

**Annual Report for the period from 1 April 2021
to 31 March 2022 (Year 2022)**

MSSL ADVANCED POLYMERS s.r.o.

**with its registered address at Dašická 287,
533 75 Dolní Ředice**

Business registration number (IC): 60108576

**Commercial Register with the Regional Court in Hradec Králové
since 18 November 1993,
Section C, File No. 5286**

1. Milestones of the Company's History

MSSL ADVANCED POLYMERS s.r.o. ("MSP CZE" or the "Company") is a leading manufacturer of injection molding plastic components. The main manufacturing plant of the Company is located at Dolní Ředice. The Company was founded as a limited liability company in 1993 and commenced its operations on 1 January 1994.

At the end of 2006, the Company's equity interests were transferred to MSSL GmbH (99%) and Andreas Heuser (1 %), the statutory representative of MSSL GmbH; as a result, the Company became part of the multinational **Samverdhana Motherson Group ("SMG")**, a division of Motherson Technologies and Engineering (MATE). On 10 October 2016, MSSL GmbH became the sole shareholder (holding 100 %); reg. no.: HRB 91564.

The Company's name was changed from FP FORMAGRAU s.r.o. to MSSL ADVANCED POLYMERS s.r.o. as at 1 July 2007.

In 2014, the Company purchased assets (particularly non-current assets and inventories) designated for the production of plastic and rubber products from Minda Schenk GmbH (Germany) within its bankruptcy proceedings. At the same time, the corporate restructuring process began through crisis management supported by SMG and MSSL GmbH management. The transfer of machines and projects to MSP CZE resulted in a significant increase in turnover and business growth.

In connection with the transfer, the existing production hall was renovated and expanded in 2015. In addition, a decision was made to transfer the assembly line for the Daimler customer from the German plant at the end of 2015. A part of the newly constructed warehouse premises was allocated for this purpose, we commenced construction modifications of these premises in order to adapt the space for the installation of the assembly line.

2. Business Activities

Product Portfolio

The Company is primarily engaged in the manufacturing of precision molded components and prefabricated plastic assemblies including injection molding with fully automated metal and non-metal insertion for the automotive industry.

From the original number of 6 employees (in 1994), the Company grew to 240 regular employees as of 31 March 2020. Thanks to strict orientation to quality, cost curbing initiatives and meeting the agreed terms the Company has secured its growth. Due to the

situation in the automotive industry in 2020 and 2021 caused by the global COVID pandemic, the Company was forced to reduce costs, inter alia, by reducing the number of employees to 180 (as at 31 March 2022).

The above-mentioned acquisition and transfer from Germany helped the Company win orders in the OEM segment from which it benefited in the financial year from 1 April 2021 to 31 March 2022 ("2022") as well.

In 2022, we exported approximately 88 % of our production abroad. The current production program focuses almost entirely on the automotive segment (97 %). The manufacturing portfolio includes plastic moldings designated for the following car assembly groups:

- Safety belts (sensors, mechanisms, covers)
- Airbags (discharge reducers, insulators)
- Filtration and air technology
- Door positioning systems
- Roof racks
- Plastic parts for rear view mirror assembly, bumpers, door panels, car seats

Sales Revenue and Profit

In 2022, the Company experienced a decline in sales in existing production due to the termination of certain OEM projects and the impact of the COVID pandemic as well. Customer demand in 2022 was still impacted by the COVID-19 pandemic and supply chain disruptions, which are expected to normalize in the following business year.

In 2022, the group project team arranged for new projects, in particular intra-group deliveries to the SMP, SMIA and SMRC sister divisions. During 2022, parts sampling and approval of the process with our suppliers took place. At the end of 2022, the Company took over from the sister division an already operational project concerning the purchase and sale of goods (parts produced by our sister divisions in India and the United Arab Emirates and sold to final customers in Europe and globally). These sales trend continue also in 2023.

The year 2022 is characterized by rising prices for materials, approximately from August 2022, and then by a sharp increase in energy prices, from January 2022, when the Company no longer had energy prices contracted. The increase in energy prices was approximately threefold compared to the contracted prices until December 2021.

Due to the increase in material and energy prices and the increase in an allowance against inventories, the Company reports a loss of CZK 54,534 thousand in 2022.

3. Subsequent Events

In February 2022, war started in Ukraine, the conflict continued to develop after 31 March 2022. These events significantly affected economy not only in Europe. There has been an increase in the prices of inputs and a limitation in their availability. Although the management of the Company did not see a significant decrease in sales at the time of these financial statements, the situation is constantly changing and therefore the future impact of these and future events, if any, on the Company's activities cannot be predicted. The Company's management will continue to monitor its potential impact and take all possible steps to mitigate any adverse effects on the Company and its employees.

The management of the Company considered the potential impact of the aforementioned matters on its activities and business and concluded it did not have a significant effect on the going concern assumption. Accordingly, the financial statements for the year ended 31 December 2022 were prepared on the assumption that the Company would be able to continue as a going concern.

On 31 May 2022, the maturity date of borrowing from MSSL GmbH totaling CZK 58,524 thousand (EUR 2,400 thousand) was prolonged till 31 March 2025.

4. R&D, Environmental Protection and Quality Assurance

Research and Development (R&D)

The Company carries out no research & development activities.

The Environment

The Company is involved in the system of collective compliance of take-back and recovery of packaging waste with EKO-KOM, a.s., thus meeting its obligation to ensure the take-back and recovery of packaging waste in a manner pursuant to Act on Packaging and helps protecting the environment.

Quality Assurance

The Company is certified under ISO TS 16949, ISO 14001 and BS OHSAS 1800:2007.

5. Other

Acquisition of Equity Interests

As at 31 March 2022, the Company neither owns nor acquired in 2021 and 2022 any treasury shares or equity interests.

Branch or Affiliate Abroad

The Company does not operate a branch or affiliate abroad.

Employees and Employment Relations

Employment relations and payroll agenda are governed by the Labor Code and other relevant legal and payroll regulations.

Objectives and methods of risk management

The Company is part of Samvardhana Motherson Group and as such follows the group policies set by the parent company, which are binding for our Company as well as for all related parties.

Disclosure under Special Legislation

The Company is not obliged to disclose information pursuant to special regulation.

In Dolní Ředice, on 30 September 2022



Andreas Heuser
Statutory Representative

Company Profile as at 31 March 2022

Name: MSSL ADVANCED POLYMERS s.r.o.

Registered address: Dašická 287, 533 75, Dolní Ředice

Business registration number (IC): 60108576

Tax ID. No. (DIČ): CZ60108576

Business activities: Locksmithing, toolmaking
Manufacturing, trade and services not listed in
Appendices 1 to 3 of the Trade Licensing Act

Business lines:

Production of plastic and rubber products

Production of machinery and equipment

Trade and services brokering

Wholesale and retail

Storage, packaging, handling and technical activities
in transportation

Testing, measuring, analyzes and controls

Provision of technical services

Manufacturing, trading and services not included
elsewhere

Company formation: 18 November 1993

The Company is registered: in the public register maintained with the Regional
Court in Hradec Králové, Section C, File No. 5286

Basic capital: CZK 2,000,000

Statutory body – Statutory Representative: Andreas Heuser, Federal Republic of Germany

Shareholders: MSSL GmbH,
Germanenring 3, 63486 Bruchköbel, Germany
– 100 % equity interest

MSSL ADVANCED POLYMERS s.r.o.

