale price index variations, the CPI of the City of Buenos Aires was taken into account.

Considering this index, inflation stood at 41% and 49% for the years ended March 31, 2021, and 2020, respectively.

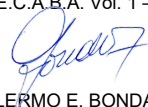
### b) Description of the process for restating the financial statements

#### Balance-sheet restatement

- (i) Monetary items (those with a fixed nominal value in local currency) will not be restated, as they are no longer stated in the constant currency as of the end of the reporting period. In an inflationary period, maintaining monetary assets will lose purchasing power and maintaining monetary liabilities will gain purchasing power, provided that these items are not subject to an adjustment mechanism that somehow offsets these effects. Monetary gains or losses are included in income (loss) for the reporting period.
- (ii) Nonmonetary items measured at their current values as of the end of the reporting period are not restated to be disclosed in the balance sheet, but the adjustment process should be completed to determine the income (loss) generated by holding these nonmonetary items in constant pesos.
- (iii) The nonmonetary items measured at a historical cost or current cost of a date prior to the end of the reporting period will be restated by coefficients that reflect the changes in the general level of prices from the date of acquisition or revaluation until the closing date, and the restated amounts of these assets will then be compared to the recoverable values. The charges to income (loss) for the period for nonmonetary assets (depreciation, amortization, residual value of derecognized assets, among others) will be determined based on the new restated amounts.

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## SMRC AUTOMOTIVE TECH ARGENTINA S.A.

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- (iv) The restatement of nonmonetary assets in the current unit of measure as of the end of the reporting period with no equivalent adjustment for tax purposes gives rise to a taxable temporary difference and the recognition of a deferred tax liability which contra account is recognized in income (loss) for the year.

### Restatement of the statement of income

The most purged process for restating the statement of income into the currency as of the end of the reporting period includes the following considerations:

- (i) income and expenses are adjusted as from the date of origin of the transactions giving rise to such income and expenses or as from the related accrual;
- (ii) the consumption of nonmonetary assets measured at the current value prior to the consumption are adjusted upon booking the consumption;
- (iii) the statement-of-income items that reflect or include in their assessment the consumption of assets measured at the currency purchasing power of a date prior to their booking are adjusted based on the date of origin of the asset related to the item;
- (iv) financial income (expense) is disclosed in real terms; this is, net of the effect of the inflation over the assets and liabilities giving rise to such income (expense);
- (v) holding gains (losses) and other income (expenses) arising from comparing two measurements stated in the currency purchasing power of different dates requires identifying the amounts compared and restating them separately to compare it again with the amounts already restated, and
- (vi) Gain (loss) on exposure to changes in the currency purchasing power is filed in a separate line and reflects the effect of inflation over the monetary items that was not computed in assessing financial income (expense) in real terms.

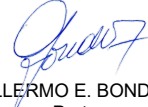
The Company chose to present financial income (expense) in nominal terms, restated in the currency as of year-end, thus meeting the abovementioned restatement process, among others.

### Restatement of the statement of changes in shareholders' equity

All equity components restated at the currency as of the beginning of the year are held at year-end currency by applying the general price index, and the variation of these components is restated at the currency as of the end of the year as follows: in the case of contributions as from the subscription date; for swap movements affecting retained earnings (accumulated losses), as from the prior year-end if the Shareholders' Meeting treats retained earnings (accumulated losses) in the currency as of that time, whereas if the Shareholders' Meeting treats income (loss) in the purchasing power currency as of the date of the Shareholders' Meeting, swap movements will be restated as from the date in which such currency is stated, and for decreases in retained earnings (accumulated losses) for amending movements as from the date when the Shareholders' Meeting made the related decision, whereas if they are items of deferred income (loss) they should be disclosed in real terms.

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### Restatement of the statement of cash flows

All the items within this statement are restated at the unit of measurement current as of the date of the end of the reporting period.

Gain (loss) on exposure to changes in the currency purchasing power that reflects the changes in the purchasing power of cash and cash equivalents is disclosed in the statement of cash flows in "Causes of changes in cash" after the operating, investing and financing activities in a separate line under "Loss on exposure to changes in the currency purchasing power".

### Comparative information

The amounts related to the comparative information were restated to consider the changes in the peso purchasing power and, as a result, are restated in the measuring unit current as of the end of the reporting period.

Likewise, the financial statements as of March 31, 2020 presented for comparative purposes include certain reclassifications in order to adapt disclosure to financial statements as of March 31, 2021.

## 2.3 Valuation methods

The main valuation methods used to prepare the accompanying financial statements were:

### a) Cash and cash equivalents:

- In Argentine pesos: at nominal value.
- In foreign currency: at nominal value converted at the exchange rates effective at the end of each year applicable for settling the respective transactions. The foreign exchange differences were charged to income for each year. The related breakdown is disclosed in Exhibit III.

### b) Receivables and payables:

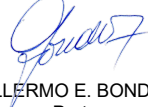
- In Argentine pesos: at the value of the cash flows from which they will be generated discounted, as long as they have material effects, using imputed, explicit or market rates, as the case may be, effective at the time of each transaction. Non-commercial transaction amounts with related parties were stated at nominal value.

Receivables from and payables to related parties resulting from noncommercial transactions were valued at nominal value plus accrued interest, in accordance with the originally agreed-upon terms and conditions, as applicable.

- In foreign currency: they were valued in accordance with the parameters stated in the paragraphs above, translated into Argentine pesos at the exchange rate effective as of each fiscal year-end for the settlement of these transactions. The foreign exchange differences were charged to income for each year. The related breakdown is disclosed in Exhibit III.

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- Liabilities for labor costs: accrued for in the same period in which the employees have rendered the service that entitles them to such consideration.
- Derivative financial instruments: the Company has not used derivative financial instruments of this type.
- The market value of receivables and payables does not differ significantly from their book value.

Receivables and payables broken down by due date as of March 31, 2021, are disclosed in note 6.

