



The Polish original should be referred to in matters of interpretation.  
Translation of auditor's report originally issued in Polish.

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## INDEPENDENT AUDITOR'S REPORT ON THE AUDIT

To the Shareholders Meeting and Supervisory Board of SMRC AUTOMOTIVE INTERIORS PRODUCTS POLAND S.A.

Audit report on the annual financial statements

### Opinion

We have audited the annual financial statements of SMRC AUTOMOTIVE INTERIORS PRODUCTS POLAND S.A. (the 'Company') located in Poznań at 27 Grudnia 3, containing: the introduction to the financial statements, the balance sheet as at 31 December 2018, the income statement for the period from 1 January 2018 to 31 December 2018 and additional Information and explanations (the 'financial statements').

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Company as at 31 December 2018 and its financial performance for the period from 1 January 2018 to 31 December 2018 in accordance with required applicable rules of the Accounting Act dated 29 September 1994 (the 'Accounting Act') and the adopted accounting policies,
- are in respect of the form and content in accordance with legal regulations governing the Company and the Company's Statute,
- have been prepared based on properly maintained accounting records, in accordance with chapter 2 of the Accounting Act.

### Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing in the version adopted as the National Auditing Standards by the National Council of Statutory Auditors ("NAS") and pursuant to the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Oversight (the 'Act on Statutory Auditors'). Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report.

We are independent of the Company in accordance with the Code of ethics for professional accountants, published by the International Federation of Accountants (the 'Code of ethics'), adopted by the National Council of Statutory Auditors and other ethical responsibilities in accordance with required applicable rules of the audit of financial statements in Poland. We have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of ethics. While conducting the audit, the key certified



auditor and the audit firm remained independent of the Company in accordance with the independence requirements set out in the Act on Statutory Auditors.

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

#### Responsibilities of the Company's Management and members of the Supervisory Board for the financial statements

The Company's Management is responsible for the preparation, based on properly maintained accounting records, the financial statements that give a true and fair view of the financial position and the financial performance in accordance with required applicable rules of the Accounting Act, the adopted accounting policies, other applicable laws, as well as the Company's Statute, and is also responsible for such internal control as determined is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, The Company's Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless The Company's Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Management and the members of the Company's Supervisory Board are required to ensure that the financial statements meet the requirements of the Accounting Act. The members of the Company's Supervisory Board are responsible for overseeing the Company's financial reporting process.

#### Auditor's responsibility for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not guarantee that an audit conducted in accordance with NAS will always detect material misstatement when it exists. Misstatements may arise as a result of fraud or error and are considered material if it can reasonably be expected that individually or in the aggregate, they could influence the economic decisions of the users taken on the basis of these financial statements.

In accordance with International Auditing Standard 320, section 5, the concept of materiality is applied by the auditor both in planning and performing the audit, and in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the financial statements and in forming the opinion in the auditor's report. Hence all auditor's assertions and statements contained in the auditor's report are made with the contemplation of the qualitative and quantitative materiality levels established in accordance with auditing standards and auditor's professional judgment.



The scope of the audit does not include assurance on the future profitability of the Company nor effectiveness of conducting business matters now and in the future by the Company's Management.

Throughout the audit in accordance with NAS, we exercise professional judgment and maintain professional skepticism and we also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or override of internal control,
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control,
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Company's Management,
- conclude on the appropriateness of the Company's Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our independent auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report, however, future events or conditions may cause the Company to cease to continue as a going concern,
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with the members of the Company's Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Warsaw, 28 May 2019

Key Certified Auditor

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Robert Klimacki  
certified auditor  
no in the register: 90055

on behalf of:  
Ernst & Young Audyt Polska spółka z  
ograniczoną odpowiedzialnością sp. k.  
Rondo ONZ 1, 00-124 Warsaw  
no on the audit firms list: 130

**SMRC AUTOMOTIVE INTERIORS  
PRODUCTS POLAND SPÓŁKA  
AKCYJNA**

**FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 01.01.2018 TO  
31.12.2018**

**SMRC AUTOMOTIVE INTERIORS PRODUCTS POLAND SPÓŁKA AKCYJNA**  
**Financial statements for the period from 01.01.2018 to 31.12.2018**