Financial Statements for the Year Ended 31 March 2022

(Translation of Financial Statements Originally Issued in Czech –
See Note 2 to the Financial Statements)

MSSL ADVANCED POLYMERS s.r.o. as at 31 March 2022

Czech Statutory Financial Statement Forms (in thousands of Czech crowns)

BALANCE SHEET

		Current year			Prior year 2021
		Gross	Allowances	Net	Net
	TOTAL ASSETS	936 208	-392 884	542 314	673 762
A.	STOCK SUBSCRIPTION RECEIVABLE				
B.	FIXED ASSETS	586 047	-368 827	217 220	234 724
B. I.	Intangible fixed assets	34 345	-20 931	13 414	14 851
B. I. 1.	Development				
2.	Valuable rights	34 111	-20 931	13 180	14 851
1.	Software	21 071	-7 891	13 180	14 851
2.	Other valuable rights	13 040	-13 040	0	
3.	Goodwill				
4.	Other intangible fixed assets				
5.	Advances granted for intangible fixed assets and intangible fixed assets in progress	234		234	
1.	Advances granted for intangible fixed assets				
2.	Intangible fixed assets in progress	234		234	
B. II.	Tangible fixed assets	551 702	-347 896	203 806	219 873
B. II. 1.	Land and structures	273 641	-107 234	166 407	175 942
1.	Land	949		949	949
2.	Structures	272 692	-107 234	165 458	174 993
2.	Movable assets and sets of movable assets	266 752	-240 662	26 090	38 918
3.	Gain or loss on revaluation of acquired property				
4.	Other tangible fixed assets				
1.	Perennial crops				
2.	Livestock				
3.	Miscellaneous tangible fixed assets				
5.	Advances granted for tangible fixed assets and tangible fixed assets in progress	11 309		11 309	5 013
1.	Advances granted for tangible fixed assets				
2.	Tangible fixed assets in progress	11 309		11 309	5 013
B. III.	Long-term investments	0	0	0	0
B. III. 1.	Interests – controlled or controlling entity				
2.	Loans and borrowings – controlled or controlling entity				
3.	Interests – significant influence				
4.	Loans and borrowings – significant influence				
5.	Other long-term securities and interests				
6.	Loans and borrowings – other				
7.	Other long-term investments				
1.	Miscellaneous long-term investments				
2.	Advances granted for long-term investments				
C.	CURRENT ASSETS	346 607	-24 067	321 640	338 214
C. I.	Inventories	174 784	-18 469	156 315	163 833
C. I. 1.	Materials	45 741	-5 946	39 795	30 242
2.	Work in progress and semi-finished production	79 605	-2 286	77 319	66 039
3.	Finished products and goods	49 438	-10 237	39 201	63 344
1.	Finished products	16 959	-3 432	13 527	20 587
2.	Goods	32 479	-6 805	25 674	42 757
4.	Livestock				
5.	Advances granted for inventories				4 208
C. II.	Receivables	117 216	-5 588	111 618	115 929
C. II. 1.	Long-term receivables	0	0	0	0
1.	Trade receivables				
2.	Receivables – controlled or controlling entity				
3.	Receivables – significant influence				
4.	Deferred tax asset				
5.	Other receivables				
5.1.	Receivables from partners				
5.2.	Long-term advances granted				
5.3.	Unbilled revenue				
5.4.	Miscellaneous receivables				

The accompanying income statement, cash flow statement, statement of changes in equity and notes are an integral part of the financial statements.

MSSL ADVANCED POLYMERS s.r.o. as at 31 March 2022

Czech Statutory Financial Statement Forms (in thousands of Czech crowns)

BALANCE SHEET

		Current year			Prior year 2021
		Gross	Allowances	Net	Net
C. II. 2.	Short-term receivables	117 216	-5 598	111 618	115 929
1.	Trade receivables	108 895	-5 598	103 297	111 893
2.	Receivables – controlled or controlling entity				
3.	Receivables – significant influence				
4.	Other receivables	8 321		8 321	4 036
4.1.	Receivables from partners				
4.2.	Social security and health insurance				
4.3.	Due from government - tax receivables	7 725		7 725	3 391
4.4.	Short-term advances granted	596		596	124
4.5.	Unbilled revenue				285
4.6.	Miscellaneous receivables				236
C. III.	Short-term financial assets	0	0	0	0
1.	Interests - controlled or controlling entity				
2.	Other short-term financial assets				
C. IV.	Cash	53 607	0	53 607	58 452
1.	Cash in hand	40		40	43
2.	Cash at bank	53 567		53 567	58 409
D.	Prepaid expenses and accrued income	3 554	0	3 554	814
D. 1.	Prepaid expenses	3 293		3 293	625
D. 2.	Prepaid expenses (specific-purpose expenses)				
D. 3.	Accrued income	261		261	189

The accompanying income statement, cash flow statement, statement of changes in equity and notes are an integral part of the financial statements.

BALANCE SHEET

		Current year	Prior year 2021
	TOTAL EQUITY & LIABILITIES	542 314	573 752
A.	EQUITY	91 021	145 555
A. I.	Basic capital	2 000	2 000
A. I. 1.	Registered capital	2 000	2 000
2.	Own ownership interests (-)		
3.	Changes in basic capital		
A. II.	Share premium and revaluation reserve	11 971	11 971
A. II. 1.	Share premium		
2.	Capital funds	11 971	11 971
1.	Other capital funds	11 971	11 971
2.	Gain or loss on revaluation of assets and liabilities (+/-)		
3.	Gain or loss on revaluation upon corporate transformation (+/-)		
4.	Differences arising on corporate transformation (+/-)		
5.	Differences arising between balance sheet date and transformation date (+/-)		
A. III.	Reserves from profit	260	260
A. III. 1.	Other reserves	200	200
2.	Statutory and other reserves	60	60
		0	0
A. IV.	Profit (loss) brought forward (+/-)	131 324	128 868
IV. 1.	Retained earnings	131 324	128 868
2.	Other profit (loss) brought forward (+/-)		
A. V.	Profit (loss) for the year (+/-)	-54 534	2 456
A. VI.	Approved decision on advances for profit distribution (-)	0	0
B. + C.	PROVISIONS AND LIABILITIES	451 293	428 197
B.	Provisions	2 507	3 598
B. 1.	Provision for pensions and similar obligations		
2.	Provision for corporate income tax		
3.	Provisions recognized under special legislation		
4.	Other provisions	2 507	3 598
C.	Liabilities	448 786	424 599
C. I.	Long-term liabilities	0	3 059
1.	Bonds payable		
1.	Convertible bonds		
2.	Other bonds		
2.	Amounts owed to credit institutions		3 059
3.	Long-term advances received		
4.	Trade payables		
5.	Long-term notes payable		
6.	Liabilities – controlled or controlling entity		
7.	Liabilities – significant influence		
8.	Deferred tax liability		
9.	Other liabilities		
1.	Liabilities to partners		
2.	Unbilled deliveries		
3.	Miscellaneous liabilities		
C. II.	Current liabilities	448 786	421 540
1.	Bonds payable		
1.	Convertible bonds		
2.	Other bonds		
2.	Amounts owed to credit institutions	28 549	12 654
3.	Short-term advances received	503	27 263
4.	Trade payables	231 113	173 177
5.	Short-term notes payable		
6.	Liabilities – controlled or controlling entity	168 257	180 840
7.	Liabilities – significant influence		
8.	Other liabilities	20 364	27 606
1.	Liabilities to partners		
2.	Short-term borrowings		
3.	Liabilities to employees	5 139	5 740
4.	Liabilities arising from social security and health insurance	2 563	2 893
5.	Due to government – taxes and subsidies		7 125
6.	Unbilled deliveries	11 961	7 214
7.	Miscellaneous liabilities	701	4 634
D.	Accruals and deferred income	0	0
D. 1.	Accruals		
2.	Deferred income		

The accompanying income statement, cash flow statement, statement of changes in equity and notes are an integral part of the financial statements.