### c) Inventories:

Inventories were stated at replacement or reproduction cost based on the cash prices applicable to the habitual purchase volumes as of each year-end; in the case of finished and in-process products, direct and indirect costs and expenses related to the manufacturing process were considered.

Prepayments to vendors were stated at nominal value as of year-end.

The values obtained do not exceed the relevant recoverable values estimated as of year-end.

### d) Property, plant and equipment:

They were valued at acquisition cost, restated as explained in note 2.2, less the respective accumulated depreciation, calculated by the straight-line method, applying annual rates sufficient to deplete their values by the end of their estimated useful lives.

The valuation of Property, plant and equipment items is reviewed to verify whether there has been any impairment in value whenever there is a hint indicating that the book value of assets may exceed their recoverable value (the higher amount between their net realizable value and their value in use). Based on the previous detailed analysis, Company Management booked an allowance for impairment in the value of Property, plant and equipment for 49,463,619 and 110,565,163 as of March 31, 2021, and March 31, 2020, respectively.

Considering the disclosures made in the previous paragraph, Property, plant and equipment value, net of the related allowance for impairment in value, does not exceed the recoverable value thereof as of each year-end.

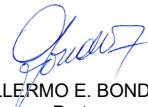
The related breakdown is disclosed in Exhibit I.

### e) Allowances and provisions

- Allowance for inventories' impairment in value: it has been set on the basis of the indicators of turnover and obsolescence of raw material to reduce the book value of certain inventories no longer in use or obsolete at their probable realization value.

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- For doubtful accounts: covering the total amount of receivables past-due and in litigation plus a portion of the remaining trade receivables assessed on the basis of an individual recoverability analysis thereof.
- Allowance for impairment in value of other tax credits: it was booked to reduce the book value of those assets at their recoverable values as of each year-end.
- Allowance for impairment in value of Property, plant and equipment: it was booked to reduce the book value of those assets at their recoverable values as of each year-end.
- Provision for litigation and contingencies: set to face contingent situations which may probably result in obligations payable by the Company. In estimating the respective amounts and the likelihood of occurrence, the opinion of the Company's legal counsel was considered.

Should the contingency assessment disclose the possibility of a loss and should it be possible to estimate the amount, liabilities would be booked under the "Provisions" account.

If the potential loss is not probable but fairly possible, or either probable but the amount thereof cannot be estimated, the nature of the contingent liability and an estimate of the possibility of occurrence are disclosed in a note to the financial statements. The contingencies deemed remote are not booked or disclosed.

The changes in the abovementioned provisions is disclosed in Exhibit II.

### f) Shareholders' equity:

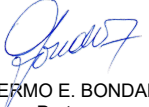
These accounts have been restated as mentioned in Note 2.2, except for the "Capital stock" account, which has been kept at nominal value. The adjustment resulting from the restatement is disclosed in the "Capital adjustment" account.

### g) Statement-of-income accounts:

- The accounts accumulating monetary transactions (service-charge income, cost of services, administrative and selling expenses, etc.) throughout each fiscal year were computed at nominal value and restated as mentioned in note 2.2 by applying the coefficients of the month of accrual.
- The charges for the use of nonmonetary assets were computed based on the values of those assets, restated as mentioned in note 2.2.
- The sales cost was calculated based on the replacement cost of such goods in the month in which they were sold. Inventories holding gains (losses) accrued during each fiscal year were segregated from the cost of goods sold, and disclosed in the related statement-of-income account.

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- The “Financial income and holding results, net” account includes jointly financial income (expense), the foreign exchange differences resulting from assets and liabilities in foreign currency, inventory holding gains, allowance and provision increases and recoveries, the current value of receivables and payables, and the effect of general inflation on monetary assets and liabilities in nominal currency.
- “Other operating income and expenses, net” discloses jointly (a) income (loss) on the sale of tools, (b) the variation in accrual for agreements expected to generate losses, (c) idle capacity, and (d) results generated by disposals of Property, plant and equipment.

### **h) Income tax and deferred income tax:**

The Company assesses the income tax book charge by the deferred tax method, which consists in recognizing (as assets or liabilities) the tax effect of the temporary differences between the book and tax valuation of assets and liabilities, and the subsequent charge to income for the years in which such differences are reversed, and considering the possibility of using NOLs in the future. Temporary differences determine tax asset or liability balances when their future reversal decreases or increases the tax assessed, respectively. When there are net operating losses (NOLs) that are allowed to be offset against future taxable income, or when the deferred tax resulting from temporary differences is an asset, such receivables are recognized only insofar as the Company's Management believes that their utilization is likely.

As of March 31, 2021, and March 31, 2020, the income tax credit was not included in the Balance sheet because Company Management considers that it cannot be recovered for the time being.

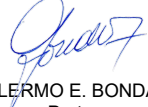
As of March 31, 2021, and March 31, 2020, the Company assessed deferred income tax liabilities by restating nonmonetary assets into constant pesos for an amount of 145,004,478 and 116,330,921, respectively. In addition, as of March 31, 2021, the Company assessed deferred tax liabilities for the recognition of credits related to project development for an amount of 33,463,565. The total variation of 62,137,122 was charged to income tax under the income statement.

Tax Reform Law No. 27,430, amended by Law No. 27,468, effective for fiscal years beginning January 1, 2018, establishes the following tax adjustment for inflation:

- a) This variation will apply to the year in which the variation in the general consumer price index exceeds 100% during the 36 months prior to the end of the year calculated;
- b) this adjustment will be applicable when the change in such index from the beginning until the end of the first, second and third years as from its effective date exceeds 55%, 30% and 15%, respectively, and
- c) from the positive or negative tax adjustment for inflation, as the case may be, for the first, second and third years beginning as from January 1, 2018, to be calculated should the assumptions included in (a) and (b) above take place, one third should be charged to such tax period and the remaining two thirds should be assigned in equal parts to the subsequent tax periods.