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## **SMRC AUTOMOTIVE INTERIORS PRODUCTS POLAND SPÓŁKA AKCYJNA**

### **Statement of the Board of Directors**

In accordance with the Accounting Act of 29 September 1994 (Revised Text, Journal of Laws from 2019, pos. 351 with subsequent amendments), the Board of Directors is obliged to present the financial statements, which truly and fairly present the financial position at year end and the financial result for the reporting period. For the preparation of the financial statements, accounting principles suitable for Company's operation were adopted and have consistently been applied by the Company. The valuation of assets and liabilities and the financial result calculation were performed under the assumption that the Company will continue to operate as a going concern for the foreseeable future without limiting its operations and without opening a liquidation or bankruptcy process.

The presented financial statements were prepared in accordance with the Accounting Act and consist of:

- 1) Introduction to the financial statements;
- 2) balance sheet as at 31.12.2018, with total assets and total liabilities and equity of PLN 6 102 621,74;
- 3) Profit and loss account for the period from 01.01.2018 to 31.12.2018 with a net profit of PLN 78 209,64.
- 4) Supplementary information and explanations.

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Christian Guy Gaunt  
*Chairman of the Board of Directors*

*Poznań*

## **SMRC AUTOMOTIVE INTERIORS PRODUCTS POLAND**

### **Introduction to the financial statements**

#### **1. General information on the Company**

##### **1. 1 Company name**

SMRC AUTOMOTIVE INTERIORS PRODUCTS POLAND SPÓŁKA AKCYJNA  
(former: Reydel Automotive Poland Spółka Akcyjna)

##### **1. 2 Registered office**

27 Grudnia 3, 61-737 Poznań

##### **1. 3 Commercial registration**

SMRC Automotive Interiors Products S.A. ("the Company") was established on 19 December 1990 by notarial deed and registered in the National Court Register kept in the local court in Poznan Nowe Miasto and Wilda, Comercial Business Department, under number KRS 000069321.

On 17.12.2018 the name of the company with Reydel Automotive Poland Spółka Akcyjna was changed. On 17.12.2018 there was also a change in the shareholder of the company. SMRC Automotive Holdings Netherlands B.V. with its registered office in the Netherlands holds 100% of the Company's shares.

##### **1. 4 Time horizon of business activities of the Company**

The Company was established for an indefinite period.

##### **1. 5 Period covered by the financial statements**

The financial statements were prepared for the period from 1 January 2018 to 31 December 2018 and the comparative data is for the period from 1 January 2017 to 31 December 2017.

By a resolution of the shareholders' meeting drawn up in the form of a notarial deed of 21.11.2018, the financial year was changed. The first financial year after the change will cover the period from 01.01.2019 to 31.03.2020.

##### **1. 6 Going concern assumption**

The financial statements were prepared under the assumption that the Company will continue to operate as a going concern. In 2018, the Company discontinued the procedure of liquidation of its business activities and is currently operating as a dormant company.



## SMRC AUTOMOTIVE INTERIORS PRODUCTS POLAND

### Introduction to the financial statements

#### 2. Significant accounting policies

The significant accounting policies which have been adopted in the preparation of these financial statements are as follows:

##### 2. 1 *Basis of preparation*

The financial statements have been prepared in accordance with the practice followed by enterprises in Poland, based on accounting standards promulgated in the Polish Accounting Act dated 29 September 1994 (Revised Text, Journal of Laws from 2019, pos. 351 with subsequent amendments).

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

##### 2. 2 *Income, expenses, financial result*

Revenue and expenses are recognised on the accrual basis in the period to which they relate, regardless of the period in which related payments are made or received.

The Company prepares its profit and loss account by function of expense.

###### *Income*

The Company classifies to income the economic benefits certain of occurring in the reporting period, of reliably estimated value, in the form of an increase in the value of assets or decrease in the value of liabilities resulting in an increase in equity other than contributions made by shareholders or owners.

###### *Expenses*

The Company classifies to expenses the reductions in economic benefits certain of occurring during the reporting period, of reliably estimated value, in the form of a decrease in the value of assets or increase in the value of liabilities and provisions resulting in a decrease in equity other than withdrawals made by shareholders or owners.