MSSL ADVANCED POLYMERS s.r.o. for the year ended 31 March 2022

Czech Statutory Financial Statement Forms (in thousands of Czech crowns)

INCOME STATEMENT

		Current year	Prior year 2021
I.	Revenue from sale of finished products and services	375 292	426 852
II.	Revenue from sale of goods	96 380	29 596
A.	Production-related consumption	405 703	344 015
A.1.	Cost of goods sold	88 845	23 629
A.2.	Consumption of material and energy	225 016	228 943
A.3.	Services	90 842	91 443
B.	Change in inventory produced internally (+/-)	-8 186	-11 577
C.	Own work capitalized (-)	0	0
D.	Personnel expenses	99 855	99 158
D.1.	Wages and salaries	74 173	73 315
D.2.	Social security and health insurance costs and other costs	25 682	25 843
D.2.1.	Social security and health insurance costs	24 581	24 656
D.2.2.	Other costs	1 101	1 187
E.	Value adjustments in respect of operating activities	39 253	10 306
E.1.	Value adjustments in respect of intangible and tangible fixed assets	24 397	25 907
E.1.1.	Value adjustments in respect of intangible and tangible fixed assets - permanent	24 397	25 907
E.1.2.	Value adjustments in respect of intangible and tangible fixed assets - temporary		
E.2.	Value adjustments in respect of inventory	11 742	366
E.3.	Value adjustments in respect of receivables	3 114	-15 967
III.	Other operating income	7 654	9 722
III.1.	Income from sale of fixed assets		1 043
III.2.	Income from sale of materials	7 481	5 179
III.3.	Miscellaneous operating income	173	3 500
F.	Other operating expenses	8 702	26 531
F.1.	Net book value of fixed assets sold		1 054
F.2.	Net book value of materials sold	6 057	5 366
F.3.	Taxes and charges relating to operations	152	145
F.4.	Provisions relating to operations and prepaid expenses (specific-purpose expenses)	-1 091	2 214
F.5.	Miscellaneous operating expenses	3 584	17 752
*	Profit or loss on operating activities (+/-)	-66 001	-2 263
IV.	Income from long-term investments - interests	0	0
IV.1.	Income from interests in subsidiaries or parents		
IV.2.	Other income from interests		
G.	Cost of interests sold	0	0
V.	Income from other long-term investments	0	0
V.1.	Income from other long-term investments - subsidiaries or parents		
V.2.	Other income from other long-term investments		
H.	Expenses relating to other long-term investments	0	0
VI.	Interest receivable and similar income	0	0
VI.1.	Interest receivable and similar income - subsidiaries or parents		
VI.2.	Other interest receivable and similar income		
I.	Value adjustments and provisions relating to financial activities	0	0
J.	Interest payable and similar expenses	3 479	3 269
J.1.	Interest payable and similar expenses - subsidiaries or parents	2 778	2 896
J.2.	Other interest payable and similar expenses	701	363
VII.	Other finance income	28 975	19 742
K.	Other finance cost	13 641	10 227
*	Profit or loss on financial activities (+/-)	11 855	6 256
**	Profit or loss before taxation (+/-)	-54 146	3 993

The accompanying balance sheet, cash flow statement, statement of changes in equity and notes are an integral part of the financial statements.

MSSL ADVANCED POLYMERS s.r.o. for the year ended 31 March 2022
Czech Statutory Financial Statement Forms (in thousands of Czech crowns)

INCOME STATEMENT

		Current year	Prior year 2021
L.	Income tax	388	1 537
L. 1.	Income tax due	388	47
L. 2.	Income tax deferred (+/-)		1 490
**	Profit or loss after taxation (+/-)	-54 534	2 456
M.	Transfer of share of profit or loss to partners (+/-)	0	0
***	Profit or loss for the year (+/-)	-54 534	2 456
*	Net turnover	506 301	485 912

The accompanying balance sheet, cash flow statement, statement of changes in equity and notes are an integral part of the financial statements.

MSSL ADVANCED POLYMERS s.r.o. for the year ended 31 March 2022
Czech Statutory Financial Statement Forms (in thousands of Czech crowns)

CASH FLOW STATEMENT

For the years ended 31 December 2021 and 2020

		Current year	Prior year 2021
Cash flows from operating activities			
Z.	Profit or loss on ordinary activities before taxation (+/-)	-54 146	3 993
A. 1.	Adjustments to reconcile profit or loss to net cash provided by or used in operating activities	26 441	27 609
A. 1. 1.	Depreciation and amortization of fixed assets and write-off of receivables	25 948	38 777
A. 1. 2.	Change in allowances	14 858	-15 601
A. 1. 3.	Change in provisions	-1 091	2 200
A. 1. 4.	Foreign exchange differences	-16 751	-1 037
A. 1. 5.	(Gain)/Loss on disposal of fixed assets		11
A. 1. 6.	Interest expense and interest income	3 479	3 259
A. 1. 7.	Other non-cash movements (e.g. revaluation at fair value to profit or loss, dividends received)		
A *	Net cash from operating activities before taxation, changes in working capital and extraordinary items	-27 705	31 602
A. 2.	Change in non-cash components of working capital	26 881	23 102
A. 2. 1.	Change in inventory	-4 224	-44 651
A. 2. 2.	Change in trade receivables	1 975	-54 982
A. 2. 3.	Change in other receivables and in prepaid expenses and unbilled revenue	-5 784	7 624
A. 2. 4.	Change in trade payables	68 476	96 820
A. 2. 5.	Change in other payables, and in accruals and deferred income	-33 562	18 291
A **	Net cash from operating activities before taxation, interest paid and extraordinary items	-824	64 704
A. 3. 1.	Interest paid	-3 919	-3 576
A. 4. 1.	Income Tax paid	-1 629	-2 512
A ***	Net cash provided by (used in) operating activities	-6 372	48 616
Cash flows from investing activities			
B. 1. 1.	Purchase of fixed assets	-6 893	-8 430
B. 2. 1.	Proceeds from sale of fixed assets		1 043
B. 3. 1.	Loans granted		
B. 4. 1.	Interest received		
B. 5. 1.	Dividends received		
B ***	Net cash provided by (used in) investing activities	-6 893	-7 387
Cash flows from financing activities			
C. 1.	Change in long-term liabilities, and long-term and short-term loans	8 420	-22 416
C. 2. 1.	Effect of other changes in equity on cash		
C. 2. 2.	Profit shares paid		
C. 2. 3.	Effect of other changes in own capital on cash		
C ***	Net cash provided by (used in) financing activities	8 420	-22 416
F.	Net increase (decrease) in cash	-4 845	18 813
P.	Cash and cash equivalents at beginning of year	68 462	39 639
R.	Cash and cash equivalents at end of year	63 607	58 462

The accompanying balance sheet, income statement, statement of changes in equity and notes are an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

	Basic capital	Other capital funds	Legal reserve fund	Statutory and other reserves	Retained earnings/ accumulated loss (+/-)	Profit (loss) for the year (+/-)	Total
Balance as of 31. 3. 2020	2 000	11 971	200	60	110 655	18 213	143 099
Transfer of profit or loss					18 213	-18 213	0
Profit (loss) for the year						2 456	2 456
Balance as of 31. 3. 2021	2 000	11 971	200	60	128 868	2 456	145 555
Transfer of profit or loss					2 456	-2 456	0
Profit (loss) for the year						-54 534	-54 534
Balance as of 31. 3. 2022	2 000	11 971	200	60	131 324	-54 534	91 021

1. DESCRIPTION OF THE COMPANY

MSSL ADVANCED POLYMERS s.r.o. ("the Company") is a limited liability company incorporated on 18 November 1993 in the Czech Republic. The Company's registered office is located at Dolní Ředice, Dašická 287, Czech Republic, and the business registration number (IČ) is 60108576. The Company is involved in the production of plastic and rubber products, locksmithery and tool engineering.