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Law No. 27,541 on Social Solidarity and Production Reactivation in the Context of a Public Emergency incorporated the following measures:

- (i) Law No. 27,430 set forth for tax periods beginning as from January 1, 2020, that the corporate tax rate be reduced from 30% to 25% and that the additional tax on dividends or earnings distributed to Argentine natural persons and foreign artificial persons be increased from 7% to 13%. The reform suspends this change in rates and maintains the original 30% and 7% rates until the years beginning January 1, 2021.
- (ii) Law No. 27,468 established that a third of the positive or negative adjustment for inflation applicable to the three first fiscal years beginning January 1, 2018, be distributed to the year in which the adjustment was determined and the remaining two thirds to the two subsequent tax periods. The reform amended this distribution and establishes that the positive or negative adjustment for the first and second year beginning January 1, 2019, be charged a sixth to the year in which the adjustment is determined and the remainder five sixths to the five subsequent tax periods, whereas for years beginning January 1, 2021, 100% of the adjustment may be deducted in the year in which it is determined.

As of March 31, 2021, the parameters established by Income Tax Law to apply the tax adjustment for inflation are met. Its calculation was assessed as a new deferred asset, which was not booked by Company Management, based on the same conclusion in relation to its irrecoverability.

### 3. BREAKDOWN OF THE MAIN ACCOUNTS

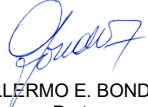
As of March 31, 2021, and March 31, 2020, the main balance sheet and statement of income accounts break down and vary as follows:

	<u>03/31/2021</u>	<u>03/31/2020</u>
<b>a) Cash and cash equivalents</b>		
Cash in banks in Argentine pesos	31,426,658	188,687,777
Cash in banks in foreign currency (Exhibit III)	<u>53,927,222</u>	<u>19,503,444</u>
	<u>85,353,880</u>	<u>208,191,221</u>
<b>b) Trade receivables</b>		
Notes receivables (1)	103,866,870	98,831,464
Allowance for doubtful accounts (Exhibit II)	<u>(6,967,259)</u>	<u>(8,462,027)</u>
	<u>96,899,611</u>	<u>90,369,437</u>

(1) Including 2,258,806 and 89,213,834 in foreign currency as of March 31, 2021, and March 31, 2020, respectively (Exhibit III).

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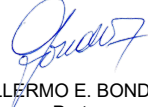
	03/31/2021	03/31/2020
<b>c) Other receivables</b>		
<b>Current</b>		
Income tax credit balance	22,006,914	-
VAT credit balance	67,598,497	75,121,742
Turnover tax credit balance	630	2,195,297
Prepayments to suppliers (1)	3,965,445	804,582
Customs duties prepayments	6,975,288	-
Project development credits (Exhibit III)	198,993,498	249,238,402
Miscellaneous	638,742	742,905
	<u>300,179,014</u>	<u>328,102,928</u>
(1) Including 2,616,663 in foreign currency as of March 31, 2021 (Exhibit III).		
<b>Noncurrent</b>		
Income tax credit balance	17,812,188	47,624,431
Project development credits (Exhibit III)	111,593,376	-
Miscellaneous	45,481	123,336
Allowance for impairment in value of other tax credits (Exhibit II)	(17,812,188)	(16,207,454)
	<u>111,683,857</u>	<u>31,540,313</u>
<b>d) Inventories</b>		
Finished goods	18,739,250	21,924,298
Products in process	944,745	1,591,736
Raw and other materials	90,555,621	73,665,584
Raw materials and materials in transit	59,966,128	4,116,405
Subtotal (Exhibit IV)	<u>170,205,744</u>	<u>101,298,023</u>
Prepayments to suppliers (1)	-	6,089,144
Allowance for inventories obsolescence (Exhibit II)	(10,072,054)	(11,661,835)
	<u>160,133,690</u>	<u>95,725,332</u>
(1) Including 2,658,452 in foreign currency as of March 31, 2020 (Exhibit III).		
<b>e) Trade payables</b>		
<b>Current</b>		
Notes payables (1)	183,851,159	188,097,204
Related parties (Note 5 and Exhibit III)	98,034,129	16,366,958
Accrued expenses (2)	52,518,448	69,321,059
Accrual for agreements expected to generate losses	22,508,409	17,908,972
	<u>356,912,145</u>	<u>291,694,193</u>

(1) Including 129,356,119 and 165,047,372 in foreign currency as of March 31, 2021, and March 31, 2020, respectively (Exhibit III).

(2) Including 25,677,675 and 18,221,073 in foreign currency as of March 31, 2021, and March 31, 2020, respectively (Exhibit III).

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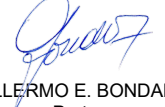
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	<u>03/31/2021</u>	<u>03/31/2020</u>
<b>Noncurrent</b>		
Accrual for agreements expected to generate losses	57,427,746	19,266,907
	<u>57,427,746</u>	<u>19,266,907</u>
<b>f) Salaries &amp; wages and payroll taxes</b>		
Salaries & wages and payroll taxes payable	17,401,939	15,311,419
Bonus accrual	16,493,188	11,385,200
Vacation accrual	2,373,262	2,848,576
	<u>36,268,389</u>	<u>29,545,195</u>
<b>g) Taxes payable</b>		
Turnover tax payable balance	2,418,560	76,599
Personal assets tax	2,880,598	3,682,238
Withholdings and additional withholdings to be deposited	3,100,609	2,272,871
Municipal rates and taxes	1,948,389	855,046
Property tax	218,633	227,451
	<u>10,566,789</u>	<u>7,114,205</u>
<b>h) Other liabilities</b>		
<b>Current</b>		
Prepaid tooling expenses	74,162,907	375,974,218
Prepayment for the sale of real estate	181,395	255,409
	<u>74,344,302</u>	<u>376,229,627</u>
<b>Noncurrent</b>		
Deferred income tax liabilities	178,468,043	116,330,921
	<u>178,468,043</u>	<u>116,330,921</u>
	<b><u>Income/(Loss)</u></b>	<b><u>Income/(Loss)</u></b>
	<b><u>31/03/2021</u></b>	<b><u>31/03/2020</u></b>
<b>i) Other operating income and expense, net</b>		
Gain from sale of tools	507,603,780	62,992,780
(Charge) Recovery for accrual of agreements expected to generate losses	(66,417,350)	39,351,630
Idle capacity	(61,785,429)	(150,293,438)
Result from disposals of Property, plant and equipment	(7,110,404)	-
	<u>372,290,597</u>	<u>(47,949,028)</u>