##### 2. 3 *Intangible fixed assets*

This category includes property rights purchased by the Company and suitable for business use, with expected useful life exceeding one year, dedicated to the Company's purposes. Intangible assets were measured at purchase cost less depreciation. As at the balance-sheet date, the Company had software that was fully depreciated.

Intangible assets are initially recognised at acquisition or production cost. Intangible assets are amortised on a straight-line basis over their estimated useful lives.

## **SMRC AUTOMOTIVE INTERIORS PRODUCTS POLAND**

### **Introduction to the financial statements**

The estimation of the economic useful life and the depreciation method are subject to review at the end of each financial year in order to verify whether the methods and period of depreciation applied are consistent with the expected time distribution of economic benefits brought by the intangible assets.

As at the balance sheet date, the Company assesses whether the balance sheet value of the disclosed assets does not exceed the value of expected future economic benefits. If there is any evidence to suggest that this is the case, the carrying amount of the assets is reduced to their net selling price. Impairment losses are recognised in other operating expenses.

#### **2. 4 *Tangible assets***

Subsequent expenditure on improvements such as re-construction, extension or modernisation is capitalised and increases the initially recognised cost of an asset. Subsequent expenditure is capitalised only if it increases the economic benefit embodied in the asset when it was brought into use.

As at the balance day, no tangible fixed assets was in the Company. Tangible fixed assets are amortised by the straight line method in period relating to their economic useful.

Tangible fixed assets up to 3 500 PLN are subject to one-off depreciation.

Estimates of useful lives and depreciation methods are reviewed at the end of each financial year to verify that the methods and depreciation period applied are consistent with the expected timing of the economic benefits of the asset.

As at the balance-sheet date, the Company verifies whether the balance-sheet value of the assets disclosed does not exceed the value of expected future economic benefits. If there is any indication to the contrary, the balance sheet value of the assets is reduced to their net selling price. Impairment losses are recognised in other operating expenses.

#### **2. 5 *Short - term receivables and payables***

##### *Short - term receivables*

As at the balance sheet date, receivables are measured at the amount due, taking into consideration the prudence concept, and disclosed in the net value (reduced by write-downs).

Debtors are adjusted by an allowance for doubtful receivables taking into consideration the likelihood of future collection. The allowance is charged either to operating expenses or to financial expenses dependent on the type of receivable to which it relates.

Depreciated, overdue or uncollectible receivables reduce the revaluation write-downs previously made. Deferred, defunct or irrecoverable receivables from which no write-downs or write-offs have been made, are included as part of other operating expenses or financial expenses, respectively.

##### *Short - term payables*

Creditors are stated at the amounts due.

As at the balance sheet date, receivables and payables were measured using an average exchange rate determined by the National Bank of Poland.

## **SMRC AUTOMOTIVE INTERIORS PRODUCTS POLAND**

### **Introduction to the financial statements**

#### **2. 6      *Prepayments and accruals***

Prepayments include:

- long-term settlements pertaining to future reporting periods, with time to complete exceeding 12 months from the balance sheet date,
- short-term settlements pertaining to future reporting periods, with time to complete not exceeding 12 months from the balance sheet date.

Prepayments are recognised based on elapsed time or amounts paid.

Accruals include provisions which directly relate to the operating activity, namely production, sale, post-sale activities, and general administration.

The timing and method of settlement, are justified by the nature of settled expenses, taking into consideration the prudence principle.

#### **2. 7      *Short-term investments***

Cash in domestic currency is recognised at nominal value.

As at the balance sheet date, cash denominated in foreign currencies is translated into Polish zloty at the average exchange rate determined by the National Bank of Poland.

#### **2. 8      *Taxation***

Corporate income tax, as presented in the profit and loss account, comprises current income tax.

Current tax liabilities are calculated based on Polish tax regulations.

The Company does not calculate deferred tax asset and liabilities, as according to Art. 37, item 10 of the Accounting Act.

#### **2. 9      *Equity***

As at the balance sheet date, equity is carried at the amount defined in the Articles of Association and registered in the National Court Register.

