

SMR Automotive Systems France
Auditor's report on the annual accounts
(Financial year ended 31st March 2019)

Auditor's report on the annual accounts
(for financial year ended 31st March 2019)

To the general assembly of the Company,
SMR Automotive Systems France
154 avenue du Lys
77190 Dammarie les Lys

Opinion

In fulfilment of the mission entrusted to us by your general assembly, we have audited the annual accounts of SMR Automotive Systems France for the financial year ended 31st March 2019, as attached to this report.

We certify that the annual accounts are, in accordance with French accounting rules and principles, regular and sincere and give an accurate picture of the results of the operations of the previous financial year as well as the financial position and assets of the company at the end of that year.

Basis of opinion

Audit reference system

We conducted our audit in accordance with the professional practice standards applicable in France. We believe that the information we have collected is sufficient and appropriate to form the basis of our opinion.

Our responsibilities under these standards are set out in the "Responsibilities of the auditor for the audit of the annual accounts" section of this report.

Independence

We carried out our audit mission in compliance with the independence rules that apply to us, for the period from 1 April 2018 to the date of issue of our report, and in particular we have not provided services prohibited by the code of ethics of the profession of auditor.

Justification of the assessments

According to the provisions of Articles L.823-9 and R.823-7 of the Commercial Code relating to the justification of our assessments, we bring to your attention the following assessments which, in our professional judgment, were the most important for the audit of the annual accounts for the financial year.

These assessments are made in the context of the audit of the annual accounts taken as a whole and the release of our opinion expressed above. We do not express an opinion on individual elements of these annual accounts.

Accounting estimates

- Fixed assets are subject to an impairment test as soon as indices of loss in value as described in paragraph "2.2 Tangible fixed assets" appear. We have made an assessment of the approaches adopted by SMR Automotive Systems, described in the annex to prove the correct valuation of the depreciation, on the basis of the evidence available to date, and implemented our due diligence to verify the application of this approach.
- Notes "1.1 significant events for the financial year 2018-19" and "1.2 Continuity of operations" and 2. Accounting rules and methods in the annex to the annual accounts, provide appropriate information on the company's financial situation and its ability to continue its business.

As part of our assessments, we made sure that these estimates were reasonable.

Specific verifications

In accordance with the professional practice standards applicable in France, we also carried out the specific checks provided for in the legal and regulatory texts.

Information given in the annual report and in the other documents on the financial position and the annual accounts sent to shareholders

We have no comment on the sincerity and consistency with the annual accounts of the information given in the Management Report of the Board of Directors and in the other documents on the financial situation and annual accounts sent to shareholders.

We attest the sincerity and consistency with the annual accounts of the information relating to the payment periods mentioned in article D.441-4 of the Commercial Code.

Information on corporate governance

We attest the existence, in the section of the management report of the Board of Directors relative to corporate governance, of the information required by Article L.225-37-4 of the Commercial Code.

Responsibilities of the management and the persons constituting the corporate governance in relation to the annual accounts

It is up to the management to release annual accounts showing a fair picture in accordance with French accounting rules and principles and to set up internal control which it considers necessary for releasing annual accounts with no significant anomalies, whether they are the result of fraud or errors.

When releasing the annual accounts, it is the responsibility of the management to assess the company's ability to continue operating, to present in those accounts, where applicable, the necessary information relating to the continuity of operation and to apply the accounting policy of the continuity of operation, unless it is intended to wind up the company or to cease its activity.

The annual accounts have been adopted by the Board of Directors.

Responsibilities of the auditor relating to the audit of the annual accounts

It is up to us to prepare a report on the annual accounts. Our objective is to obtain reasonable certainty that the annual accounts as a whole do not contain significant anomalies.

Reasonable certainty corresponds to a high level of certainty, without however guaranteeing that an audit carried out in accordance with professional practice standards, systematically detects any significant anomalies. Anomalies may arise from fraud or errors and are considered to be significant where they can reasonably be expected, taken individually or cumulatively, influence the economic decisions that account users make, based on them.

As stated in article L.823-10-1 of the Commercial Code, our mission of certification of accounts is not to guarantee the viability or quality of the management of your company.

In the course of an audit carried out in accordance with the professional practice standards applicable in France, the auditor makes its professional judgment throughout the audit.

In addition:

- It shall identify and assess the risks of significant anomalies in the annual accounts, whether due to fraud or errors, and define and implement audit procedures to address these risks, and gathers evidence that it considers sufficient and appropriate to support its opinion. The risk of not detecting a significant anomaly arising from a fraud is higher than that of a significant anomaly resulting from an error, since fraud may involve collusion, falsification, voluntary omissions, wrong declarations or circumvention of internal control;

- It takes note of the internal control relevant to the audit in order to define appropriate audit procedures in the circumstances, and not for the purpose of expressing an opinion on the effectiveness of internal control;
- It shall assess the appropriateness of the accounting methods used and the reasonableness of the accounting estimates made by management, as well as the information concerning them provided in the annual accounts;
- It shall assess the appropriateness of the application by the management of the accounting policy on business continuity and, depending on the information collected, whether or not there is significant uncertainty related to events or circumstances that could affect the company's ability to continue to operate. This assessment is based on the information collected up to the date of its report, although it is recalled that subsequent circumstances or events could call into question operational continuity. If it concludes that there is significant uncertainty, it draws the attention of the readers of its information provided in the annual accounts concerning this uncertainty or, if such information is not provided or is not relevant, it shall issue a certification with reservation or refusal to certify.
- It assesses the overall presentation of the annual accounts and assesses whether the annual accounts reflect the underlying transactions and events so as to give a fair picture.

Done in Neuilly-sur-Seine, on 22nd May 2019

The Auditor,
PricewaterhouseCoopers Audit

François Jaumain

SMR Automotive Systems France S.A.