No significant changes were made to a public register in 2022.

The sole shareholder holding a 100% ownership interest is the parent company MSSL GmbH.

The parent company is MSSL GmbH, Germanenring 3, 63486 Bruchköbel, Germany, and the ultimate parent company is Motherson Sumi Systems Limited, with its registered office at Plot No. 1, Sector-127, Noida 201301, India.

The Company is included in the consolidated group of the parent company Motherson Sumi Systems Limited, India. The consolidated annual report is available from the parent company.

As at 31 March 2021, the Company's statutory body and also the sole statutory representative is Andreas Heuser, residing at Bad Soden - Salmünster, Gustav – Kastrop 5, 636 28, Germany.

The statutory representative acts independently on behalf of the Company.

As at 31 March 2022, the Company's organizational structure was as follows:

- Quality Control
- Production
- Finance
- Reporting & Controlling
- Sales
- Personnel
- Logistics
- Purchasing
- Maintenance
- IT

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

The accompanying financial statements were prepared in accordance with the Czech Act on Accounting and the related guidelines as applicable for 2022 and 2021.

The 2022 fiscal year shall be the period from 1 April 2021 to 31 March 2022 ("2022"). The 2021 fiscal year shall be the period from 1 April 2020 to 31 March 2021 ("2021").

The financial statements have been prepared assuming that the Company will continue as a going concern. In this context, the Company considered the effects of the ongoing COVID-19 pandemic and the impacts of the conflict in Ukraine and came to the opinion that these matters do not affect the Company's ability to continue as a going concern.

Explanation Added for Translation into English

1

The accompanying balance sheet, income statement, cash flow statement and statement of changes in equity are an integral part of the financial statements.

These financial statements are presented on the basis of accounting principles and standards generally accepted in the Czech Republic. Certain accounting practices applied by the Company that conform with generally accepted accounting principles and standards in the Czech Republic may not conform with generally accepted accounting principles in other countries.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING METHODS AND DEPARTURES THEREFROM

The accounting policies applied by the Company in preparing the 2022 and 2021 financial statements are as follows:

a) Intangible Fixed Assets

Intangible fixed assets are recorded at their acquisition cost and related expenses.

Intangible assets with a useful life greater than one year and a cost exceeding CZK 15 thousand per item are considered intangible fixed assets and are amortized over their useful economic lives.

Intangible fixed assets with a cost from CZK 15 thousand to CZK 60 thousand per item are amortized over 18 months due to a simplified asset amortization procedure and immateriality of the assets in view of total amount of fixed assets.

Intangible fixed assets with a cost of less than CZK 15 thousand are expensed in the year of acquisition.

The costs of technical improvements of intangible fixed assets are capitalized. Repairs and maintenance expenses are expensed as incurred.

Amortization

Amortization is calculated based on the acquisition cost and the estimated useful life of the related asset. The useful economic lives are as follows:

	Years
Software	3
Other valuable rights	5
Small intangible assets (up to CZK 60 thousand)	1.5

An allowance is created to the asset accounts in cases of asset impairment in the books, which is not of a permanent nature or is not expressed in any other way. Whenever the carrying amount of an asset or a group of assets exceeds its estimated recoverable amount, an asset is written down to its recoverable amount by an allowance account. The recoverable amount is determined on the basis of estimated future cash flows generated by the respective asset or a group of assets.

b) Tangible Fixed Assets

Tangible fixed assets are recorded at their acquisition cost, which consists of purchase price, freight, customs duties and other related costs.

Internally-developed tangible fixed assets are recorded at their accumulated cost, which consists of direct material and labor costs and production overheads.

Revenues from sales of products manufactured during the tests of tangible assets that were performed prior to putting these assets into use are recognized as operating revenue.

Purchased tangible fixed assets with a cost exceeding CZK 15 thousand are depreciated over their useful economic lives.

Tangible fixed assets with a cost from CZK 15 thousand to CZK 40 thousand per item are depreciated over 18 months due to a simplified asset depreciation procedure and immateriality of the assets in view of total amount of fixed assets.

Tangible fixed assets with a cost of less than CZK 15 thousand are expensed in the year of acquisition.

Tangible fixed assets acquired free of charge are valued at their replacement cost and are recorded with a corresponding credit to the 'Other capital funds account' on the date of acquisition.

The costs of technical improvements of tangible fixed assets are capitalized. Repairs and maintenance expenses are expensed as incurred.

Depreciation

Depreciation is calculated based on the acquisition cost and the estimated useful life of the related asset. The useful economic lives are as follows:

	Years
Structures	6 - 30
Machinery and equipment	6 - 8
Furniture and fixtures	10 - 15
Vehicles	4
Small tangible assets (up to CZK 40 thousand)	1.5

An allowance is created to the asset accounts in cases of asset impairment in the books, which is not of a permanent nature or is not expressed in any other way. Whenever the carrying amount of an asset or a group of assets exceeds its estimated recoverable amount, an asset is written down to its recoverable amount by an allowance account. The recoverable amount is determined on the basis of estimated future cash flows generated by the respective asset or a group of assets.

c) Cash

Cash includes liquid valuables, cash in hand and at bank.

d) Inventory

Purchased inventory is stated at cost being determined using standard costing and price variances. Costs of purchased inventory include acquisition-related costs (such as freight, customs, commission, etc.).

Inventory produced internally, i.e. work-in-progress and finished goods, is recorded at actual cost. The cost of inventory produced internally includes direct and indirect material and labor costs and production overhead costs.

e) Receivables

Receivables are initially measured at their nominal amount. Both long- and short-term receivables are carried at their realizable value after allowance for doubtful accounts. Additions to the allowance account are charged to income.

f) Derivatives

Derivatives are initially measured at cost. Derivatives are recorded in other receivables or payables, as appropriate, in the accompanying balance sheet.

Derivatives are classified as derivatives held for trading or hedging derivatives. The latter are designated as either fair value hedges or cash flow hedges. In order to qualify for hedge accounting, the change in the fair value of a derivative or of its estimated cash flow must offset, in whole or in part, the change in the fair value or cash flow arising from the hedged item. In addition, there must be formal documentation of the hedging relationship at inception and the Company must prove that the hedging relationship is highly effective. In all other cases, derivatives are recognized as held-for-trading.

Derivatives are revalued to fair value as at the balance sheet date. Changes in the fair value of derivatives held for trading are charged or credited, as appropriate, to finance income. Changes in the fair value of derivatives designated as fair value hedges are also recognized in finance income, together with the change in the fair value of the hedged item attributable to the risk being hedged. Changes in the fair value of derivatives designated as cash flow hedges are taken to equity and reflected in the balance sheet through gain or loss on revaluation of assets and liabilities. Any ineffective portion of the hedge is charged or credited, as appropriate, to finance income.

g) Equity

The basic capital of the Company is stated at the amount recorded in the public register maintained in the Regional Court. Any increase or decrease in the basic capital made pursuant to the decision of the General Meeting which was not entered in the Commercial Register as at the balance sheet date is recorded through changes in basic capital. Other capital funds consist of monetary and non-monetary contributions in excess of basic capital.