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	<b>Income/(Loss)</b>	
	<b>31/03/2021</b>	<b>31/03/2020</b>
<b>j) Finance and holding results, net</b>		
Allowance for impairment in value of other tax credits (Exhibit II)	(6,301,409)	(8,727,956)
Allowance for impairment in value of inventories (Exhibit II)	(4,434,050)	(3,280,823)
Allowance for impairment in value of Property, plant and equipment (Exhibit II)	29,061,428	(31,304,859)
Allowance for doubtful accounts (Exhibit II)	(957,400)	(8,462,027)
Inventory holding gains (Exhibit IV)	53,363,812	43,128,695
Holding losses on other assets	-	(293,194)
Foreign exchange difference	(4,043,150)	54,847,938
Accrued interest, net	(1,408,387)	(734,186)
Net present value of receivables and payables	(171,051,405)	(9,641,521)
Gain on exposure to changes in the currency purchasing power	92,192,679	34,235,194
	<u>(13,577,882)</u>	<u>69,767,261</u>

## 4. CAPITAL STOCK

As of March 31, 2020, capital stock is made up of 484,948,482 registered, non-endorsable shares of common stock each with a face value of ARS 1 and entitled to one vote.

On January 19, 2021, the General Special Shareholders' Meeting resolved to increase capital stock by 212,500,000 preferred, registered, nonendorsable shares with a face value of 1. It is pending to be registered with the IGJ.

As of March 31, 2021, capital stock amounted to 697,448,482 and is subscribed, issued, paid-in and partially registered with the IGJ, as mentioned in previous paragraphs.

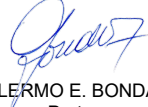
## 5. RECEIVABLES FROM, PAYABLES TO, AND TRANSACTIONS WITH COMPANIES FALLING UNDER SECTION 33, GENERAL BUSINESS ASSOCIATIONS LAW NO, 19,550 (SUBSIDIARIES & AFFILIATES) AND OTHER RELATED COMPANIES

The payables to/receivables from related parties as of March 31, 2021, and 2020, are as follows:

	<b>03/31/2021</b>	<b>03/31/2020</b>
<b>Trade payables</b>		
SMRC Automotivos Brasil Ltda.	26,340,710	10,636,596
SMRC Automotive Holdings Netherlands B.V.	4,554,362	3,516,932
SMRC Automotive Interiors Spain S.L.	-	1,553,612
Samvardhana Motherson Reydel Autotecc Morocco SAS	66,983,209	659,818
MSSL GmbH	155,848	-
	<u>98,034,129</u>	<u>16,366,958</u>

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EDUARDO GENTA  
Statutory auditor

  
GUILLERMO E. BONDANCIA  
Partner  
Certified Public Accountant (U.B.A.)  
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Legal Representative

## SMRC AUTOMOTIVE TECH ARGENTINA S.A.

(Translation of the Financial Statements originally issued in Spanish –  
See Note 11)

The transactions carried out during the years ended March 31, 2021, and 2020, with section 33, Law No. 19,550 companies (subsidiaries and affiliates) and other related companies, were as follows:

	03/31/2021	03/31/2020
<b>Purchase of inventories and services</b>		
SMRC Automotivos Brasil Ltda.	16,913,028	18,546,221
SMRC Automotive Holdings Netherlands B.V.	292,296	2,138,780
Samvardhana Motherson Reydel Autotecc Morocco SAS	87,833,153	1,352,204
SMRC Automotive Interiors Spain S.L.	-	1,059,286
MSSL GmbH	160,944	-
	<u>105,199,421</u>	<u>23,096,491</u>

### 6. RECEIVABLES AND PAYABLES BREAKDOWN BY DUE DATE

	Trade receivables (1)	Other receivables (1)	Trade payables (1)	Other payables (3)
<b>Without due date</b>	-	-	98,034,129 (2)	178,468,043 (4)
<b>With due date</b>				
Past due	17,370,768	-	65,155,991	-
To fall due				
Up to 3 months	79,528,843	227,473,235	176,840,719	75,096,772
From 3 to 6 months	-	38,906,537	5,627,102	43,204,572
From 6 to 9 months	-	16,899,621	5,627,102	1,186,632
From 9 to 12 months	-	16,899,621	5,627,102	1,691,504
Over 12 months	-	111,638,857	57,427,746	-
<b>Total to fall due</b>	<u>79,528,843</u>	<u>411,817,871</u>	<u>251,149,771</u>	<u>121,179,480</u>
<b>Total with due date</b>	<u>96,899,611</u>	<u>411,817,871</u>	<u>316,305,762</u>	<u>121,179,480</u>
<b>Total</b>	<u>96,899,611</u>	<u>411,817,871</u>	<u>414,339,891</u>	<u>299,647,523</u>

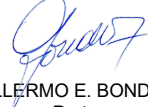
- (1) Not accruing interest.  
(2) Related to receivables from related companies.  
(3) Excluding contingencies.  
(4) Related to the deferred income tax net liability.

### 7. GUARANTEES PROVIDED

The Company granted guarantees for two lease agreements amounting to ARS 90,024 and USD 6,000, maturing on February 14, 2022, and February 28, 2022, respectively.