The Company's supplementary capital is created in accordance with the Commercial Companies Code.

The revaluation reserve is used to record the changes in the valuation of assets, i.e. official valuation of fixed assets and investments classified as fixed assets /non-distributable/.

## SMRC AUTOMOTIVE INTERIORS PRODUCTS POLAND

### Introduction to the financial statements

#### 2. 10 *Foreign exchange differences*

Foreign exchange differences resulting from remeasurement and settlement of monetary assets and liabilities denominated in foreign currencies, excluding long-term investments, and from the sale of foreign currencies are recorded as financial revenue or expenses. Certain eligible foreign exchange differences are capitalised to finished goods and merchandise inventory, tangible fixed assets, construction in progress or intangible fixed assets.

#### 2. 11 *Foreign exchange rates used for asset and liability measurement*

The following exchange rates (the average currency exchange rates of the National Bank of Poland) were

	31.12.2018	31.12.2017
1 EUR	4,3000	4,1709

Business transactions denominated in foreign currencies are recognised on the date they are entered into at the exchange rate published for the given currency as at the date preceding the transaction.

#### 3. **Applied simplifications of accounting principles and methods of financial statements' preparation**

The Company is defined as a small entity according to Art. 3 item 1c of the Accounting Act, therefore by a resolution of 29.01.2019, decided to apply the simplifications provided for in Article. 3 par. 1c of the Accounting Act for small entities.

According to Art. 46 item 5 point 5 of the Accounting Act the Company prepares simplified balance sheet as described in Appendix 5 to the Act.

According to Art. 47 item 4 point 5 of the Accounting Act the Company prepares simplified profit and loss statement as described in Appendix 5 to the Act.

The Company does not prepare a Statement of changes in equity according to Art. 48a item 4 of the Accounting Act.

The Company does not prepare a Statement of cash flow according to Art. 48b item 5 of the Accounting Act.

According to Art. 48 item 4 of the Accounting Act, the Company prepares Supplementary information and explanations as described in Appendix 5 to the Act.

The Company does not prepare a Report on the Company's activities due to enclosure of the information related with the acquisition of own shares in the Supplementary information and explanations according to Art. 49 item 5 of the Accounting Act (note 17 of the financial statement).

The Company does not apply Art. 81 item 2, point 4 in accordance with Art. 28b of the Accounting Act.

The Company classifies agreements specified in Art. 3 item 4 in accordance with principles described in the tax regulations based on Art. 3 item 6 of the Accounting Act.

**SMRC AUTOMOTIVE INTERIORS PRODUCTS POLAND SPÓŁKA AKCYJNA****Balance Sheet**

(All amounts are stated in PLN)

	<u>Note</u>	<u>31.12.2018</u>	<u>31.12.2017</u>
<b>ASSETS</b>			
Non current assets			
Intangible fixed assets	1.	<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>
Current assets			
Short-term receivables, including:	3.	6 074 998,72	5 991 389,99
trade debtors, maturing:		-	-
- within 12 months		-	-
Short-term investments, including:		27 623,02	25 948,90
Short-term financial assets, including:		27 623,02	25 948,90
- cash and cash equivalents	4.	27 623,02	25 948,90
Short-term prepayments and deferred expenses	5.	<u>-</u>	<u>7 405,49</u>
		<u>6 102 621,74</u>	<u>6 024 744,38</u>
<b>Total assets</b>		<u><b>6 102 621,74</b></u>	<u><b>6 024 744,38</b></u>

**SMRC AUTOMOTIVE INTERIORS PRODUCTS POLAND SPÓŁKA AKCYJNA****Balance Sheet**

(All amounts are stated in PLN)