The Company has adopted the Corporations Act in its entirety and has chosen not to create a statutory reserve fund – this option is also set forth in the Company's Articles of Association. The Company has not yet decided on the utilization of the reserve fund totaling CZK 200 thousand.

h) Provisions and Liabilities

The Company creates provisions for losses and risks if the related purpose, amount and timing can be reliably estimated and the accrual and matching principles are observed.

Long-term liabilities and current liabilities are carried at their nominal values. Amounts resulting from the revaluation of financial derivatives at fair value are shown in other payables.

Long-term liabilities and current liabilities to credit institutions and related party are recorded at their nominal values. Any portion of long-term debt which is due within one year of the balance sheet date is classified as short-term debt.

i) Leases

The Company records leased assets by expensing the lease payments and, for finance leases, capitalizing the residual value of the leased assets when the lease contract expires and the purchase option is exercised. Lease payments paid in advance are recorded as prepaid expenses and amortized over the lease term.

j) Foreign Currency Transactions

Assets and liabilities whose acquisition or production costs were denominated in foreign currencies are translated into Czech crowns at a fixed monthly rate, set on the basis of the Czech National Bank's daily rate prevailing at the last working day of the preceding month or at the first working day of the year in January. On the balance sheet date, monetary items are adjusted to the exchange rates as published by the Czech National Bank as at 31 March.

Realized and unrealized exchange rate gains and losses were charged or credited, as appropriate, to finance income for the year.

k) Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The Company management prepared these estimates and assumptions based on all available relevant information. These estimates and assumptions are based on information available as at the date of the financial statements and may differ from actual results.

l) Recognition of Revenues and Expenses

Revenues and expenses are recognized on an accrual basis, that is, they are recognized in the periods in which the actual flow of the related goods or services occurs, regardless of when the related monetary flow arises.

Sales revenue is recognized as at the date on which the goods or products have been delivered to and accepted by the customer (according to the agreed delivery conditions) or as at the date on which the services have been rendered, and is stated net of discounts and VAT.

The Company recognizes as an expense any additions to provisions for and allowances against risks, losses or physical damage that are known as at the financial statements date.

m) Income Tax

The corporate income tax expense is calculated based on the statutory tax rate and book income before taxes, increased or decreased by the appropriate permanent and temporary differences (e.g. non-deductible provisions and allowances, entertainment expenses, differences between book and tax depreciation, etc.). In addition, the following items are taken into consideration: tax base decreasing items (donations), tax deductible items (tax loss, research and development costs) and income tax reliefs.

The deferred tax position reflects the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for corporate income tax purposes, taking into consideration the period of realization.

n) Subsequent Events

The impact of events that occurred between the balance sheet date and the date of the financial statements preparation is recognized in the financial statements provided these events provide additional evidence about conditions that existed at the date of the balance sheet.

If material events reflecting the facts occurring after the balance sheet date happened between the balance sheet date and the date of the financial statements preparation the consequences of these

MSSL ADVANCED POLYMERS s.r.o.

Financial Statements for the Year Ended 31 March 2022

events are disclosed in the notes to the financial statements but not recognized in the financial statements.

4. FIXED ASSETS**a) Intangible Fixed Assets (in CZK thousands)****COST**

	At beginning of year	Additions	Transfer s	At end of year
Software	21,071	-	-	21,071
Valuable rights	13,040	-	-	13,040
Intangible fixed assets in progress	-	234	-	234
2022 Total	34,111	234	-	34,345
2021 Total	29,144	4,967	-	34,345

ACCUMULATED AMORTIZATION

	At beginning of year	Amortiz ation during year	At end of year	Net book value
Software	(6,220)	(1,671)	(7,891)	13,180
Valuable rights	(13,040)	-	(13,040)	-
Intangible fixed assets in progress	-	-	-	234
2022 Total	(19,260)	(1,671)	(20,931)	13,414
2021 Total	(18,420)	(840)	(19,260)	14,851

The Company assessed the valuation of tangible and intangible fixed assets as at 31 March 2022. The recoverable amount to tangible and intangible fixed assets was determined on the basis of estimated future cash flows generated by the Company. The key assumptions that the Company used in determining the recoverable amount represent an estimate of revenue growth and margin developments (also in view of the Company's ability to realize its plans, see Note 20), discount rate and terminal growth rate. The revenue growth and margin development have been determined by management on grounds of market knowledge, historical development of revenues and with regard to macroeconomic developments and represents the best estimate of future developments. The discount rate used reflects specific risks in the segment in which the Company operates. The weighted average cost of capital (WACC) is the basis for the discount rate calculation. The terminal growth rate has been set by management considering historical developments and expected market developments in the regions in which the Company operates. On the grounds of an analysis performed the management of the Company decided not to establish an allowance against tangible and intangible fixed assets as at 31 March 2022 as the calculated recoverable amount slightly exceeds the valuation of tangible and intangible fixed assets in the books. A relatively minor change of each of the key assumptions used for the calculation of recoverable amount may significantly affect the estimate of the recoverable amount and potentially lead to the necessity to reflect the impairment allowance to tangible and intangible fixed assets.

b) Tangible Fixed Assets (in CZK thousands)**COST**

	At beginning of year	Additions	Disposals	Reclassifica tion	Transfers	At end of year
Land	949	-	-	-	-	949
Buildings, halls and constructions	272,692	-	-	-	-	272,692
Machinery and equipment	260,760	-	(228)	-	364	260,896
Vehicles	-	-	-	-	-	-
Furniture and fixtures	5,856	-	-	-	-	5,856
Small tangible fixed assets	-	-	-	-	-	-
Tangible fixed assets in progress	5,013	6,660	-	-	(364)	11,309
2022 Total	545,270	6,660	(228)	-	-	551,702
2021 Total	545,923	3,463	(4,116)	-	-	545,270

ACCUMULATED DEPRECIATION

	At beginning of year	Deprecia tion during year	Sales	Disposals	Reclassifi cation	At end of year	Net book value
Land	-	-	-	-	-	-	949
Buildings, halls and constructions	(97,699)	(9,535)	-	-	-	(107,234)	165,458
Machinery and equipment	(222,511)	(12,824)	-	228	-	(235,107)	25,789
Vehicles	-	-	-	-	-	-	-
Furniture and fixtures	(5,187)	(368)	-	-	-	(5,555)	301
Small tangible fixed assets	-	-	-	-	-	-	-
Tangible fixed assets in progress	-	-	-	-	-	-	11,309
2022 Total	(325,397)	(22,727)	-	228	-	(347,896)	203,806
2021 Total	(303,392)	(25,067)	(1,054)	4,116	-	(325,397)	219,873

As at 31 March 2022 and 31 March 2021, a production hall with the original cost of CZK 204,998 thousand and net book value of CZK 141,729 thousand and CZK 148,563 thousand, respectively was pledged as security for a loan from UniCredit Bank, a.s. (see Note 12).