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## SMRC AUTOMOTIVE TECH ARGENTINA S.A.

(Translation of the Financial Statements originally issued in Spanish –  
See Note 11)

### 8. OFFICIALLY-STAMPED BOOKS

As of the date of issue of these financial statements, due to administrative delays, the financial statements were not transcribed into the Inventory and Financial Statements book, together with the chart of accounts and the detailed inventory.

### 9. ECONOMIC CONTEXT

The main issues of the macroeconomic scenario in Argentina include:

The economic activity in 2019 showed a downturn that subsequently remained stable and then increased due to the COVID-19 pandemic in 2020. Certain sectors present a more pronounced reduction in the activity, including the discontinuation of operations. Unemployment also increased, showing a 13% rate, as reported by the INDEC (Argentine Statistics and Census Institute) in September 2020. To mitigate these effects, the Argentine Government set certain financial aids for companies and extended until late June 2021 the prohibition to dismiss employees with no fair reason and based on the lack of or reduced work and force majeure and, until late December 2021, the obligation to make double severance pays.

The decrease in the activity and the subsequent reduction in collections led to a significant fiscal imbalance. In its last World Economic Outlook (WEO) of October 13, 2020, the International Monetary fund estimated that the Argentine economy would fall by 11.8% in 2020, as compared to an estimated 4.4% decrease in the global GDP.

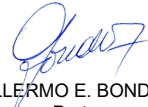
In addition, there is a monetary imbalance mainly driven by the issuance of currency used to finance the increased public expenditure aimed at subsidies to mitigate the COVID-19 pandemic. Those subsidies were granted through different instruments, such as (i) the Labor and Production Aid Program and the Production Recovery Program, aimed at helping companies pay their salaries; (ii) the family emergency payment aimed at offsetting the loss or reduction of revenues for those affected by the pandemic-related emergency; (iii) a credit line for SMEs with a 24% annual subsidized rate, and (iv) a 0% rate credit line for small taxpayers and self-employed workers. The monetary issuance imbalance is also an inflation factor that favors the increase in the foreign exchange gap.

The decrease in the international reserves of the BCRA (Central Bank of Argentina), along with an increase in its monetary liabilities, hardened foreign exchange regulations, which imposed restrictions on hoarding and the use of foreign currency and payments abroad, which also led to a material gap between the official exchange rate and that of free negotiation markets.

A positive aspect has been the agreement reached in August 2020 with foreign private credits for the swap of bonds amounting to USD 63.50 billion and maturing from 2029 to 2046, which allowed extending the first principal and interest payments until 2024, representing a saving of about USD 38 billion in the next 10 years. Simultaneously, the Argentine Congress approved Law No. 27,556, which restructured the Argentine State's issued debt under Argentine law. After this restructuring, the country-risk premium measured by JP Morgan dropped 1,000 basis points, and Standard & Poor's increased Argentina's sovereign credit rating for debt under domestic and international law in foreign currency from "selective default" (SD) to CCC + with stable prospects. The agreement with private creditors allows assuming the new debt settlement program with the IMF under better conditions, which is expected to take longer and may lead to a tax, labor and social security reform.

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The domestic consumer price index published by the INDEC accumulated 40.67% during the year until August 2020. This increase is part of an inflation scenario marked by prevailing recession and an uncertainty leading population to hoarding or to placing funds in financial instruments proposed by the government.

The low level of reserves in the BCRA caused the Argentine Government to implement a very restrictive foreign exchange control over the purchase of foreign currency at the single and freely-floating exchange market (MULC, in Spanish). Some of the measures aimed at protecting reserves are:


- A monthly USD 200-quota continues to be effective for natural persons.
- To discourage the purchase of US dollars despite of that quota, which leads to the decrease in reserves, two taxes were charged –as an emergency and for five tax periods– to the official value of the US dollar in the MULC: 30% PAIS tax (tax payable on certain transactions in foreign currency) and an additional 35% tax, computed towards income tax and personal assets tax).

Apart from setting limits to hoarding and consumption in foreign currency, foreign exchange regulations set adjustments to the purchases by companies in foreign currency to settle payables assumed in the past in foreign currency, and the BCRA has the power to provide or not provide its consent to certain companies' foreign exchange transactions. In this regard:

- By virtue of Communiqué "A" 7030 (May 28, 2020) and supplementary regulations, the BCRA set forth that for a financial institution to grant access to a customer to the MULC to pay the imports of goods or services, the payments of principal and interest from financial payables to foreign parties, and the payment of profits and dividends, among other concepts, the BCRA's previous approval is required. Otherwise, a sworn statement may be issued by the customer, and the institutions shall verify whether the information is consistent with that appearing in the BCRA's online system.
- Apart from the previous comments, Communiqué "A" 7030, as supplemented, sets forth that the BCRA's prior approval is required to access the MULC to (i) prepay the imports of goods or settle the principal of payables arising from the imports of goods, and (ii) settle foreign debt principal if the creditor is related to the debtor. This requirement originally expired on June 30, 2020, but was deferred on several occasions, and Communiqué "A" 7151 (October 29, 2020) extended it up to and including December 31, 2020.
- By virtue of Communiqué "A" 7106 (September 15, 2020), the BCRA set forth that private companies with scheduled principal maturities from October 15, 2020, through March 31, 2021, in relation to financial payables to a foreign creditor that is not an affiliate, may access the MULC if they file a refinancing plan with the BCRA based on certain established criteria, such as: the net amount for which the foreign exchange market is accessed within the original terms does not exceed 40% of the principal amount maturing, and the remaining principal must be refinanced with new foreign debt with an average life of at least 2 years.