	<u>Note</u>	<u>31.12.2018</u>	<u>31.12.2017</u>
<b>EQUITY AND LIABILITIES</b>			
Equity			
Share capital	6.1	73 718 594,00	73 718 594,00
Supplementary capital, including:		101 061 644,46	101 061 644,46
- surplus of sales value (issue value) over nominal value of shares		101 061 644,46	101 061 644,46
Revaluation reserve, including:		-	-
- due to revaluation of fair value		-	-
Other capital reserves		5 371 969,97	5 371 969,97
Accumulated profit/(loss) from previous years		(174 204 755,16)	(173 750 752,64)
Net profit / (loss)		78 209,64	(454 002,52)
		<u>6 025 662,91</u>	<u>5 947 453,27</u>
Liabilities and provisions for liabilities			
Provisions for liabilities, including:	7.	39 444,00	39 444,00
- other provisions		-	-
Short-term liabilities, including:		37 514,83	35 375,79
credits and loans			
trade creditors, maturing:	8.	24 040,42	21 901,38
- up to 12 months		24 040,42	21 901,38
special funds	9.	13 474,41	13 474,41
other accruals			
Interperiod settlements	10.	-	2 471,32
		<u>76 958,83</u>	<u>77 291,11</u>
<b>Total equity and liabilities</b>		<u><b>6 102 621,74</b></u>	<u><b>6 024 744,38</b></u>

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Christian Guy Gaunt  
*Chairman of the Board of Directors*

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Vistra Corporate Services Sp. z o.o.  
*Entity responsible for maintaining the accounting records*

**Poznań**

**SMRC AUTOMOTIVE INTERIORS PRODUCTS POLAND SPÓŁKA AKCYJNA****Profit and Loss Account**

(All amounts are stated in PLN)

	<u>Note</u>	<u>01.01.2018 - 31.12.2018</u>	<u>01.01.2017 - 31.12.2017</u>
Net sale revenue and net sale revenue equivalents		-	-
Manufacturing of products sold		-	-
Selling costs		-	-
General and administrative costs	11.	164 451,49	152 544,02
<b>Profit (loss) on sales</b>		<u><b>(164 451,49)</b></u>	<u><b>(152 544,02)</b></u>
Other operating revenue, including:	12.	2 471,32	471,23
- revaluation of non-financial assets		-	-
		<u>2 471,32</u>	<u>471,23</u>
Other operating expenses, including:	13.	(7 405,49)	-
- revaluation of non-financial assets		-	-
		<u>(7 405,49)</u>	<u>-</u>
Financial revenue, including:	14.	247 595,30	69 751,18
Interest, including:		69 618,65	69 751,18
- from related parties		69 618,65	69 751,18
		<u>247 595,30</u>	<u>69 751,18</u>
Financial expenses:	15.	-	371 680,91
<b>Profit/(loss) before taxation</b>		<u><b>78 209,64</b></u>	<u><b>(454 002,52)</b></u>
Corporate income tax	16.	-	-
<b>Net profit/(loss)</b>		<u><b>78 209,64</b></u>	<u><b>(454 002,52)</b></u>

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Christian Guy Gaunt  
*Chairman of the Board of Directors*

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Vistra Corporate Services Sp. z o.o.  
*Entity responsible for maintaining the accounting records*

**Poznań**

## SMRC AUTOMOTIVE INTERIORS PRODUCTS POLAND SPÓŁKA AKCYJNA

### Supplementary information and explanations

(All amounts are stated in PLN)

#### 1. Intangible fixed assets

##### 1. 1 Changes in intangible fixed assets

	Development costs	Goodwill	Prepayments for intangible fixed assets	Total
<b>Gross book value</b>				
As at 01.01.2018				269 367,47
Additions	-	-	-	-
Decreases	-	-	-	-
As at 31.12.2018	-	-	-	269 367,47
<b>Accumulated depreciation</b>				
As at 01.01.2018				(269 367,47)
Additions	-	-	-	-
Decreases	-	-	-	-
As at 31.12.2018	-	-	-	(269 367,47)

#### 2. Fixed assets

##### 2. 1 Fixed Assets

As at the balance sheet day the Company did not have any fixed assets.

#### 3. Short-term receivables

Other receivables from related parties consist of cash pooling receivables with capitalised and calculated interest in the amount of PLN 6 074 998,72 (2017: PLN 5 991 389,99).