The Company assessed the valuation of tangible and intangible fixed assets as at 31 March 2022. The recoverable amount to tangible and intangible fixed assets was determined on the basis of estimated future cash flows generated by the Company. The key assumptions that the Company used in determining the recoverable amount represent an estimate of revenue growth and margin developments (also in view of the Company's ability to realize its plans, see Note 20), discount rate and terminal grow

rate. The revenue growth and margin development have been determined by management on grounds of market knowledge, historical development of revenues and with regard to macroeconomic developments and represents the best estimate of future developments. The discount rate used reflects specific risks in the segment in which the Company operates. The weighted average cost of capital (WACC) is the basis for the discount rate calculation. The terminal growth rate has been set by management considering historical developments and expected market developments in the regions in which the Company operates. On the grounds of an analysis performed the management of the Company decided not to establish an allowance against tangible and intangible fixed assets as at 31 March 2022 as the calculated recoverable amount slightly exceeds the valuation of tangible and intangible fixed assets in the books. A relatively minor change of each of the key assumptions used for the calculation of recoverable amount may significantly affect the estimate of the recoverable amount and potentially lead to the necessity to reflect the impairment allowance to tangible and intangible fixed assets.

5. INVENTORY

Excess, obsolete and slow-moving inventory has been written down to its estimated net realizable value by an allowance account. The allowance is determined by management based on an analysis of turnover and individual assessment of inventories (see Note 7).

6. RECEIVABLES

Allowances against outstanding receivables that are considered doubtful were charged to income based on an ageing structure and collectability of individual receivables in 2022 and 2021, respectively (see Note 7).

As at 31 March 2022 and 31 March 2021, overdue receivables totaled CZK 28,819 thousand and CZK 49,869 thousand, respectively (out of which, receivables overdue for more than 180 days were CZK 10,945 thousand and CZK 10,713 thousand, respectively). Part of these overdue receivables was due from group companies; as the Company expects their full recovery, they were not provided for.

The Company wrote off irrecoverable receivables of CZK 1,551 thousand and CZK 12,762 thousand as at 31 March 2022 and 31 March 2021, respectively.

As at 31 March 2022 and 31 March 2021, the Company pledged its receivables of CZK 35,135 thousand and CZK 36,351 thousand, respectively as security for a loan from UniCredit Bank, a.s. (see Note 12).

As at 31 March 2022 and 31 March 2021, tax receivables include, in particular, a receivable from corporate income tax.

Receivables from related parties (see Note 17).

7. ALLOWANCES

Allowances reflect a temporary diminution in the value of assets (see Notes 5 and 6).

Changes in the allowance accounts (in CZK thousands):

Allowances against:	Balance as at 31/ 03/ 2020	Additions	Deductions	Balance as at 31/03/ 2021	Additions	Deductions	Balance as at 31/ 03/ 2022
Inventory	6,361	1,210	(844)	6,727	22,461	(10,719)	18,469
Receivables – legal	-	-	-	-	-	-	-
Receivables – other	18,451	9,133	(25,100)	2,484	26,210	(23,096)	5,598
Total	24,812	10,343	(25,944)	9,211	48,671	(33,185)	24,067

Legal allowances are created in compliance with the Act on Provisions and are tax deductible.

8. PREPAID EXPENSES AND ACCRUED INCOME

Prepaid expenses include, in particular, IT services (firewall) and technical support of 3D measuring equipment, QAD support, brand packaging amortized in the cost of the part, which are charged to income for the year in which they were incurred.

9. EQUITY

The basic capital of the Company consists of interests fully subscribed and paid, with a nominal value of CZK 2,000 thousand. Other capital funds consist of a contribution in equity of MSSL GmbH in 2011.

The Annual General Meetings held on 30 June 2021 and 30 June 2020, respectively approved the transfer of profit for 2021 and 2020 to retained earnings. The General Meeting shall decide about settlement of the 2022 loss.

10. PROVISIONS

The movements in the provision accounts were as follows (in CZK thousands):

Provisions	Balance as at 31/ 03/ 2020	Additions	Deductions	Balance as at 31/03/ 2021	Additions	Deductions	Balance as at 31/ 03/ 2022
Other	1,398	3,598	(1,398)	3,598	768	(1,859)	2,507
Total	1,398	3,598	(1,398)	3,598	768	(1,859)	2,507

Other provisions were created mainly for accrued vacation.

11. LIABILITIES

As at 31 March 2021, long-term liabilities consisted of long-term liabilities to credit institutions (see Note 12).

As at 31 March 2022 and 31 March 2021, the Company had overdue current payables totaling CZK 192,480 thousand and CZK 133,989 thousand, respectively. As at 31 March 2022 and 31 March 2021, overdue payables (for more than 180 days) totaled CZK 118,605 thousand and CZK 59,267 thousand, respectively, of which overdue payables to group companies amounted to CZK 174,054 thousand (of which CZK 118,257 thousand were overdue for more than 180 days) and CZK 132,002 thousand (of which CZK 58,937 thousand were overdue for more than 180 days).

As at 31 March 2022 and 31 March 2021, the Company had liabilities of CZK 2,563 thousand and CZK 2,893 thousand, respectively owing to social security and health insurance premiums.

Short-term advances received as at 31 March 2022 and 31 March 2021 of CZK 503 thousand and 27,263 thousand, respectively, consist mainly of advances for the production of molds.

Unbilled deliveries as at 31 March 2022 and 31 March 2021 represent, in particular, unbilled work of agency employees, energy consumption, and the value of uncollected supplier invoices associated with the production of molds.

Other liabilities as at 31 March 2021 represent, in particular, a liability arising from a duplicate customer payment.

Liabilities to related parties (see Note 17).

12. AMOUNTS OWED TO CREDIT INSTITUTIONS

Bank loans can be itemized as follows:

Bank	Interest rate	Currency	31/03/2021 (CZK thousands)		31/03/2022 (CZK thousands)	
			Amount in foreign currency	Amount in CZK thousands	Amount in foreign currency	Amount in CZK thousands
UniCredit Bank – construction extension						
UniCredit Bank – overdraft facility	1M Euribor + 0.85%	EUR	601	15,713	117	2,853
	PRIBOR + 0.85 %	CZK	-	-	-	25,696
Total			601	15,713	117	28,549

The aggregate maturities of bank loans and borrowings in CZK thousands are as follows:

	31/03/2021	31/03/2022
Other bank loans due within one year (incl. portion of long-term debt which is due within one year)	12,654	28,549
Long-term bank loans due between 1-5 years	3,059	-
Total	15,713	28,549

The interest expense relating to amounts owed to credit institutions for 2022 and 2021 was CZK 701 thousand and CZK 363 thousand, respectively.

Assets pledged as at 31 March 2022:

UniCredit Bank (extension): company blank bill of exchange, trade receivables, real estate, subordination of part of group loans (see Note 4 and 6);

The Company has opened a multi-purpose revolving line of credit up to CZK 68,000 thousand with UniCredit Bank. As at 31 March 2022, the Company drew the multi-purpose revolving line of credit in the form of an overdraft facility in the amount of CZK 25,696 thousand. As at 31 March 2021, the multi-purpose revolving line was not drawn.

The loan agreement with UniCredit Bank contains the following special condition to be fulfilled by the Company: the Net financial debt to EBITDA ratio may not exceed 5. As at 31 March 2022 and 31 March 2021, the Company complied with this loan covenant.

Unused sources of funding as at 31 March 2022 were as follows:

- UniCredit Bank: line of credit of CZK 5 million for bank guarantees;
- UniCredit Bank: unused portion of revolving credit line (see above)
- Česká spořitelna: overdraft facility of CZK 15,000 thousand.