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- By virtue of Comunicado “A” 7133 (October 9, 2020), the BCRA set forth that a debtor may access the MULC to settle principal over the 40% limit established by Comunicado “A” 7106 if the debtor has converted foreign currency in the MULC as from October 9, 2020, for an amount equal to or exceeding the 40% limit in relation to (i) loans granted by foreign parties, (ii) the issuance of debt securities registered in a foreign public registry, or (iii) the issuance of debt securities registered in a national public registry and denominated in foreign currency, meeting the conditions under foreign currency regulations for such issuance.

### 10. IMPACT OF THE COVID-19 PANDEMIC

In March 2020, the World Health Organization declared the coronavirus (COVID-19) outbreak a pandemic. The state of emergency in public health was expanded practically around the world, and the countries took different measures to face it. This situation, as well as the measures adopted by the different administrations, including the Argentine government, affected the global and local economic activity significantly, with different effects on countries and business sectors.

The Company's Management implemented security protocols both for production and administrative activities, identified risk groups for adequately addressing people's safety and established a teleworking system for the activities that allowed it. The Company was able to continue operating in a relatively normal manner, even though the level of transactions was affected by the general impact caused by the lockdown and distancing measures on Argentina and the consumers of products marketed by the Company. However, the uncertainty of the effects, the extension and duration of this circumstance do not allow estimating such impact reasonably, which will depend on the seriousness of the health emergency and the success of the present and future measures.

### 11. EXPLANATIONS ADDED FOR TRANSLATION INTO ENGLISH FOR THE USE OF THE COMPANY'S MANAGEMENT

These financial statements are the English translation of those originally issued in Spanish.

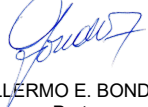
They are presented in accordance with generally accepted accounting principles in the City of Buenos Aires, Argentina, and these standards may not conform with the generally accepted accounting principles in other countries. The effects of the differences, if any between such generally accepted accounting principles and the generally accepted accounting principles in the other countries in which the accompanying financial statements may be used have not been quantified.

Accordingly, these financial statements are not intended to present the Company's financial position, results operations or cash flows in accordance with generally accepted accounting principles in the countries of users of the financial statements, other than the City of Buenos Aires, Argentina.

The accompanying financial statements have been prepared exclusively for the use of the Company's Management and, therefore, should be not used, referred to or distributed for any other purpose.

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**EXHIBIT I**

**SMRC AUTOMOTIVE TECH ARGENTINA S.A.**

**CHANGES IN PROPERTY, PLANT AND EQUIPMENT**

**FOR THE FISCAL YEAR ENDED MARCH 31, 2021**

**PRESENTED COMPARATIVELY WITH THE PRIOR YEAR**

(Figures stated in Argentine pesos. Note 2.2)

Main accounts	03/31/2021				
	Original values				
	At beginning of year	Increases	Disposals	Transfers	At end of year
Plots of land	38,879,065	-	-	-	38,879,065
Buildings	467,971,282	-	(9,177,233)	37,107,650	495,901,699
Furniture and office supplies	1,538,569	-	-	-	1,538,569
Computer hardware	29,447,878	-	-	5,388,755	34,836,633
Tools and supplies	8,122,383	-	-	-	8,122,383
Machinery and equipment	597,775,221	-	-	114,712,019	712,487,240
Other in progress	40,087,826	120,737,031	-	(157,208,424)	3,616,433
<b>Total as of 3/31/2021</b>	<b>1,183,822,224</b>	<b>120,737,031</b>	<b>(9,177,233)</b>	<b>-</b>	<b>1,295,382,022</b>
<b>Total as of 3/31/2020</b>	<b>1,106,456,167</b>	<b>77,366,057</b>	<b>-</b>	<b>-</b>	<b>1,183,822,224</b>

Main accounts	03/31/2021					03/31/2020	
	Accumulated depreciation						
	At beginning of year	Rate %	Disposals	of year	At end of year	Net book value	Net book value
Plots of land	-	-	-	-	-	38,879,065	38,879,065
Buildings	70,566,796	4	(2,039,384)	18,308,390	86,835,802	409,065,897	397,404,486
Furniture and office supplies	972,286	20	-	188,694	1,160,980	377,589	566,283
Computer hardware	13,948,794	20	-	5,138,374	19,087,168	15,749,465	15,499,084
Tools and supplies	4,671,562	10	-	792,845	5,464,407	2,657,976	3,450,821
Machinery and equipment	220,103,038	10	-	56,978,956	277,081,994	435,405,246	377,672,183
Other in progress	-	4	-	-	-	3,616,433	40,087,826
<b>Subtotal as of 3/31/2021</b>	<b>310,262,476</b>		<b>(2,039,384)</b>	<b>81,407,259</b>	<b>389,630,351</b>	<b>905,751,671</b>	
<b>Subtotal as of 03/31/2020</b>	<b>232,772,679</b>		<b>-</b>	<b>77,489,797</b>	<b>310,262,476</b>		<b>873,559,748</b>
Allowance for impairment in value of P&E (Exhibit II)						(49,463,619)	(110,565,163)
<b>Total</b>						<b>856,288,052</b>	<b>762,994,585</b>

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**EXHIBIT II**

**SMRC AUTOMOTIVE TECH ARGENTINA S.A.**

**CHANGES IN ALLOWANCES AND PROVISIONS**

**FOR THE FISCAL YEAR ENDED MARCH 31, 2021**

**PRESENTED COMPARATIVELY WITH PRIOR YEAR**

(Figures stated in Argentine pesos. Note 2.2)

