

**MOTHERSON TECHNO PRECISION GmbH**

**Bruchköbel**

**Annual financial statements**

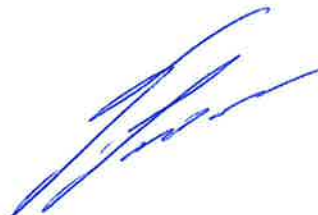
**31.12.2021**

**MOTHERSON TECHNO PRECISION GmbH**  
Balance sheet as of 31 December 2021

<b>Assets</b>		<b>Equity and liabilities</b>	
		<b>31.12.2021</b>	<b>31.12.2020</b>
	€	€	€
<b>A. Fixed assets</b>			
I. Intangible assets			
Purchased franchises, industrial and similar rights and assets, and licenses in such rights and assets	0,00		1.000.000,00
			4.103.793,68
			- 4.805.507,03
			- 438.566,30
			<b>- 140.279,65</b>
			<b>298.286,65</b>
II. Property, plant and equipment			
1. Plant and machinery	4,00	140.279,65	
2. Other equipment, furniture and fixtures	6.450,00		
3. Prepayments and assets under construction	0,00		
	<b>6.454,00</b>		
III. Financial assets			
1. Shares in affiliates	2.870,87	249.634,14	337.593,43
2. Securities classified as fixed assets	100,00	<b>249.634,14</b>	<b>337.593,43</b>
	2.970,87		
	<b>9.424,87</b>		
<b>B. Current assets</b>			
I. Inventories			
1. Raw materials, consumables and supplies	0,00	275.000,00	275.000,00
2. Work in process	0,00	41.309,61	421.052,92
3. Finished goods	0,00	4.418.444,41	5.780.218,35
4. Prepayments	0,00	-	51.049,80
	<b>0,00</b>	<b>4.734.754,02</b>	<b>6.527.321,07</b>
II. Receivables and other assets			
1. Trade receivables	91.083,76		
2. Receivables from affiliates	3.761.215,22		
3. Other assets	310.196,23		
	<b>4.162.495,21</b>		
III. Cash on hand and bank balances			
	671.983,43		
	<b>4.834.478,64</b>		
<b>C. Prepaid expenses</b>			
	<b>205,00</b>		
<b>D. Deficit not covered by equity</b>			
	<b>140.279,65</b>		
	<b>4.984.388,16</b>	<b>4.984.388,16</b>	<b>7.163.201,15</b>

**MOTHERSON TECHNO PRECISION GmbH**  
**Income statement for the fiscal year from 1 January to 31 December 2021**

	1.1.-31.12.2021		1.1.-31.12.2020	
	€	€	€	€
1. Revenue		3.057.244,36		6.156.069,98
2. Decrease in finished goods and work in process		-741.431,50		-334.158,50
3. Total operating performance		2.315.812,86		5.821.911,48
4. Other operating income		1.279.926,48		36.232,40
5. Cost of materials				
a) Cost of raw materials, consumables and supplies	862.397,32		1.668.233,86	
b) Cost of purchased services	1.014.722,39	1.877.119,71	602.471,20	2.270.705,06
6. Personnel expenses				
a) Wages and salaries	622.722,35		1.711.059,93	
b) Social security	127.295,98	750.018,33	360.733,31	2.071.793,24
7. Amortization of intangible assets and depreciation of property, plant and equipment		98.802,00		280.142,56
8. Other operating expenses		1.309.552,74		1.688.704,80
9. Interest and similar income		97.152,56		106.709,68
10. Interest and similar expenses		91.914,29		114.138,87
11. Income taxes		-1,04		-1,04
12. Other taxes		4.052,17		9.404,50
13. Net loss for the year		-438.566,30		-470.034,43



# **MOTHERSON TECHNO PRECISION GmbH, Bruchköbel**

## **Notes to the financial statements for fiscal year 2021**

### **A. General**

The Company operates under the name "MOTHERSON TECHNO PRECISION GmbH". The Company's registered offices are located in Bruchköbel. The Company was previously entered in the Freiburg im Breisgau commercial register under HRB no. 702033. After the change of registered office, the company is now registered with the Hanau commercial register under HRB 98727.