Financial year ended 31st March 2019

2050

1

BILAN — ACTIF

Désignation de l'entreprise		SMR Automotive Systems France		Durée de l'exercice exprimée en nombre de mois * : 12	
Adresse de l'entreprise		154 Avenue du Lys 77191 Dammarie Les Lys		Durée de l'exercice précédent * : 12	
Numéro SIRET* : 57220384200131				Néant *	

BILAN PASSIF - avant répartition

Désignation de l'entreprise			SMR Automotive Systems France		Néant *	
			Exercice N clos le, 31/03/2019		Exercice N clos le, 31/03/2018	
CAPITAUX PROPRES	Capital social ou individuel (1) * (Dont versé :)		DA	790 000	13 790 000	
	Primes d'émission, de fusion, d'apport,		DB			
	Ecart de réévaluation (2) * (dont écart d'équivalence)	EK	DC	39 786	39 786	
	Réserve légale (3)		DD	452 062	452 062	
	Réserves statutaires ou contractuelles		DE			
	Réserves réglementées (3) * { dont réserve spéciale des provisions pour fluctuation des cours	B1 (DF	1 950 468	1 950 468	
	Autres réserves { dont réserve relative à l'achat d'œuvres originales d'artistes vivants *	EJ	DG			
	Report à nouveau		DH	8 965 908	-14 746 803	
	RESULTAT DE L'EXERCICE (bénéfice ou perte)		DI	-9 527 568	-8 287 289	
	Subventions d'investissement		DJ			
	Provisions réglementées *		DK			
	TOTAL (I)		DL	2 670 656	-6 801 775	
Autres fonds propres	Produit des émissions de titres participatifs		DM			
	Avances conditionnées		DN			
	TOTAL (II)		DO			
Provisions pour risques et charges	Provisions pour risques		DP	650 718	400 648	
	Provisions pour charges		DQ			
	TOTAL (III)		DR	650 718	400 648	
DETTES (4)	Emprunts obligataires convertibles		DS			
	Autres emprunts obligataires		DT			
	Emprunts et dettes auprès des établissements de crédit (5)		DU	22 036	14 365	
	Emprunts et dettes financières divers (dont emprunts participatifs	EI	DV		11 235 585	
	Avances et acomptes reçus sur commandes en cours		DW	303 936	167 875	
	Dettes fournisseurs et comptes rattachés		DX	16 321 228	21 168 375	
	Dettes fiscales et sociales		DY	4 474 095	4 855 242	
	Dettes sur immobilisations et comptes rattachés		DZ			
	Autres dettes		EA		27 642	
	Compte régul. Produits constatés d'avance (4)		EB	211 967	323 546	
TOTAL (IV)		EC	21 333 263	37 792 630		
Ecart de conversion passif		ED		67		
TOTAL GENERAL (I to V)		EE	24 654 637	31 391 570		
RENOIS	(1) Ecart de réévaluation incorporé au capital	IB				
	(2) Dont { Réserve spéciale de réévaluation (1959) Ecart de réévaluation libre Revaluation reserve (1976)	IC				
		ID	39 786	39 786		
		IE				
	(3) Dont réserve spéciale des plus-values à long terme*	EF	17 053	17 053		
(4) Dettes et produits constatés d'avance à moins d'un an		EG	21 029 325	37 624 755		
(5) Dont encours bancaires courants, et soldes créditeurs de banques et CPP		EH	22 036	14 365		

Désignation de l'entreprise : SMR Automotive Systems France										Néant *	
			Exercice N						Exercice N clos le. 31/03/2018		
			France		Exportations et livraisons intracommunautaires		Total				
PRODUITS D'EXPLOITATION	Ventes de marchandises*		FA		FB		FC				
	Production vendue	{ goods* services*	FD	62 600 881	FE	27 120 981	FF	89 721 862	90 879 234		
			FG	42 719	FH	1 498 095	FI	1 540 814	846 532		
	Chiffres d'affaires nets*		FJ	62 643 600	FK	28 619 076	FL	91 262 676	91 725 768		
	Production stockée*						FM	-197 140	572 723		
	Production immobilisée*						FN				
	Subventions d'exploitation						FO				
	Reprises sur amortissements et provisions, transferts de cahrges*(9)						FP	120 669	504 927		
	Autres produits (1) (11)						FQ	188	235 945		
	Total des produits d'exploitation (2) (I)						FR	91 186 393	93 039 361		
CHARGES D'EXPLOITATION	Achats de marchandises (y compris droits de douane)*						FS	1 205 704	2 739 263		
	Variation de stock (marchandises)*						FT	402 887			
	Achats de matières premières et autres approvisionnements (y compris droits de douane)*						FU	54 724 980	55 974 308		
	Variation de stock (matières premières et approvisionnements)*						FV	109 056	-1 398 384		
	Autres achats et charges externes (3) (6 bis)*						FW	16 986 975	20 400 561		
	Impôts, taxes et versements assimilés*						FX	1 267 823	1 282 573		
	Salaires et traitements*						FY	14 523 036	13 417 336		
	Charges sociales (10)						FZ	8 117 314	5 785 315		
	DOTATIONS D'EXPLOITATION	Sur immobilisations		{ dotations aux amortissements* dotations aux provisions*		GA		2 128 800	1 928 069		
						GB					
		Sur actif circulant : dotations aux provisions*		Pour risques et charges : dotaations aux provisions		GC		117 467	467 433		
						GD		17 418	42 200		
	Autres charges (12)						GE	15 369	60 122		
	Total des charges d'exploitation (4) (II)						GF	97 616 829	100 700 794		
	1 - RESULTAT D'EXPLOITATION (I - II)						GG	-6 430 436	-7 661 433		
opérations en commun	Bénéfice attribué ou perte transférée* (III)						GH				
	Perte supportée ou bénéfice transféré* (IV)						GI				
PRODUITS FINANCIERS	Produits financiers de participations (5)						GJ				
	Produits des autres valeur mobilières et créances de l'actif immobilisé (5)						GK				
	Autres intérêts et produits assimilés (5)						GL	24 337	6 109		
	Reprises sur provisions et transferts de charges						GM	215			
	Différences positives de change						GN	703	846		
	Produits nets sur cessions de valeurs mobilièrers de placement						GO				
Total des profuits financiers (V)						GP	25 255	6 955			
CHARGES FINANCIERES	Dotations financières aux amortissements et provisions*						GQ	137	215		
	Intérêts et charges assimilées (6)						GR	989 023	709 865		
	Différences négatives de change						GS	3 154	598		
	Charges nettes sur cessions de valeur mobilières de placement						GT				
Total des charges financières (VI)						GU	992 314	710 678			
2 - RESULTAT FINANCIER (V - VI)						GV	-967 059	-703 723			
3 - RESULTAT COURANT AVANT IMPOTS (I - II + III - IV + V - VI)						GW	-7 397 495	-8 365 156			