13. INCOME TAXES

On the basis of preliminary calculation the Company calculated tax expense as follows (in CZK thousands):

	2022	2021
Profit (Loss) before taxes	(54,146)	3,993
Differences between book and tax depreciation	2,251	6,585
Non-deductible expenses		
Creation of allowances, net	14,856	(15,601)
Creation of provisions, net	(1,091)	2,200
Other (e.g. entertainment expenses, shortages and losses)	5,932	3,070
Taxable income	(32,198)	247
Current income tax rate	19 %	19 %
Tax	-	47
Adjustment of the tax paid in previous years	388	-
Current tax expense	388	47

The tax loss for 2022 amounts to CZK 32,198 thousand and in accordance with the Income Taxes Act the Company can carry forward and use the tax loss generated in 2022 in the next five years.

The Company quantified deferred taxes as follows (in CZK thousands):

Deferred tax items	2022		2021	
	Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability
Difference between net book value of fixed assets for accounting and tax purposes	-	(1,986)	-	(2,125)
Other temporary differences:				
Allowance against receivables	1,064	-	472	-
Allowance against inventory	3,509	-	1,278	-
Provisions	476	-	684	-
Tax loss	6,118	-	-	-
Total	11,167	(1,986)	2,434	(2,125)
Net	9,181		309	

As at 31 March 2022 and 31 March 2021, the Company did not record a deferred tax asset as its recovery was uncertain.

14. LEASES

The Company had assets used under operating leases. As at 31 March 2022 and 31 March 2021, lease payments were as follows (in CZK thousands):

Description	Expense in 2021	Expense in 2022	Cost
Passenger cars	1,328	927	3,827
Real estate	1,613	646	n/a
Other (machinery, packaging, etc.)	845	550	n/a

The real estate rental agreements have been signed for an indefinite period, with a 3-month notice. Rental of packaging is recognized on the basis of monthly invoices; as regards packing items, like machinery, contractual commitments cannot be determined sufficiently accurately. As at 31 March 2022 and 31 March 2021, the Company records the following contractual commitments arising from operating leases of cars (in CZK thousands):

	31/03/2021	31/03/2022
Due within one year	796	431
Due within 1-5 years	334	195
Total	1,130	626

Assets which are being used by the Company under finance leases (i.e. the assets are transferred to the Company when the lease term expires) as at 31 March 2022 consist of the following (in CZK thousands):

	Lease term	Total lease	Payments made as at 31/ 03/ 2021	Payments made as at 31/ 03/ 2022	Remaining payments as at 31/ 03/ 2022	
					Due within one year	Due over one year
Machinery and equipment	60	17,970	17,876	-	-	-

15. REVENUES

The breakdown of revenues on ordinary activities is as follows (in CZK thousands):

	2021		2022	
	Domestic	Foreign	Domestic	Foreign
Finished products	58,761	317,378	54,248	254,890
Services	713	50,000	1,409	64,745
Goods	18,554	11,042	90,858	5,522
Total revenues	78,028	378,420	146,515	325,157

In 2022 and 2021, the revenues of the Company were concentrated with 10 main customers in the automotive industry.

16. PERSONNEL AND RELATED EXPENSES

The breakdown of personnel expenses is as follows (in CZK thousands):

	2021	2022
	Total personnel	Total personnel
Average number of employees	205	185
Wages and salaries	73,315	74,173
Social security and health insurance	24,656	24,581
Social cost	1,187	1,101
Total personnel expenses	99,158	99,855

17. RELATED PARTY INFORMATION

The members of management, supervisory and administrative bodies were granted no advances, earnest money, loans, borrowings, guarantees or other benefits except for the use of company cars for private purposes in 2022 and 2021 and they did not hold any interests of the Company.

The Company sells goods and provides services to related parties in the ordinary course of business. Sales were CZK 307,346 thousand and CZK 235,302 thousand in 2022 and 2021, respectively.

The Company purchases goods, materials, machinery and other services from related parties in the ordinary course of business. Purchases were CZK 163,758 thousand and CZK 173,232 thousand in 2022 and 2021, respectively.

Receivables from and payables to related parties were as follows (in CZK thousands):

	31/03/2021	31/03/2022
Receivables		
Trade receivables	66,463	64,054
Total	66,463	64,054
Payables		
Trade payables	150,306	186,283
Advances received	20,748	20
Other short-term payables	4,495	-
Borrowings received	180,840	168,257
Total	356,389	354,560

Borrowings received bear market interest rates. Total interest expense relating to the loans from related parties for 2022 and 2021 was CZK 2,509 thousand and CZK 2,896 thousand, respectively.

As at 31 March 2022, the borrowing from MSSL GmbH totaling CZK 58,524 thousand (EUR 2,400 thousand), due on 31 March 2022, was recognized under current payables, as the maturity of the loan was not extended as at 31 March 2022. The maturity of the loan was extended on 31 May 2022 to 31 March 2025.

As at 31 March 2022, the Company had the borrowing from MSSL Mideast totaling CZK 109,733 thousand (EUR 4,500 thousand), which is due on 31 March 2025.

As at 31 March 2021, the borrowing from MSSL GmbH totaling CZK 62,748 thousand (EUR 2,400 thousand), is due on 31 March 2022, was recognized under current payables.

As at 31 March 2021, the borrowing from MSSL Mideast totaling CZK 117,653 thousand (EUR 4,500 thousand) was recognized as a current payable as the maturity was not extended as at 31 March 2021.

18. SIGNIFICANT ITEMS OF INCOME STATEMENT

The item Services includes, in particular, cost of transport and logistics, agency services and external work and mold maintenance.

Statutory auditor's fees for assurance services are disclosed in notes to the consolidated financial statements of the parent company MSSL India, with its registered office in India.

Other finance income and cost include mainly exchange rate gains and losses.

19. SUBSEQUENT EVENTS

In February 2022, war started in Ukraine, the conflict continued to develop after 31 March 2022. These events significantly affected economy not only in Europe. There has been an increase in the prices of inputs and a limitation in their availability. Although the management of the Company did not see a significant decrease in sales at the time of these financial statements, the situation is constantly changing and therefore the future impact of these and future events, if any, on the Company's activities cannot be predicted. The Company's management will continue to monitor its potential impact and take all possible steps to mitigate any adverse effects on the Company and its employees.

The management of the Company considered the potential impact of the aforementioned matters on its activities and business and concluded it did not have a significant effect on the going concern assumption. Accordingly, the financial statements for the year ended 31 March 2022 were prepared on the assumption that the Company would be able to continue as a going concern.

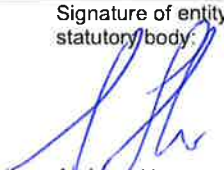


On 31 May 2022, the maturity date of borrowing from MSSL GmbH totaling CZK 58,524 thousand (EUR 2,400 thousand) was prolonged till 31 March 2025.

20. GOING CONCERN

In 2022, we still experienced the negative effects of the COVID-19 pandemic and the adverse developments in the automotive sector. In view of these facts, in 2022, the Company's turnover decreased and the Company reported a loss of CZK 54,334 thousand.

Throughout the year, the Company's management carried out activities with the aim of eliminating negative impacts on the Company and its employees to a maximum extent possible. Management has taken measures and expects the Company to return to profit in future years as a result of increased volumes and new projects. The parent company also expressed its will to continue supporting the Company financially.

The management of the Company concluded that the Company should be able to continue as a going concern and the financial statements for the year ended 31 March 2022 have been prepared assuming that the Company will continue as a going concern.