The annual financial statements as of 31 December 2020 were prepared in accordance with the accounting provisions of the HGB ["Handelsgesetzbuch": German Commercial Code] and the supplementary provisions of the GmbHG ["Gesetz betreffend die Gesellschaften mit beschränkter Haftung": German Limited Liability Companies Act]. The income statement was classified using the nature of expense method, as in the prior year.

The Company is subject to the requirements for small-sized corporations as defined by Sec. 267 (2) HGB. The Company makes use of the size-related exemptions of Sec. 288 (2) HGB.

The Company signed a purchase agreement on 6 May 2021 with regard to the sale of the business operations in Bad Dürkheim. The transfer of assets took place on 6 May 2021.

As of the balance sheet date, the company was over-indebted at around EUR 140 thousand. Irrespective of the existing hidden reserves in the existing assets, the sole shareholder has agreed a qualified subordination with the company on a loan claim in the amount of EUR 660k.

### **B. Recognition and measurement policies**

The recognition and measurement policies remained unchanged on the prior year.

**Intangible assets** as well as **property, plant and equipment** were recognized at acquisition cost and written down over their estimated useful life using the straight-line method. Depreciation is recorded proportionately in the year of acquisition. The remaining useful lives range between 1 and 10 years. Production costs of internally constructed property, plant and equipment do not contain borrowing costs.

Low-value assets with an individual net value not exceeding EUR 800.00 are fully expensed in the year of acquisition, their immediate disposal being assumed. All other depreciation of additions to property, plant and equipment is charged pro rata temporis.

The shares in affiliates recorded under **financial assets and securities** classified as fixed assets were valued at acquisition cost. Where necessary, assets are written down to their lower net realizable value on the balance sheet date if impairment is expected

to be permanent.

**Raw materials, consumables and supplies** were recorded at the lower of cost (moving average cost of the last 12 months) or net realizable value on the reporting date.

**Work in process** was valued at production cost on the basis of a simplified overhead calculation. The production costs comprise direct costs for materials and wages as well as appropriate pro rata overheads. Borrowing costs are not included in the calculation of production costs.

For the **valuation of inventories of work in process** at net realizable value, production costs determined by overhead calculations are compared with the net realizable value of products. As in the prior year, the net realizable value is measured retroactively by reducing the anticipated sales proceeds by 8% to account for pro rata costs to be incurred before the date of the sale. Future production costs are also deducted until the end of production.

Production costs of **finished goods** are calculated retroactively on the basis of the sales price of individual products. A standardized mark-down of 27% (prior year: 27%) was used to calculate the production cost of each product. Moreover, the valuation of finished goods does not include borrowing costs in the calculation of production costs.

**Risks of slow-moving inventories** were accounted for by writing down raw materials, consumables and supplies as well as finished goods, for which no stock movement has been recorded for 90 to 180 days, by 50% and by writing down raw materials, consumables and supplies as well as finished goods, for which no stock movement has been recorded for more than 6 months, in full.

**Receivables and other assets** are generally carried at their nominal value. Appropriate bad debt allowances provide for default risks attached to trade receivables.

**Cash and cash equivalents** (cash on hand, bank balances) were valued at nominal value. Amounts denominated in foreign currency came to EUR 18k as of the balance sheet date (prior year: EUR 3k). Foreign currency was valued using the exchange rate on the balance sheet date.

Expenses recorded before the balance sheet date, which relate to a certain period after this date, are posted as **prepaid expenses**.

**Other provisions** take appropriate account of the recognizable risks and contingent liabilities. They were recognized at the settlement value deemed necessary according to prudent business judgment to cover future payment obligations. Other provisions with a residual term of more than one year are discounted using an interest rate suitable for instruments of an equivalent term.

**Liabilities** are recorded at their settlement amount.

## **Foreign currency translation**

Foreign currency assets and liabilities are translated using the mean spot rate on the balance sheet date. If they had residual terms of more than one year, the realization principle (Sec. 252 (1) No. 4 Sentence 2 HGB) and the historical cost principle (Sec. 253 (1) Sentence 1 HGB) were applied.