	<u>Amount at beginning of year</u>	<u>Increases</u>	<u>Decreases</u>	<u>Amount at end of year</u>
<b>ALLOWANCES</b>				
<b>CURRENT</b>				
For impairment in value of inventories	11,661,835	4,434,050 (1)	(6,023,831) (2)	10,072,054
For doubtful accounts	8,462,027	957,400 (1)	(2,452,168) (2)	6,967,259
<b>NONCURRENT</b>				
For impairment in value of other tax credits	16,207,454	6,301,409 (1)	(4,696,675) (2)	17,812,188
For impairment in value of Property, plant and equipment	110,565,163	-	(61,101,544) (4)	49,463,619
<b>Total as of 3/31/2021</b>	<u>146,896,479</u>	<u>11,692,859</u>	<u>(74,274,218)</u>	<u>84,315,120</u>
<b>Total as of 3/31/2020</b>	<u>145,220,421</u>	<u>51,775,665</u>	<u>(50,099,607)</u>	<u>146,896,479</u>
<b>PROVISIONS</b>				
<b>NONCURRENT</b>				
For lawsuits and contingencies	7,995,837	955,796 (3)	(2,476,360) (2)	6,475,273
<b>Total as of 3/31/2021</b>	<u>7,995,837</u>	<u>955,796</u>	<u>(2,476,360)</u>	<u>6,475,273</u>
<b>Total as of 3/31/2020</b>	<u>10,774,903</u>	<u>834,827</u>	<u>(3,613,893)</u>	<u>7,995,837</u>

(1) Charged to "Financial and holdings results, net" (Note 3.j).

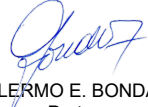
(2) Use for the year for specific purposes and effect of inflation for the year.

(3) Charged to "Administrative expenses" (Exhibit V).

(4) Includes recovery for 29,061,428 charged to "Financial and holding results, net" (Note 3.j) and effect of inflation for the year.

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**EXHIBIT III**

**SMRC AUTOMOTIVE TECH ARGENTINA S.A.**

**ASSETS AND LIABILITIES IN FOREIGN CURRENCY**

**FOR THE FISCAL YEAR ENDED MARCH 31, 2021**

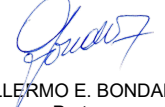
**PRESENTED COMPARATIVELY WITH THE PRIOR FISCAL YEAR**

	03/31/2021			03/31/2020	
	Currency and amount		Current exchange rate	Monto en pesos	Monto en pesos
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents					
Cash in banks	USD	587,443	91.80	53,927,222	19,503,444
Trade receivables					
Notes receivables	USD	24,606	91.80	2,258,806	89,213,834
Other receivables					
Prepayments to suppliers	USD	22,686	91.80	2,082,560	-
	EUR	3,155	107.41	338,890	-
	BRL	12,201	16.00	195,213	-
				2,616,663	-
Project development credits	USD	2,167,685	91.80	198,993,498	177,012,873
Inventories					
Prepayments to suppliers	USD	-	-	-	516,232
	EUR	-	-	-	2,142,220
				-	2,658,452
Total current assets				257,796,189	288,388,603
NONCURRENT ASSETS					
Other receivables					
Project development credits	USD	1,215,614	91.80	111,593,376	-
Total noncurrent assets				111,593,376	-
Total assets				369,389,565	288,388,603
LIABILITIES					
CURRENT LIABILITIES					
Trade payables					
Notes payables	USD	921,477	92.00	84,775,928	56,006,555
	EUR	228,500	107.87	24,648,050	2,453,454
	BRL	1,107,341	18.00	19,932,141	106,587,363
				129,356,119	165,047,372
Related parties	USD	335,816	92.00	30,895,071	10,636,595
	EUR	622,412	107.87	67,139,058	5,730,363
				98,034,129	16,366,958
Accrued expenses	USD	279,105	92.00	25,677,675	2,811,878
	EUR	-	-	-	9,630,026
	BRL	-	-	-	5,779,169
				25,677,675	18,221,073
Total current liabilities				253,067,923	199,635,403
Total liabilities				253,067,923	199,635,403

USD: US dollars  
EUR: Euro  
BRL: Brazilian reals

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**EXHIBIT IV**

**SMRC AUTOMOTIVE TECH ARGENTINA S.A.**

**COST OF SALES**

**FOR THE FISCAL YEAR ENDED MARCH 31, 2021**

**PRESENTED COMPARATIVELY WITH THE PRIOR FISCAL YEAR**

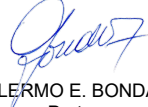
(Figures stated in Argentine pesos. Note 2.2)

	<u>03/31/2021</u>	<u>03/31/2020</u>
Stock at the beginning of year (1)	101,298,023	144,578,514
Plus:		
Purchases	624,690,559	420,311,418
Production expenses (Exhibit V)	446,886,596	339,456,126
Inventory holding gains (losses) (Note 3(j))	53,363,812	43,128,695
Less:		
Use of the allowance for impairment in value of inventories (Exhibit II)	(1,860,523)	(2,124,749)
Stock at end of year (1)	<u>(170,205,744)</u>	<u>(101,298,023)</u>
<b>Total</b>	<u><b>1,054,172,723</b></u>	<u><b>844,051,981</b></u>

(1) Excluding the allowance for impairment in value and obsolescence of inventories and prepayments to vendors.

EDUARDO GENTA  
Statutory auditor

Signed for identification purposes  
with our report dated 06-17-2021  
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E.C.A.B.A. Vol. 1 – Fo. 13

  
GUILLERMO E. BONDANCIA  
Partner  
Certified Public Accountant (U.B.A.)  
C.P.C.E.C.A.B.A. Vol. 231 - Fo. 191

FLORENTIN GEFFROY  
Legal Representative

(Translation of the Financial Statements originally issued in Spanish –  
See Note 11 to the financial statements)

**EXHIBIT V**

**SMRC AUTOMOTIVE TECH ARGENTINA S.A.**

**INFORMATION REQUIRED BY SECTION 64(I)b OF LAW No. 19,550**

**FOR THE FISCAL YEAR ENDED MARCH 31, 2021**

**PRESENTED COMPARATIVELY WITH PRIOR YEAR**

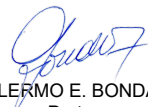
(Figures stated in Argentine pesos. Note 2.2)