4

COMPTE DE RESULTAT DE L'EXERCICE (Suite)

Désignation de l'entreprise: SMR Automotive Systems France

Néant *

			Exercice N clos le, 31/03/2019		Exercice N clos le, 31/03/2018	
PRODUITS EXCEPTIONNELS	Produits exceptionnels sur opérations de gestion		HA	227 935	98 931	
	Produits exceptionnels sur opérations en capital (*)		HB		2 408	
	Reprises sur provisions et transferts de charges		HC	23 155	91 377	
	Total des produits exceptionnels (7) (VII)		HD	250 990	192 717	
	Charges exceptionnelles sur opérations de gestion (6 bis)		HE	269 522	367 872	
	Charges exceptionnelles sur opérations en capital (*)		HF	34 565	800	
	Dotations exceptionnelles aux amortissements et provisions (6 ter)		HG	2 086 521	0	
	Total des charges exceptionnelles (7) (VIII)		HH	2 390 708	388 672	
	4 - RESULTAT EXCEPTIONNEL (VII - VIII)		HI	-2 139 718	-175 955	
	Participation des salariés aux résultats de l'entreprise		HJ			
Impôts sur les bénéfices*		HK	-9 644	-253 822		
TOTAL DES PRODUITS (I + III + V + VII)		HL	91 462 638	93 239 033		
TOTAL DES CHARGES (II + IV + VI + VIII + IX + X)		HM	100 990 207	101 526 322		
5 - BENEFICE OUPORTE (Total des produits - total des charges)		HN	-9 527 569	-8 287 289		
REVENUS	(1)	Dont produits nets partiels sur opérations à long terme	HO			
	(2) Dont	produits locations mobilières	HY			
		produits d'exploitation afférents à des exercices antérieurs (à détailler au (8) ci-dessous)	IG	138 866	97 778	
	(3) Dont	- Crédit bail mobilier *	HP			
		- Crédit bail immobilier	HO			
	(4)	Dont charges d'exploitation afférentes à des exercices antérieurs (à détailler au (8) ci-dessous)	IH	137 093	285 058	
	(5)	Dont produits concernant les entreprises liées	IJ			
	(6)	Dont intérêts concernant les entreprises liées	IK	744 091	447 730	
	(6 bis)	Dont dons faits aux organismes d'intérêt général (art. 236 bis du C.G.I.)	HX			
	(6 ter)	Dont amortissements des souscriptions dans les PME innovantes (art. 217 octies)	RC			
		Dont amortissements exceptionnels de 25% des constructions nouvelles (art. 39 quinquies D)	RD			
	(9)	Dont transferts de charges	A1		19 533	
(10)	Dont cotisations personnelles de l'exploitant (13)	A2				
(11)	Dont redevances pour concessions de brevets, de licences (produits)	A3				
(12)	Dont redevances pour concessions de brevets, de licences (charges)	A4				
REVENUS	(13)	Dont primes et cotisations complémentaires - facultatives A6 - obligatoires A9				
	(7)	Détail des produits et charges exceptionnelles (Si le nombre de lignes est insuffisant, reproduire le cadre (7) et le joindre en annexe) :	Exercice N			
			Charges exceptionnelles	Produits exceptionnels		
			Produits et charges exceptionnels exercice antérieur	137 093	138 866	
			Gain ou litige personnel		88 968	
			Dotations et Reprise amortissements exceptionnels	1 733 121	23 155	
			Pénalités et amendes fiscales	4 329		
			Valeur nette comptable éléments actifs cédés	34 685		
	(8)	Détail des produits et charges sur exercices antérieurs	Exercice N			
			Charges antérieures	Produits antérieurs		
			Factures fournisseur exercice précédent	137 093		
			Avoirs fournisseur exercice précédent		138 866	

1. SIGNIFICANT EVENTS

1.1. SIGNIFICANT EVENTS IN THE 2018-19 FINANCIAL YEAR

As of March 31, 2018, the previous year's closing date, the course of social affairs has been marked by a stabilization of our total turnover with a positive impact for Nissan and PSA products with notably the launch in November 2018 of the new model of the C84 vehicle Aircross and a negative impact on Renault programs, some of which are reaching the end of their life.

During the 2018-2019 financial year, SMR France also phased out its production of actuators, which has been transferred to another SMR site. The internal requirements of these actuators have been replaced by sourcing from outside suppliers.

At the same time, the workforce was downsized at restructuring costs.

As a result of these developments, our contribution margin has improved and enabled SMR France to ensure better management.

Finally, the recognition of an exceptional impairment of tangible and intangible assets in the amount of €1,733K following the valuation test carried out at March 31, 2019, in accordance with the accounting method described in note 2.2.

Last event being March 2019, during which SMR France carried out a capital increase of €13,790,000 to €32,790,000. The company having the deadline of March 31, 2019 to regularize the equity situation, the capital was reduced to €790,000 to amortize losses in recent years.

1.2. CONTINUITY OF THE OPERATION

We have to mention that the principle of the continuity of the operation is retained because of the support of the Group Motherson who has already shown its support to SMR France for the preservation of its financial balance.

Every year, a letter of general financial support is emitted by the Group for our company and advances are paid in current account.

Finally, the company obtained new contracts coming in addition to the current activity during the financial year.

All these elements have an effect and consolidate the short-term situation.

1.3 EVENTS AFTER FINANCIAL YEAR ENDING

N.A.

2. SIGNIFICANT ACCOUNTING POLICIES

The main method selected to prepare the financial statements is the method of historical costs.

The financial statements were prepared and are presented in accordance with the French chart of accounts and with accounting standards generally accepted in France.