Prepared on:	Signature of entity's statutory body:	Person responsible for accounting (name, signature):	Person responsible for financial statements (name, signature):
30 September 2022	 Andreas Heuser	 Abhay Gupta	 Abhay Gupta

Related Parties Report

of

MSSL ADVANCED POLYMERS s.r.o.

prepared in compliance with Section 82 of the Corporations Act

for the reporting period from 1 April 2021 to 31 March 2022

The statutory representative of MSSL ADVANCED POLYMERS s.r.o. with its registered address at Dolní Ředice, Dašická 287, zip code 533 75, business registration number (IC) 60108576, recorded in the Commercial Register maintained with the Regional Court in Hradec Králové, Section C, File No. 5286 (hereinafter the **“Company”**) prepared this Report on Relations within the meaning of Section 82 of Act No. 90/2012 Coll., on Corporations and Cooperatives (the **“Corporations Act”**) for the period from 1 April 2021 to 31 March 2022 (hereinafter the **“Reference Period”**).

1. Structure of Relations

1.1 Based on the information available to the Company’s statutory representative acting with due managerial care and diligence, the Company was, through the whole Reference Period, a member of the group in which the controlling person is Motherston Sumi Systems Limited (hereinafter referred to as the **“Group”**). The data on persons belonging to the Group are provided as of 31 March 2022 in Enclosure No. 1, in accordance with the information available to the statutory body of the Company acting with due managerial care.

1.1.1 Controlling Person

Motherston Sumi Systems Limited, having its registered address at Plot No. 1, Sector-127, Noida 201301, India (referred to as the **“Controlling Person”** further in this Report) indirectly controls the Company through MSSL GmbH, with its registered address at Bruchköbel, Germanenring 3, zip code 63486, Germany, Company ID 44 225 24825, recorded in the Register of Companies maintained by the District Court in Hanau, Section B, File No. HRB 91564, which was the Company’s majority owner through the Reference Period.

2. Company Role in the Group

The Company manufactures injection molding parts and components for the automotive industry and sells them to third parties, particularly to automobile manufacturers and their sub-suppliers either directly or via distribution companies belonging to the Group.

3. Method and Means of Control

The Company is controlled especially through the decision-making process at general meetings.

4. Summary of contracts and agreements within the Group

4.1 Contracts and agreements made by and between the Company and the Controlling Person valid in the Reference Period:

No valid contracts were in place between the Company and the Controlling Person in the Reference Period.

4.2 Contracts and agreements made by and between the Company and other persons controlled by the Controlling Person valid in the Reference Period:

- 1 Management Services Agreement entered into with **MSSL GmbH**, Germany, dated 20 July 2007
- 2 Contract for the purchase of materials, sale of parts and other services entered into with **MSSL GmbH**, Germany, dated 25 October 2009
- 3 Agreement for arranging accommodation facilities and other travel related serviced entered into **Motherston Air Travel Agencies Ltd**, India, dated 1 April 2017
- 4 Agreement for arranging accommodation facilities and other travel related serviced entered into **Motherston Air Travel Agencies GmbH**, Germany, dated 1 August 2016
- 5 Loan agreement entered into with **MSSL GmbH**, Germany, dated 1 March 2017 (amendment dated 1 March 2019)
- 6 Loan agreement entered into with **MSSL Mideast (FZE)**, United Arab Emirates, dated 21 September 2009
- 7 Contract for the establishment of consignment warehouse of finished products entered into with **Samvardhana Motherston Reflectec Automotive Mirror Technology Bt**, Hungary, dated 1 January 2013

- 8 Contract for the establishment of finished product consignment warehouse entered into with **SMP Deutschland GmbH**, Germany, dated 13 April 2012
- 9 The production of molds and related services were made on grounds of partial orders between the Company and the following companies: **MSSL Tooling Limited**, **SMP Deutschland GmbH**, **SMIEL (A Unit of Motherson Sumi Systems Limited)**
- 10 IT services by **Motherson Sumi Infotech & Designs Limited** and **Motherson Orca Precision Technology GmbH** were performed on grounds of partial orders.
- 11 Supplies of products to **Samvardhana Motherson Reflectec Automotive Mirror Technology Bt**, **SMP Automotive Solutions Slovakia s.r.o.**, **SMP Deutschland GmbH**, **MSSL GmbH**, **SMR Automotive System Spain SAU**, **SMP Automotive Exterior GmbH**, **Samvardhana Motherson Innovative Autosystems B.V. & Co. KG** were made on grounds of partial orders
- 12 Purchases of materials from **Samvardhana Motherson Reflectec Automotive Mirror Technology Bt**, **Motherson Orca Precision Technology GmbH**, **MSSL Tooling Limited**, **MSSL GmbH**, **SMP Deutschland GmbH** were made on grounds of partial orders
- 13 Sales of materials to **MSSL Tooling Limited**, **Samvardhana Motherson Reflectec Automotive Mirror Technology Bt** were made on grounds of partial orders
- 14 Provision of services in the field of accounting, quality, manufacturing and other professional areas from **Motherson Automotive Technologies & Engineering**.

5. Summary of acts made at the initiative or in the interest of the Controlling Person or persons controlled by the Controlling Person

During the Reference Period the Company made the below mentioned acts at the initiative of the Controlling Person or persons controlled by the Controlling Person involving assets in excess of 10% of the Company's equity as identified in the last financial statements for the year ended 31 March 2022.

- Product deliveries to **Samvardhana Motherson – SMP, SMR, SMRC, MATE and SMIEL divisions**

6. Assessment of Damage and its Settlement

The Company suffered no damage as a result of contracts signed, other acts and measures made in the Reference Period between the Company and other Group companies which the Company made in the interest or at the initiative of these persons in the Reference Period.

7. Assessment of Relations and Risks within the Group

7.1 Assessment of advantages and disadvantages of relations within the Group

The membership in the Group brings mainly advantages to the Company. The Group is a leading global manufacturer of car parts holding a strong trademark and financial background, which is beneficial to the Company mainly in making deals with its suppliers/customers and dealing with financing banks.

The membership in the Group brings no disadvantages to the Company.

7.2 No risks are associated with the relations between the companies in the Group.

30 June 2022



Andreas Heuser

Statutory Representative

Enclosure 1 – Information about the persons belonging to the Group which were parties to transactions with the Company in 2021

	<i>Name</i>	<i>Location</i>
Controlling Person	Motherson Sumi Systems Limited	India
Related parties		
	MOTHERSON AIR TRAVEL AGENCIES LTD.	India
	Motherson Automotive Technologies & Engineering	India
	Motherson Techno Precision GmbH	Germany
	MothersonSumi INFotech & Designs Ltd	India
	MSSL GmbH	India
	MSSL Manufacturing Hungary Kft	Hungary
	MSSL Mideast (FZE)	United Arab Emirates
	MSSL TOOLING (FZE)	United Arab Emirates
	Motherson Automotive Elastomer	India
	Samvardhana Motherson Innovative Autosystems B.V.	Germany
	SMIIEEL (A Unit of Motherson Sumi Systems Limited)	India
	SMP Automotive Exterior GmbH	Germany
	SMP Automotive Interiors Beijing Co., Ltd	China
	SMP Automotive Solutions Slovakia, s.r.o.	Slovakia
	SMP Deutschland GmbH	Germany
	SMP Automotive Technology Hungary Bt (SMP Hungary)	Hungary
	SMR Automotive MIRROR Technology Bt	Hungary
	SMR Automotive Systems Spain SAU	Spain
	SMRC Automotive Interiors Spain S.L.U	Spain
	SMP Automotive Technology Portugal	Portugal
	SMRC Automotive Modules France SAS	France
	SMRC Automotive Solutions Slovakia	Slovakia
	LLC SMRC Automotive Technology RU	Russia