Item	03/31/2021			03/31/2020	
	Operating expenses	Administrative expenses	Selling expenses	Total	Total
Salaries & wages and payroll taxes	251,979,639	26,924,135	13,906,179	292,809,953	264,085,543
Compensations	126,161	-	-	126,161	215,250
Lawsuits and contingencies (Exhibit II)	-	955,796	-	955,796	834,827
Professional fees and compensation for services	30,758,142	15,799,640	64,140	46,621,922	55,720,213
P&E depreciation (1)	67,651,458	2,442,218	-	70,093,676	20,718,467
Freight and insurance	4,836,160	-	1,882,937	6,719,097	3,089,229
Power supply, gas and water	15,109,913	2,871,000	-	17,980,913	12,729,066
Bank expenses	-	3,252,275	-	3,252,275	4,543,711
Employees benefits	10,523,659	6,583,837	42,941	17,150,437	16,280,734
Tax on bank account transactions	-	14,992,209	-	14,992,209	18,752,233
Taxes, rates and assessments	19,164,489	6,134,551	13,597,515	38,896,555	54,999,471
Maintenance	32,118,695	-	-	32,118,695	16,517,278
Traveling and living expenses	6,266,845	11,229,384	124,460	17,620,689	7,260,477
Office and stationery expenses	516,486	1,237,945	89,265	1,843,696	1,991,425
Entertainment expenses	-	82,982	118,087	201,069	502,187
Lease expenses	4,829,376	582,654	-	5,412,030	4,048,468
Quality expenses	2,435,613	-	-	2,435,613	5,009,346
Miscellaneous	569,960	229,999	756,588	1,556,547	1,379,056
<b>Total as of 3/31/2021</b>	<b>446,886,596</b>	<b>93,318,625</b>	<b>30,582,112</b>	<b>570,787,333</b>	
<b>Total as of 3/31/2020</b>	<b>339,456,126</b>	<b>108,758,898</b>	<b>40,461,957</b>		<b>488,676,981</b>

- (1) "Other operating income and expenses" (note 3(i)), 11,313,583 was charged as idle capacity, and 56,771,330, as P&E depreciation, as of March 31, 2021, and March 31, 2020, respectively.

Signed for identification purposes  
with our report dated 06-17-2021  
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E.C.A.B.A. Vol. 1 – Fo. 13

EDUARDO GENTA  
Statutory auditor

  
GUILLERMO E. BONDANCIA  
Partner  
Certified Public Accountant (U.B.A.)  
C.P.C.E.C.A.B.A. Vol. 231 - Fo. 191

FLORENTIN GEFFROY  
Legal Representative

## **STATUTORY AUDITOR'S REPORT**

To the directors and shareholders of  
**SMRC AUTOMOTIVE TECH ARGENTINA S.A.:**  
C.U.I.T. (Argentine taxpayer identification number): 30-71462535-3

Dear Sir/Madam,

In my capacity as statutory auditor of SMRC AUTOMOTIVE TECH ARGENTINA S.A. and in compliance with section 294(5), Law No. 19,550, I have examined –with the scope described in section II– the documents detailed in section I below. The preparation and issuance of the documents referred to above is the responsibility of the Company's Board of Directors in performing their exclusive functions. My responsibility is to report on such documentation based on my analysis within the scope mentioned in paragraph (II).

### **I. DOCUMENTS EXAMINED**

I have examined the following statements of SMRC AUTOMOTIVE TECH ARGENTINA S.A.: a) the Statement of Financial Position as of March 31, 2021, b) the Statement of Income as of March 31, 2021, c) the Statement of Changes in Shareholders' Equity for the year ended March 31, 2021, d) the Statement of Cash Flows for the year ended March 31, 2021, e) the notes to the financial statements for the year ended March 31, 2021, and f) the Board of Directors' Letter to the Shareholders for the year ended March 31, 2021.

### **II. SCOPE OF THE EXAMINATION**

My examination was performed in accordance with effective statutory audit standards. Such standards require that financial statements be examined in conformity with the audit standards effective in Argentina, and that they include the verification of consistency between the documents and information examined, and the information on the corporate decisions disclosed in minutes, as well as the consistency between such decisions, legislation and by-laws, as regards the formal and documentary aspects thereof. To perform my professional task on the documentation detailed in points (a) through (e) of paragraph I, I reviewed the audit conducted by the external auditors, Pistrelli, Henry Martin y Asociados S.R.L., who issued their report dated June 17, 2021, in conformity with effective auditing standards.

Considering that the statutory auditor is not in charge of controlling management, the examination did not cover the business methods and decisions from the different Company's areas, which are the exclusive responsibility of the Board of Directors. I believe that my work provides a reasonable basis for my opinion. In relation to the Board of Directors' letter to the shareholders for the year ended March 31, 2021, I have verified that this document includes the information required by section 66, General Business Associations Law No. 19,550, and IGJ (Argentine regulatory agency of business associations) Resolution No. 6/2006, as amended by the IGJ.

### **III. OPINION**

- a) In my opinion, based on my examination within the scope described in section II, the financial statements of SMRC AUTOMOTIVE TECH ARGENTINA S.A. mentioned in section I present fairly, in all material respects, the Company's financial position as of March 31, 2021, and the results of its operations, changes in shareholders' equity and cash flows for the year then ended, in conformity with the professional accounting standards effective in Argentina.
- b) In the light of what was mentioned in note 8 to the accompanying financial statements, the latter result from books kept, in their formal respects, in accordance with current legal regulations.
- c) The Board of Directors' letter to the shareholders contains the information required by section 66, General Business Associations Law, and IGJ Resolution No. 6/2006, as amended by the IGJ. The assertions on the Company's economic context, business management and subsequent events –as included in the abovementioned document– are the exclusive responsibility of the Board of Directors.
- d) The current provisions on guarantees to be granted by the members of the Board of Directors have been complied with.

City of Buenos Aires,  
June 17, 2021

EDUARDO GENTA  
Statutory auditor