These were applied based on conservative accounting principles in accordance with the following assumptions:

- Business continuity
- Consistency
- Matching principle

The Board of Directors applied the going concern assumption in light of the following:

- the Group's financial support, mainly via advances on its current account;
- new contracts signed during the year.

2.1. INTANGIBLE ASSETS

The company brings in the asset of the balance sheet the expenses of development since the conditions of activation are fulfilled, in particular the condition of the future profitability of the projects.

Intangible assets essentially comprise development expenses (project management, design, creation and tests on new products).

They are calculated according to the number of hours spent for every developed project and valued at the real average rate of the cost of the engineering department.

These development expenses relate to signed contracts and are included in the selling prices of each of these contracts. They are calculated according to the number of hours spent on every developed project.

Development expenses are recognized as intangible assets when vehicle batch production begins and are amortized over a period of three years.

Intangible assets constituted by concessions and by software are paid off on duration of 3 years.

2.2. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are carried at purchase cost or in-house production cost, including all expenditure required to prepare the assets for use, less any volume discounts, rebates or other reductions obtained.

Items of property, plant and equipment are depreciated over their useful lives. The depreciable amount of an asset is deducted from its residual value.

However, an asset's residual value is only taken into account when it is material and can be measured.

Property, plant and equipment are depreciated on a straight-line basis over the following useful lives:

Buildings, fixtures and fittings:

- o Structural components: 50 years
- o Finishings: 25 years

- Technical installations: 15 years
- Fixtures and fittings: 10 years
- ✓ Industrial plant and machinery:
 - Heavy machinery: 20 years
 - Light machinery: 15 years
 - Peripheral components: 5 years
 - Furniture: 8 years

The present value of property, plant and equipment and intangible assets is tested whenever there is evidence that it may be impaired and at least at the end of every reporting period. Present value is the higher of fair value and value in use.

Fair value is the amount which could be obtained for the asset in an arm's length transaction at the end of the reporting period, less costs to sell.

Value in use is the present value of the future cash flows expected to be derived from the asset, calculated using the discounted cash flow method.

If an asset's present value is lower than its net carrying amount, a provision for impairment is booked for the difference.

2.3.FINANCIAL FIXED ASSETS

Equity interests – other financial fixed assets

Gross value represents purchase cost excluding any ancillary expenses. When the realizable value of these assets is lower than their gross value, a provision for impairment is booked for the difference.

Loans to bodies responsible for collecting the government housing levy ("*participation à l'effort de construction*") are not discounted and no provision is set aside in this respect.

2.4.INVENTORY

- Raw material and supplies:

These are carried at the latest known price in the month preceding the year-end, on March 31st, 2019 and are managed using the first-in-first-out (FIFO) method.

They are nevertheless adjusted to the weighted average cost according to the purchase made during the last three months before the closure.

- Goods and work in progress:

These are carried at manufacturing cost including the cost of parts, direct labor and indirect manufacturing expenses.

They are also adjusted to the weighted average cost according to the purchase made during the last three months before the closure.

- Goods for resale and maintenance (spare parts)

These are carried at the purchase price of components.

- Provisions:

A provision for impairment of inventories is booked on the basis of inventory turnover, calculated in accordance with forecast production for the three months following the inventory count.

2.5.ACCOUNTS RECEIVABLES

Accounts receivables are measured at their face amount. A provision is booked when there is a risk that part or all of a receivable will not be collected, or when the debtor is undergoing legal reorganization proceedings or has filed for bankruptcy.

All Renault and PSA accounts are subject to factoring arrangements.

The receivables outflow from the “customers and related accounts” in the balance sheet at March 31st 2019 represents a total of € 15 850 K€, shared as follows:

Renault, PSA domestic:	12 918 K€
Renault export:	2 932 K€

2.6.AVAILABLE FUNDS

The available funds are estimated according to their nominal value.

2.7.PREPAID EXPENSES

This amount corresponds to expenses incurred in respect of insurance, rental payments on finance leases of injection molding machines (industrial equipment), rental payments for premises and related insurance.

However, expenses relating to plastic injection molding tools are recognized on a percentage-of-completion method as tooling revenues.

2.8.RETIREMENT BENEFITS

Future payments representing benefits granted to employees are measured using an actuarial method taking into account assumptions concerning salary inflation, retirement age, and mortality. The resulting amounts are then discounted to obtain their present value. No provisions are booked for retirement benefits, which are shown in off-balance sheet commitments.

2.9.PROVISIONS FOR CONTINGENCIES AND EXPENSES

These provisions are booked in accordance with CRC regulation No. 2000-06 and are intended to cover contingencies and expenses likely to result from past or current events whose nature can be identified but which are of uncertain completion, timing or amount.

These provisions also cover the foreign exchange risk resulting from conversion losses in the balance sheet and the future cost of employees' departures.

2.10.FOREIGN CURRENCY TRANSACTIONS

Foreign currency income and expenses are recorded at their equivalent value in euros at the transaction date.

Receivables and payables denominated in foreign currencies at the end of the reporting period are converted into euros at the closing exchange rate. The resulting difference is shown in the balance sheet in items "conversion gains or losses", as appropriate. A provision for contingencies and expenses is set aside for the euro-equivalent amount of any uncompleted conversion losses.

The availability in foreign currencies is converted to the current price of the Banque de France.

2.11.REVENUE RECOGNITION

Revenue is recognized when invoices are issued on delivery to the customer or when the service provided has been validated by both parties.

Deliveries of goods and services are made on an ex-works basis and comply with the incoterms defined by third-party co-contractors.

2.12.RECURRING INCOME (LOSS) – NON-RECURRING ITEMS

Recurring income (loss) before tax includes all income and expenses arising in the ordinary course of business.

Unusual items arising within the ordinary course of business have also been included in this caption. These mainly concern transfers of operating expenses.

All exceptional items not arising from ordinary operations are included in non-recurring items.

2.13.INCOME TAX

Due to previous tax losses, the Company paid no income taxes in the period.

The Company reported a research tax credit concerning the development of a new industrial technology and a credit tax for the competitiveness and the employment on the basis of the eligible taxes and according to the applicable fiscal law.