As of the balance sheet date, all long-term receivables and liabilities denominated in foreign currency related to loans denominated in USD that were taken out and passed on. As of the reporting date 31 December 2021, there is a loan of USD 1,050k (prior year: USD 1,050k) from the majority shareholder, which was passed on in the same amount to MOTHERSON TECHNO PRECISION MEXICO S.A de C.V., San Luis Potosí, Mexico. Therefore, the hedge included a receivable of USD 1,050k and a liability of USD 1,050k as of the balance sheet date. The hedge reduces the risk of exchange rate losses for the period from 31 December 2023, as both the loan liability and loan receivable were entered into with congruent terms. Changes in the value and cash flows of underlying transactions (liability in USD) as well as the contrasting valuation effects and changes in cash flows of underlying transactions offset each other, as hedged items and hedging instruments are exposed to the same risk (in this case: USD/EUR exchange rate). The hedge is thus fully effective. As of the reporting date, the risk hedged against came to EUR 101k, as the higher valuation of the loan receivable was compensated by a higher valuation of the loan liability.

These claims and liabilities were valued in accordance with the regulations for hedges pursuant to Sec. 254 HGB. Receivables and liabilities were valued at the year-end closing rate in the annual financial statements. Due to being combined in a designated hedge, the valuation of receivables and liabilities as of the balance sheet date had no effect on the income statement (net method).

## **Government grants**

In Germany, subsidies for social security contributions attributable to government subsidized short-time work in connection with the COVID-19 pandemic are recognized as income in personnel expenses.

## **C. Notes to the balance sheet**

The classification of fixed assets items and their development in the fiscal year as well as the amortization, depreciation and write-downs recorded in the fiscal year are presented as an attachment to the notes in the statement of changes in fixed assets.

## **Information on shareholdings**

MOTHERSON TECHNO PRECISION MEXICO S.A de C.V, San Luis Potosi, Mexico, was founded in fiscal year 2013. 99.998% of the shares are held by MOTHERSON TECHNO PRECISION GmbH, Bad Dürkheim, and 0.002% are held by MSSL GmbH, Bruchköbel. The carrying amount of the 99.998% share comes to EUR 3k.

	Currency	Share in capital	Equity	Net income/ net loss
		%	31.12.2021	2021
<b>Other countries</b>				
MOTHERSON TECHNO PRECISION MEXICO S.A de C.V., San Luis Potosí/Mexiko	TMXN	99,998	17.771	31.648
<i>Prior year</i>	<i>TMXN</i>	99,998	-13.876	17.410

As on the prior-year reporting date, all **trade receivables** and **other assets** as of the reporting date 31 December 2021 are due within one year.

**Receivables from affiliates** of EUR 3,761k (prior year: EUR 3,581k) relate to loans extended to MOTHERSON TECHNO PRECISION MEXICO S.A de C.V. of EUR 3,723 k (prior year: EUR 3,410k). EUR 3,723k of the total loan receivable has a residual term of more than one year (prior year: EUR 3,410k).

As in the prior year, all remaining receivables stem from trade and have a residual term of less than one year, as on the prior year's balance sheet date.

The Company's **share capital** was increased by EUR 900k from EUR 100k to EUR 1,000k in fiscal year 2011 by MSSL GmbH, Bruchköbel, and has remained unchanged since.

The Company's **capital reserves** were last increased by EUR 1,479k from EUR 2,625k to EUR 4,104k in fiscal year 2011 due to payments by shareholders pursuant to Sec. 272 (2) No. 4 HGB.