#### 4. Short-term investments

*Cash and cash equivalents*

	31.12.2018	31.12.2017
Cash in banks	27 623,03	25 948,90
<b>Total</b>	<b>27 623,03</b>	<b>25 948,90</b>

#### 5. Short-term accruals

	31.12.2018	31.12.2017
Provision for receivables from received allowance	-	7 405,49
<b>Total</b>	<b>-</b>	<b>7 405,49</b>



## SMRC AUTOMOTIVE INTERIORS PRODUCTS POLAND SPÓŁKA AKCYJNA

### Supplementary information and explanations

(All amounts are stated in PLN)

#### 6. Equity

##### 6.1 Ownership structure of share capital

As at the balance sheet day the structure of share capital was as follows:

	Number of shares held	Percentage share in the total number of votes	Face value of shares	Percentage share in the capital
SMRC Automotive Holdings Netherlands B.V.	19 399 630,00	100%	73 718 594,00	100%

##### 6.2 Proposed distribution of the financial result

The Management Board of the Company will propose to the General Meeting of Shareholders that the profit for 2018 in the amount of PLN 78 209,64 will cover the loss for the previous years.

#### 7. Other short-term provisions

	31.12.2018	31.12.2017
Provision for costs of audit of the Company's financial statements	39 444,00	39 444,00
	<b>39 444,00</b>	<b>39 444,00</b>

#### 8. Short-term trade liabilities by days past due

Age in days	31.12.2018	31.12.2017
<b>trade creditors, maturing:</b>	<b>24 040,42</b>	<b>21 901,38</b>
current	9 436,14	7 301,28
past due	14 604,28	14 600,10
up to 90 days	14 604,28	14 600,10
	<b>24 040,42</b>	<b>21 901,38</b>

#### 9. Social assets and liabilities

The Act on the Company Social Benefits Fund of 4.03.1994 (Journal of Laws of 2017, item 2191), requires an enterprise whose number of employees is 20 or more to establish and maintain a company social benefit fund. The Company maintains such a fund by making legally required allowances. In addition, the Company contributes certain social fixed assets to the fund.

The purpose of the fund is to co-finance the Company's social activities, loans for employees and other social expenditure. The fund consists of accumulated payments to the fund minus non-returnable expenses of the fund.

## SMRC AUTOMOTIVE INTERIORS PRODUCTS POLAND SPÓŁKA AKCYJNA

### Supplementary information and explanations

(All amounts are stated in PLN)

#### 9. Social assets and liabilities (continuity)

At the balance sheet date of 31 December 2018, the structure of social assets and liabilities was as follows:

	<u>31.12.2018</u>	<u>31.12.2017</u>
Special funds	13 474,41	13 474,41
	<u>31.12.2018</u>	<u>31.12.2017</u>
Payments to the social benefits fund in the reporting period	-	-
<b>Total</b>	<u>-</u>	<u>-</u>

#### 10. Accruals

	<u>31.12.2018</u>	<u>31.12.2017</u>
Provision for environmental fee	-	2 471,32
<b>Total</b>	<u>-</u>	<u>2 471,32</u>

#### 11. Operating expenses

	<u>31.12.2018</u>	<u>31.12.2017</u>
Amortisation and depreciation	-	-
Consumption of materials and energy	-	-
External services	164 451,49	152 544,02
Taxes and charges, including:	-	-
Payroll	-	-
Social security and other benefits	-	-
Other costs by type	-	-
<b>Total</b>	<u>164 451,49</u>	<u>152 544,02</u>

#### 12. Other operating revenue

	<u>31.12.2018</u>	<u>31.12.2017</u>
Other operating revenue:	2 471,32	471,23
- other	2 471,32	471,23
	<u>2 471,32</u>	<u>471,23</u>

#### 13. Other operating expenses

	<u>31.12.2018</u>	<u>31.12.2017</u>
Other operating expenses:	7 405,49	-
- writing down the discount	7 405,49	-
<b>Total</b>	<u>7 405,49</u>	<u>-</u>

## SMRC AUTOMOTIVE INTERIORS PRODUCTS POLAND SPÓŁKA AKCYJNA

### Supplementary information and explanations

(All amounts are stated in PLN)

#### 14. Financial revenue

	<b>31.12.2018</b>	<b>31.12.2017</b>
Interest, including:	69 618,65	69 751,18
- <i>from related parties</i>	69 618,65	69 751,18
Other, including:	177 976,65	-
- <i>surplus of exchange gains over exchange losses</i>	177 976,65	-
<b>Total</b>	<b>247 595,30</b>	<b>69 751,18</b>