3. ADDITIONAL INFORMATION ON THE BALANCE SHEET AND INCOME STATEMENT FOR THE PERIOD FROM 01/04/2018 TO 31/03/2019

3.1. INTANGIBLE ASSETS

Attached schedules 2054 N and 2055 N show movements for the period along with the amortization expense.

Considering the recent overdrawn results, the company does not immobilize any more the expenses of development.

All these expenses are recorded in the profit and loss account at the level of operating expenses.

As a reminder, the before activated expenses of development had been totally depreciated during the past financial year on March 31st 2013.

Investments in the intangible assets post amount to 9 667 € and correspond to the implementation of new software for production workshop and design department needs.

The commercial funds amount to 152 € and represent the immaterial elements of the leasehold rights.

3.2. TANGIBLE ASSETS

The attached schedule 2054 N shows movements for the period.

Movements of tangible assets	€
Buildings and layouts	196 371
Technical installations	1 705 598
Transport equipment	5 000
Office furniture and computer hardware	188 814
Current fixed assets and advances	- 761 997

All the tangible assets invested for year 2018 - 2019 amount to 1 334 K€.

The improvement in our workshop of actuators contributes up to 596 K€, essentially including tooling and the improvement of our production lines;

The starting up of the new projects as well as the improvement of the existing production capacities of assembly contribute up to 688 K€.

The continued investment to enhance the means of injection amounts to 140 K€.

The various investments represent 280 K€.

During 2018-2019, the company also invested the amount of 196 K€ to enhance the premises as well as to renovate the fire alarm system.

Finally, 189 K€ were invested in IT equipment.

Furthermore, in accordance with the accounting method described in 2.2 and taking into account the company's loss-making results, an impairment test was carried out at 31 March 2019 on tangible and intangible assets leading to an exceptional impairment of €1,733K.

The exception is land and buildings with a market value greater than net book value.

3.3.LONG-TERM FINANCIAL INVESTMENT

The SMR France company contracted a side bank guarantee for a 75 790.68 € total amount with the bank BNP for the following supplier:

- RANDSTAD INHOUSE SERVICES, SAS, (service provider) applying to all services provided until 14th August 2019.

This guarantee is converted into securities evaluated at the current stock exchange rate.

3.4. INVENTORY

The gross inventory value on March 31st 2019 amounts to 6 128 K€. The depreciation is of 625 K€.

3.5. MATURITY OF RECEIVABLES AND PAYABLES

It is shown on attached schedule 2057 N.

Statement of receivables	€
Long term investment	67 507
Litigious customers	26 812
Other customer receivables	2 337 830
Staff and related accounts	1 472
Social insurance and other social bodies	0
Government and other local authorities: turnover tax	482 716
Government and other local authorities: added value tax	713 272
Government and other local authorities: other tax and related payments	2 185 933
Various debtors	772
Prepaid expenses	706 823

Statement of payables	€
Loans and debts with credit institutions	22 036
Suppliers and related accounts	16 321 228
Staff and related accounts	2 325 814
Social insurance and other social bodies	701 990
Government and other local authorities: turnover tax	199 198
Government and other local authorities: added value tax	666 521
Government and other local authorities: other tax and related	580 572
Group and related	0
Other payables	0
Prepaid income	211 967

3.6.PROVISIONS

They are shown on attached schedule 2056 N

Statement of provisions	€
Provisions for legal cases	120 363
Provisions for product guarantee	176 818
Provisions for currency change losses	137
Provisions for risk and expenses	353 400

3.7.ACCRUED EXPENSES – ACCRUED INCOME

Accrued expenses	€
Trade payables	2 903 991
Social security payables	2 336 806
Other payables	1 925 322
Diverse financial loans and debts with credit institutions.	0

Accrued income	€
Trade receivables	629 492
Other receivable	2 212 674

3.8.PREPAID EXPENSES – PREPAID INCOME

Prepaid expenses and prepaid income	€
Prepaid expenses	706 823
Prepaid income	211 967

The prepaid expenses being recorded for 517 K€ for all the goods and services not charged to the date of March 31st, 2019. The remaining amount of 190 K€ represents the expenses recorded and postponed, relative to the development of the future projects.

Prepaid income relates mainly to an advance on a firm tooling order paid by customers under outstanding projects.

3.9. CONVERSION ADJUSTMENTS

SMR France has recorded conversion adjustments resulting from the conversion of foreign currency receivables into euros.

The reserve for latent foreign-exchange loss to the 31st March 2019 amounts to 137 €.

3.10. LOANS

At the end of the financial year, SMR France has repaid all its borrowings.

3.11. SHAREHOLDERS EQUITY

As of March 29, 2019, the company has proceeded to a capital increase of €19,000,000 per issue of 760,000 new shares with a nominal unit value of 25.00 €. This capital increase of €13,790,000 to €32,790,000 was subscribed by the shareholder SMR Automotive Technology Holding Cyprus Ltd by offsetting the company's cash and payable claim of €19 million.

The capital was reduced by an overall amount of EUR 32,000,000 from EUR 32,790,000 to EUR 790,000 by allocating the losses recorded in the deferral account from (EUR 23,034,092) to EUR 8,965,908.

A capital reduction was then made in order to amortize the balance of losses in the deferral account, plus future losses for the year ended 31 March 2019, an overall amount of €3,200,000 per cancellation of 1,280,000 shares of 25 euros each.

The capital was reduced to EUR 790,000 divided into 31,600 shares with a nominal unit value of EUR 25

Equity is divided as follows:

Equity	Opening balance March 31st, 2018	Increase	Decrease	Closing balance March 31st, 2019
In euros				
Share capital	13 790 000	19 000 000 (1)	- 32 000 000 (2)	790 000
Revaluation difference	39 786			39 786
Legal reserve	452 062			452 062
Regulatory reserve	1 950 468			1 950 468
Balance brought forward	-14 746 803	-8 287 289		8 965 908
Financial year profit	-8 287 289	-9 527 568	8 287 289	-9 527 568
TOTAL EQUITY	-6 801 776	33 185 143	-23 712 711	2 670 656
% Share capital	-49,32 %			338,06 %

(1) Capital increase by incorporation current account.