**Other provisions** break down as follows:

	31 Dec 2021 EUR k	31 Dec 2020 EUR k
Warranties/outstanding customer debts	0	38
Employee-related obligations	108	163
Other provisions	142	137
Total	250	338

The amount recognized under item C. of the **liabilities** in the balance sheet breaks down into the following residual terms (**due in**):

<b>Type of liability (31.12.2021)</b>	<b>Total</b>	<b>Due in &lt; 1 Jahr</b>	<b>Due in 1-5 Jahre</b>	<b>Due in &gt; 5Jahre</b>
	<b>EUR k</b>	<b>EUR k</b>	<b>EUR k</b>	<b>EUR k</b>
Prepayments received on account of orders	275	275	0	0
Trade payables	42	42	0	0
Liabilities to affiliates	4.418	34	4.384	0
Other liabilities	0	0	0	0
	<b>4.735</b>	<b>351</b>	<b>4.384</b>	<b>0</b>

<b>Type of liability (31.12.2020)</b>	<b>Total</b>	<b>Due in &lt; 1 Jahr</b>	<b>Due in 1-5 Jahre</b>	<b>Due in &gt; 5Jahre</b>
	<b>EUR k</b>	<b>EUR k</b>	<b>EUR k</b>	<b>EUR k</b>
Prepayments received on account of orders	275	275	0	0
Trade payables	425	425	0	0
Liabilities to affiliates	5.780	1.339	4.441	0
Other liabilities	47	47	0	0
	<b>6.527</b>	<b>2.086</b>	<b>4.441</b>	<b>0</b>

**Liabilities to affiliates** (EUR 4.418k; prior year: EUR 5,780k) result from loan liabilities to the sole shareholder (EUR 4,384k; prior year: EUR 5,720k) and liabilities from clearing transactions (EUR 34k; prior year: EUR 60k). Liabilities to the sole shareholder amount to EUR 4,417k (prior year: EUR 5,772k).

**Other liabilities** mainly pertain to debtors with credit balances of EUR 0k (prior year: EUR 30k), wage tax liabilities of EUR 0k (prior year: EUR 15k) and to liabilities relating to social security of EUR 0k (prior year: EUR 2k).

## D. Notes to the income statement

Other operating income includes income relating to other periods of EUR 112k (prior year: EUR 15k). From sale of the business operations results income in the amount of EUR 1,068 k.

## E. Other notes

Average headcount in fiscal year 2020:

	<b>2021</b>	<b>2020</b>
Salaried employees	2	12
Wage earners	8	32
<b>Total</b>	<b>10</b>	<b>44</b>



The Company's Managing Director in fiscal year 2021 was:

- Mr. Jens Cordes, commercial lawyer, Flieden.

Disclosure of management remuneration was suppressed in accordance with Sec. 286 (4) HGB.

### **Contingent liabilities**

The Company is liable for MOTHERSON TECHNO PRECISION MEXICO S.A de C.V. due to a warranty agreement that has been concluded. This warranty agreement ensures that the tenancy agreement between MOTHERSON TECHNO PRECISION MEXICO S.A de C.V. and the lessor is adhered to with regard to the monthly rent payment. The monthly rent has previously amounted to USD 28k. The monthly rent from 1 March 2021 comes to USD 25k plus an annual increase of 1.5% starting from 1 January 2022. The rental agreement was prematurely extended and ends at the end of February 2026. Taking into account the remaining contractual term, the Company has a liability volume of around USD 1.3m. Based on the information currently available, a claim against the Company is not expected to be made as the subsidiary is financed via the Motherson Group and both the current and expected future cash flow situation indicate that the rent will be paid punctually.

### **Proposal for the appropriation of profit**

The net loss for the current fiscal year is to be added to existing loss carryforwards as part of the appropriation of profit.

### **Shareholder and group relationships**

As of the balance sheet date, the sole shareholder is MSSL GmbH, Bruchköbel.

The consolidated financial statements for the largest and smallest group of companies that include the Company, are prepared by Motherson Sumi Systems Ltd. with registered offices in Unit 705, C Wing, ONE BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400051, India.

The consolidated financial statements are available on the website <https://www.motherson.com/annual-reports.html> as well as at the above address of the Company's registered offices and from the following address: Motherson Sumi Systems Ltd., Plot No.1, Sector-127, Noida-Greater Noida, Expressway Noida 201301, U.P., India.

Bruchköbel, 15 May, 2022  
MOTHERSON TECHNO PRECISION GmbH



Jens Cordes  
(Managing Director)