#### 15. Financial expenses

	<b>31.12.2018</b>	<b>31.12.2017</b>
Other, including:	-	371 680,91
- <i>surplus of exchange gains over exchange losses</i>	-	371 680,91
<b>Total</b>	<b>-</b>	<b>371 680,91</b>

#### 16. Corporate income tax

	<b>31.12.2018</b>	<b>31.12.2017</b>
<b>Gross profit (loss)</b>	<b>78 209,64</b>	<b>(454 002,52)</b>
<b>Current year revenues not classified as taxable income</b>		
- unrealised exchange gains	(180 629,16)	(15 171,77)
- release of provision	-	(46 360,00)
- accrued interest	(5 911,76)	(5 819,16)
<b>Current year costs not classified as tax-deductible expenses</b>		
- provision for costs	-	46 444,00
- other	7 405,49	0,00
- unrealised exchange losses	-	385 002,82
	<b>7 405,49</b>	<b>431 446,82</b>
Prior year's cost considered as costs of revenues in current year	5 819,16	6 246,51
<b>Tax base</b>	<b>(95 106,63)</b>	<b>(83 660,12)</b>
	-	-
Current tax	-	-
Tax deductions – accumulated losses	-	-
<b>Corporate income tax - total</b>	<b>-</b>	<b>-</b>

#### 17. Subsequent events not included in the financial statements

No events occurred after the year end that would require disclosure in the financial statements. Until the day of the balance sheet the Company was not put into liquidation.

#### 18. Employment

Average level of employment during the year

	<b>31.12.2018</b>	<b>31.12.2017</b>
Employees on non-manual labour positions	-	-
	-	-

**SMRC AUTOMOTIVE INTERIORS PRODUCTS POLAND SPÓŁKA AKCYJNA**  
**Supplementary information and explanations**

(All amounts are stated in PLN)

**19. Loans and advance paid to members of the management, supervisory and administration boards**

The Company did not grant loans or advances to members of the Management Board/ Supervisory Board.

There are no liabilities incurred as guarantees and warranties as at 31 December 2018 and 31 December 2017.

**20. Information about the consolidated financial statements**

The entity preparing consolidated financial statements at the lowest level of capital group is:

SMRC Automotive Holdings Netherlands B.V. with headquarters in the Netherlands

**21. Contingent liabilities**

There were no contingent liabilities as at the balance sheet date.

**22. Tax regulations in Poland**

In Poland there are numerous regulations regarding value added tax, corporate tax as well as social security premiums. Tax laws are regularly being updated and changed which may result in some discrepancies and differing interpretations within the tax authority offices and between government bodies and tax payers, which in turn may result in uncertainty and disputes.

Tax settlements and other areas subject to statutory compliance, such as customs, or foreign currency controls, can result in audits by the relevant authorities who have the right to impose penalties together with statutory interest. Consequently, the tax risk in Poland can be higher than in more developed tax jurisdictions. Tax settlements can be subject to audits for a period of up to five years from the end of the calendar year in which the tax payment elapsed.

**23. Own shares**

The Company did not acquire / dispose of own shares in the current period.

**24. Changes in accounting principles (policy)**

There were no changes in accounting principles in the financial period.

## SMRC AUTOMOTIVE INTERIORS PRODUCTS POLAND SPÓŁKA AKCYJNA

### Supplementary information and explanations

(All amounts are stated in PLN)

#### 25. Going concern

The Financial Statements were prepared under the assumption that the Company will continue to operate as a going concern within 12 months after balance day.

The closing balance of the Company reflects a loss exceeding the total of reserve capital and 1/3 of the share capital. The shareholders will adopt a resolution on the continuation of the Company's activities. Management Board the company does not foresee any threats to the continuation of Company's activities despite of the losses incurred.

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Christian Guy Gaunt  
*Chairman of the Board of Directors*

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Vistra Corporate Services Sp. z o.o.  
*Entity responsible for maintaining the accounting records*

***Poznań***