(2) Reduction of capital by absorption of balance brought forward.

3.12. RELATED COMPANIES AND INTERCOMPANY ACCOUNTS

Transactions with counterparties are concluded under the usual terms of the market.

3.13. SALES ANALYSIS

Sales analysis	€
France	62 643 599
Export	28 619 076

3.14. EXPENSE TRANSFERS

N.A.

3.15. ANALYSIS OF NON-RECURRING ITEMS IN THE INCOME STATEMENT

Non-recurring expenses	€
Expenses relating to prior periods	269 522
Expenses for capital operations	34 665
Net carrying amount of assets sold or scrapped	0
Penalties, tax and penal fines	0
Exceptional subsidies on assets	2 086 521

Non-recurring income	€
Income relating to prior periods	227 835
Income for capital operations	0
Penalties, tax and penal fines	0
Asset disposal gains	0
Gains on disposals of securities	0
Non-recurring income resulting from provision write-backs	23 155

Exceptional expenses represent €1,733K of the exceptional impairment recorded at March 31, 2019. Exceptional income on provision reversals corresponds to the linear reversal of the provision for impairment recognized at 31 March 2011 as part of an impairment test.

3.16. RESEARCH AND DEVELOPMENT EXPENSES

The company engaged expenses of development for all the obtained contracts. All these expenses amounted to 189 823,88 Euros and are recorded in the account of deferred expenses.

3.17. CREDIT EMPLOYMENT - COMPETITIVENESS

The company recorded the tax credit employment-competitiveness in decrease of the post "social costs" of the profit and loss account for a 479 972-euro amount.
The CICE was used to maintain the employment.

4. OTHER INFORMATION

4.3.FINANCIAL COMMITMENTS

No intercompany commitments arose in the period from April 1st, 2018 to March 31st, 2019 excepting the financial support provided by the Motherson group (see section 1.2).

The hypothesis of the continuity of the operation was decided by the Board of Directors, considering the financial support of the Group, in particular through the financial current account.

4.4.TAX POSITION

The fiscal outcome of financial year 2018/19 is a loss of (7 634 078 €).

The deficit to be carried forward on 2018/2019 is of the same amount and carries the accumulation of the deficits to be carried forward to 64 159 495 Euros.

The company recorded a 512 194-€ income in the financial year 2018-2019 for the research credit tax and for the credit tax for the competitiveness and the employment of the financial year.

4.5.EXECUTIVE COMPENSATION

Mr. Stéphane Martin, in his quality of Managing Director of the Company, perceived from April 1st 2018 to March 31st, 2019, a gross global 122 018 € amount distributed between the received gross salaries namely 115 000 €, and the received gross fringe benefits, namely 7 018 €. We also inform you that Mr Stéphane Martin perceives no other remuneration as social representative, exercising this function only within the company SMR Automotive Systems France S.A.

No other Board director receives compensation in this respect. However, directors are reimbursed for any out-of-pocket expenses incurred in attending Board meetings.

4.6.AVERAGE HEADCOUNT

410

Managerial-grade staff

59

Supervisors and technical staff

58

Blue-collar workers

293

Subcontracting costs amount to 7 778 K€.

4.7.INDIVIDUAL TRAINING ENTITLEMENT

The individual right in training (DIF) was replaced by the personal account of training (CPF) managed by the Caisse des Dépôts et Consignations.

4.8.DETAILS OF THE CONSOLIDATING MOTHER COMPANY

The Company is fully consolidated by:

Samvardhana Motherson Reflectec Group Holdings Ltd.

Ogier House
The Esplanade St Helier
Jersey JE4 9WG

5. OFF-BALANCE SHEET COMMITMENT AT MARCH 31st, 2019

1/ Finance lease commitment

No finance lease commitment.

2/ Discounted bills not yet due

N.A.

3/ Provision for retirement benefits

The present value of the provision for retirement benefits is estimated at 2 648 K€.

This commitment is part of information in appendix, in conformance with the commitments off balance sheet, as allowed by the French rules.

The provision was calculated using the projected unit credit method (voluntary retirement). The main actuarial hypotheses are as follows:

- ✓ Headcount turnover calculated in decreasing way, by age share and employee category
- ✓ Increase in total payroll 2%
- ✓ Discount rate 0,93 %

The current value of commitment was increased at the end of the review of the actuarial hypotheses in connection with an external expert.

4/ Other commitments off balance sheet

The BNP PARIBAS banking corporation granted to our company securities and approvals for 75 K€.

Corporate name:	SMR Automotive Systems France	5
-----------------	-------------------------------	---

DGFIP 2054

NON-CURRENT ASSETS

SECTION A

NON-CURRENT ASSETS		Gross value at beginning of period	Increases
			Further to a revaluation in the period or as a result of equity accounting
			Acquisitions, creations, contributions and inter account transfers
INTANGIBLE ASSETS			
Start-up costs and development expenses	TOTAL I	0	
Other intangible assets	TOTAL II	534 010	9 667
PROPERTY, PLANT AND EQUIPMENT			
Land		246 937	
Buildings:			
Owner improvements o/w components		5 875 238	
Leasehold improvements o/w components			
General installations, fixtures* and fittings o/w components		3 541 0136	196 371
Technical installations, equipment and industrial tools		23 681 789	1 705 598
Other property, plant and equipment:			
General installations, miscellaneous fixtures and fittings*			
Vehicles*		6 296	5 000
Office and IT equipment, furniture		1 398 131	188 814
Recoverable packaging and other*			
Assets in progress		1 076 422	258 806
Advances and down payments		108 412	
	TOTAL III	35 934 198	2 354 589
FINANCIAL ASSETS			
Equity-accounted investments			
Other equity interests			
Other long-term investments		75 791	
Loans and other financial assets		36 059	56 448
	TOTAL IV	111 849	56 448
	GRAND TOTAL (I+II+III+IV)	36 580 057	2 420 704

