

(Translation of the report originally issued in Spanish)

INDEPENDENT AUDITORS' REPORT

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

I. Report on financial statements

Introduction

1. We have audited the accompanying financial statements of SMRC AUTOMOTIVE TECH ARGENTINA S.A. (previously named REYDEL AUTOMOTIVE ARGENTINA S.A.) (the "Company"), which comprise: (a) the Balance Sheet as of December 31, 2018, (b) the Statements of Income, Changes in Shareholders' Equity, and Cash Flows for the fiscal year then ended, and (c) a summary of significant accounting policies and other explanatory information.

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

2. The Company's Management is responsible for the preparation and fair presentation of the accompanying financial statements in accordance with the accounting information framework established by the IGJ (Argentine regulatory agency of business associations) which, as indicated in note 2.1 to these accompanying financial statements, requires the application of Argentine professional accounting standards in effect in Buenos Aires City unless otherwise provided by law, regulatory provisions or IGJ resolutions. The Company's Management is also responsible for the internal control that it may deem necessary so that such financial statements are free from material misstatements, either due to errors or irregularities.

Auditor's responsibilities

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

An audit comprises the application of procedures to obtain judgmental evidence regarding figures and the information disclosed in financial statements. The procedures selected depend on the auditor's professional judgment, including the assessment of risks of material misstatement of the financial statements, whether due to errors or irregularities.



In making these risk assessments, the auditor considers the Company's internal control relevant to the preparation and fair presentation of the financial statements in order to design the appropriate audit procedures in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's control system. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

4. In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of SMRC AUTOMOTIVE TECH ARGENTINA S.A. (previously named REYDEL AUTOMOTIVE ARGENTINA S.A.) as of December 31, 2018, and the results of its operations and cash flows for the year then ended, in conformity with the accounting information framework mentioned in paragraph 2.

Special standards approved for the first-time restatement into constant currency

5. We draw attention to note 2.2 to the accompanying financial statements, which states that (a) as allowed by the accounting standards on the unit of measurement for the first-year of adoption of the restatement into constant currency, the Company chose to apply the restatement method by adjusting equity at the beginning of the current year rather than at the beginning of the previous year; therefore, no comparative information concerning the statements of changes in owners' equity, income, and cash flows is disclosed, and (b) the application of such option restricts the information available for analyzing and interpreting the financial statements. This issue does not modify the opinion expressed in paragraph 4.

II. Report on other legal and regulatory requirements

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

- a) Except for what is mentioned in Note 11 to the accompanying financial statements, they arise from books kept, in their formal respects, in accordance with current legal regulations.
- b) As of December 31, 2018, liabilities accrued in employee and employer contributions to the Integrated Pension Fund System, as arises from the Company's accounting requirements, amounted to ARS 2,798,367, none of which was due and payable as of that date.




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- c) We applied the anti-money laundering and anti-terrorist financing procedures provided in effective professional standards.

Buenos Aires City,
May 31, 2019

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.



GUILLERMO E. BONDANCIA
Partner

Certified Public Accountant (U.B.A.)