SECTION B	Decreases		Legal revaluation* or equity accounting	
	Inter account transfers	Sales to third parties, retirements or equity accounting	Gross value at end of period	Original amount at end of period
INTANGIBLE ASSETS				
Start-up costs and development expenses	TOTAL I		0	
Other intangible assets	TOTAL II	97 807	445 870	
PROPERTY, PLANT AND EQUIPMENT				
Land			246 937	
Buildings:				
Owner improvements			5 875 238	
Leasehold improvements				
General installations, fixtures and fittings		15 466	3 721 918	
Technical installations, equipment and industrial tools		87 056	25 300 291	
Other property, plant and equipment:				
General installations, miscellaneous fixtures and fittings				
Vehicles			11 296	
Office and IT equipment, furniture		43 953	1 542 991	
Recoverable packaging and other*				
Assets in progress	912 391		422 838	
Advances and down payments	108 412			
TOTAL III	1 020 803	146 475	37 121 508	
FINANCIAL ASSETS				
Equity-accounted investments				
Other equity interests				
Other long-term investments			75 791	
Loans and other financial assets		25 000	67 507	
TOTAL IV		25 000	143 298	
GRAND TOTAL (I+II+III+IV)	1 020 803	269 282	37 710 676	

* Explanations for these items are given in instruction notice 2032.

5 bis

Mandatory form required by Article 53 A of the French General Tax Code

REVALUATION ADJUSTMENTS REGARDING DEPRECIABLE/AMORTIZABLE NON-CURRENT ASSETS

DGFIP 2054 bis

Financial year Y ended:
March 31, 2016

Companies having revalued their depreciable/amortizable non-current assets pursuant to French law (Art. 238 bis J) of the French General Tax Code) must attach this schedule to their tax return up to (and including) the reporting period in which the special provision (col. 6) is at zero.

Corporate name: SMR Automotive Systems France

N/A

Section A

Calculation of adjustments (col. 1 + col. 2) (1)

Use of additional depreciation/amortization margin

		Increase in gross amount of non-current assets	Increase in depreciation/amortization	During the period		Cumulative amount at end of period (4)	Amount of special provision at end of period [(col. 1 - col. 2) - col. 5 (5)]
				Additional depreciation/amortization (2)	Residual amount relating to items disposed of (3)		
		1	2	3	4	5	6
1	Licenses, patents and similar concessions						
2	Goodwill						
3	Land						
4	Buildings						
5	Technical installations, equipment and industrial tools						
6	Other property, plant and equipment						
7	Assets in progress						
8	Equity interests						
9	Other long-term investments						
10	TOTAL						
(1)	Increases in the gross amount and in depreciation/amortization to be reported in columns 1 and 2 respectively are adjustments that have been made to the amount of depreciable/amortizable assets revalued in accordance with the conditions set out in Article 238 bis J of the French General Tax Code and shown within Company assets at the beginning of the period. The amount of any revaluation differences is obtained by subtracting amounts reported in column 2 from those reported in column 1.						
(2)	This column should show the additional allocation to depreciation/amortization accounts during the period (income statement) as a result of the revaluation.						
(3)	This column concerns only revalued non-current assets that were disposed of during the period. In the year of the disposal, the unused amount of the additional depreciation/amortization margin needs to be reported.						
(4)	This amount includes:						
	a) the sum of the amounts reported in columns 3 and 4;						
	b) the cumulative amount at the end of the previous period, insofar as it corresponds to items shown in Company assets at the beginning of the period.						
(5)	The total amount of the special provision at the end of the period is to be input in balance sheet liabilities (schedule 2051) under "Regulated provisions".						

SECTION B

LOSS CARRY FORWARDS AT DECEMBER 31, 1976 CHARGED AGAINST THE SPECIAL PROVISION FOR TAX PURPOSES

- 1 - PORTION INCLUDED IN THE SPECIAL PROVISION AT THE BEGINNING OF THE PERIOD
- 2 - PORTION INCLUDED IN INCOME (LOSS) FOR THE PERIOD-
- 3 - PORTION INCLUDED IN THE SPECIAL PROVISION AT THE END OF THE PERIOD

Section B only concerns those companies to have charged their tax loss carry forwards at December 31 against the special provisions.

This allocation is for tax purposes only and does not alter the amounts of the special provision in the balance sheet: the companies concerned continue to include a portion of the additional depreciation/amortization following revaluation in their book income every year.

In line 2, input the portion of the loss carry forwards included each year in the amounts reported in columns 3 and 4 of section A. This is obtained by multiplying the amounts reported in columns 3 and 4 by a fraction fixed on allocation, with the numerator being the amount of the loss allocated and the denominator the amount of the provision.

* Explanations concerning these items are given in instruction notice 2032.

Corporate name	SMR Automotive Systems France	6
----------------	-------------------------------	---

DGFIP 2055

DEPRECIATION AND AMORTIZATION

SECTION A

POSITION AND MOVEMENTS IN TECHNICAL DEPRECIATION/AMORTIZATION (OR OTHER ASSET REDUCTIONS IN THE PERIOD)*

DEPRECIABLE/AMORTIZABLE ASSETS	Opening balance	Increases: additions in the period	Decreases: depreciation/amortization relating to assets retired and written back	Closing balance
Start-up costs and development expenses TOTAL I				
Other intangible assets TOTAL II	469 990	37 857	97 807	410 040
Land	155 468			155 468
Buildings:				
Owner improvements	3 761 963	100 044		3 862 007
Leasehold improvements				
General installations, fixtures and fittings	2 610 213	201 343	14 662	2 796 895
Technical installations, equipment and industrial tools	14 290 004	1 659 655	55 727	15 893 933
Other property, plant and equipment:				
General installations, miscellaneous fixtures and fittings	0			0
Vehicles	5 288	803		6 091
Office and IT equipment, furniture	1 021 374	129 098	41 423	1 109 049
Recoverable packaging and other				
TOTAL III	21 844 310	2 090 944	111 811	23 823 442
GRAND TOTAL (I+II+III)	22 314 300	2 128 801	209 618	24 233 482

SECTION B

BREAKDOWN OF MOVEMENTS AFFECTING THE PROVISION FOR ACCELERATED TAX DEPRECIATION/AMORTIZATION

Depreciable/ amortizable assets	ADDITIONS			RELEASES			Net movement at end of period
	Difference in useful life and other	Declining balance	Exceptional tax depr./amort.	Difference in useful life and other	Declining balance	Exceptional tax depr./amort.	
Start-up costs TOTAL I							
Other intangible assets TOTAL II							
Land							
Buildings:							
Owner improvements							
Leasehold improvements							
General installations, fixtures and fittings							
Technical installations, equip. and ind. tools	782 725		1 733 121	22 824			2 493 022
Other PP&E:							
General installations, misc. fixtures & fittings							
Vehicles							
Office and IT equipment, furniture	331			331			
Recoverable packaging & other							
TOTAL III	783 056		1 733 121	23 155			2 493 022
Acquisition fees regarding equity interests							
Grand total (I+II+III+IV)	783 056			23 155			2 493 022
Grand total (not broken down)		2 516 177	1 733 121	23 155			2 493 022

SECTION C

MOVEMENTS IN THE PERIOD AFFECTING CHARGES TO BE ALLOCATED TO MORE THAN ONE FISCAL PERIOD*	Net at beginning of period	Increases	Additions to depr./amort. in the period	Net at end of period
Bond issuance costs				
Bond redemption premiums				

* Explanations concerning these items are given in instruction notice 2032.

BALANCE SHEET PROVISIONS

Description	Opening balance	INCREASES: Additions in the period	DECREASES: Releases in the period	Closing balance
Regulated provisions:				
Provisions for reconstitution of mining and oil deposits				
Provisions for investments (Art. 237 bis A-II)				
Provisions for price increases (I)*				
Accelerated tax depreciation/amortization				
Of which exceptional 30% surtax				
Tax provisions for foreign operations set up before 1.1.1992*				
Tax provisions for foreign operations set up after 1.1.1992*				
Provisions for start-up loans (Art. 39 quinquies H of the French General Tax Code)				
TOTAL I				
Provisions for contingencies and expenses:				
Provisions for disputes	241 032		120 669	120 363
Provisions for warranties given to customers	159 400	17 418		176 818
Provisions for losses on forward markets				
Provisions for fines and penalties				
Provisions for foreign exchange losses	215	137	215	137
Provisions for pensions and similar obligations				
Provisions for taxes (I)				
Provisions for fixed asset replacement*				
Provisions for major overhauls and maintenance work				
Provisions for tax and social security payables on accrued vacation*				
Other provisions for contingencies and expenses (I)		353 400		353 400
TOTAL II	400 647	370 955	120 884	650 718
Provisions for impairment:				
On fixed assets – intangible assets		35 677		35 677
On fixed assets – property, plant and equipment	783 056	1 697 444	23 155	2 457 345
On fixed assets – equity-accounted securities				
On fixed assets – equity investments				
On fixed assets – other financial assets (I)*				
On inventories and work in progress	467 433	157 465		624 898
On trade receivables	22 550			22 550
Other impairment provisions (I)*				
TOTAL III	1 273 039	1 890 586	23 155	3 140 469
GRAND TOTAL (I+II+III)	1 673 686	2 261 541	144 040	3 791 187
Of which additions and releases:				
- Operating items		174 883	120 669	
- Financial items		137	215	
- Non-recurring items		2 086 521	23 155	
Equity-accounted securities: impairment at the end of the period calculated based on the rules set out in Article 39-1-5e of the French General Tax Code.				
(I) To be detailed on a separate sheet based on the year in which the provision was set up or the purpose of the provision.				
NB Accrued expenses are not to be reported in this schedule but broken down in the detailed accrued expenses schedule to be produced in accordance with Article 38 II of Annexe III of the French General Tax Code.				

* Explanations concerning these items are given in instruction notice 2032.

MATURITIES OF RECEIVABLES AND PAYABLES AT THE END OF THE REPORTING PERIOD

SECTION A

MATURITY OF RECEIVABLES	Gross	Due within 1 year	Due in more than 1 year
NON-CURRENT ASSETS:			
Receivables from controlled entities			
Loans (1) (2)			
Other financial assets	67 507		67 507
CURRENT ASSETS:			
Doubtful or litigious accounts	26 812	26 812	
Other trade receivables	2 337 830	2 337 830	
Receivables in respect of securities lent or pledged as guarantees* (Provisions for impairment previously recognized)*			
Receivable from employees	1 472	1 472	
Social security and other social bodies			
Taxes:			
Corporate income tax	482 716	482 716	
VAT	713 272	713 272	
Other taxes, duties and similar levies	2 185 933	2 185 933	
Miscellaneous			
Receivable from Group and associated companies			
Miscellaneous debtors (incl. receivables arising on repo transactions)	772	772	
Prepaid expenses	706 823	706 823	
TOTAL	6 523 137	6 455 630	67 507
NOTES:			
(1) Amount of – Loans granted in the period			
– Loans repaid in the period			
(2) Loans and advances granted to associates (natural persons)			

SECTION B

MATURITY OF PAYABLES	Gross	Due within 1 year	Due between 1 and 5 years	Due in more than 5 yrs
Convertible bonded debt (1)				
Other bonded debt (1)				
Bank loans and borrowings (1):				
- up to 1 year at inception	22 036	22 036		
- more than 1 year at inception				
Miscellaneous loans and borrowings (1) (2)				
Trade payables	16 321 228	16 321 228		
Due to employees	2 325 814	2 325 814		
Social security and other social bodies	701 990	701 990		
Taxes:				
Corporate income tax	199 198	199 198		
VAT	666 521	666 521		
Guaranteed bonds				
Other taxes, duties and similar levies	580 572	580 572		
Amounts due on fixed assets				
Due to Group and associates (2)				
Other payables (incl. payables arising on securities borrowed or pledged as guarantees*)				
Prepaid income	211 967	211 967		
TOTAL	21 029 325	21 029 325		
NOTES:				
(1) Loans taken out during the period				
Loans repaid in the period				
(2) Miscellaneous loans and payables due to associates (natural persons)				

* Explanations concerning these items are given in instruction notice 2032