

*Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain. In the event, the Spanish-language version prevails.*

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS**

To the sole shareholder of **PRICOL ESPAÑA, S.L.U.**

**Opinion**

We have audited the financial statements of **PRICOL ESPAÑA, S.L.U.** (the Company), which comprise the balance sheet as at March 31, 2019, the income statement and related notes for the year then ended.

In our opinion, the accompanying financial statements present fairly, in all material respects, the equity and financial position of the Company as at March 31, 2019, as well as its financial performance for the year then ended, in accordance with the applicable financial reporting framework (as identified in Note 2 of the notes to the financial statements), and in particular, with the accounting principles and criteria included therein.

**Basis for opinion**

We conducted our audit in accordance with legislation governing the audit practice in Spain. 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 ethical requirements, including those relating to independence, that are relevant to our audit of the financial statements in Spain, in accordance with legislation governing the audit practice. In this regard, we have not rendered services other than those relating to the audit of the accounts, and situations or circumstances have not arisen that, in accordance with the provisions of the aforementioned legislation, have affected our necessary independence such that it has been compromised.

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

**Material uncertainty regarding the company as an ongoing business**

We call attention to Note 2.4 and 5.3 of the financial statements attached, which describe the situation of the investments in the group companies, Pricol Do Brasil LTDA Componentes, PWS Czesch and Pricol Wiping Systems Mexico, S.A. de CV, with the first two presenting negative net assets, and the third showing net assets for a value lower than the stock capital figure.

As of 31 March 2019, the administrators have not posted impairment on the investments previously mentioned or on the collectibles reflected in the assets of the balance sheet attached, for a total amount of 34.5 million euro over the long term, and 4.8 million euro over the short term. The Company, the corporate purpose of which is the management and administration of securities representing equity in entities, has been providing financial support to its subsidiaries, while waiting for the feasibility plans implemented to enable the recovery of losses accumulated. Whether or not the Company should post highly considerable impairment on its investments and loans in the group companies depends on the success of these feasibility plans already mentioned, which is indicative of material uncertainty that can generate significant doubts as to the capacity of the Company to continue as an ongoing business, given the impact that these investments and loans represent on its total assets. Our opinion has not changed with regard to this matter.

**Most relevant aspects of the audit**

The most relevant aspects of the audit are those that – in our professional opinion – have been considered as risks of more significant material error in our audit of the financial statements as of 31 March 2019. These risks have been dealt with in the context of our audit of the financial statements as a whole and in the process of forming our opinion about them; we do not express a separate opinion regarding these risks.

<b>Most relevant aspects of the audit</b>	<b>Manner of audit treatment</b>
<p>Investments in group companies. As is indicated in Notes 2.4 and 5.3 of the financial statements attached, the Company has investments and credits in group companies, whereby these represent practically all the assets. Given the relevance of the amounts involved and their relationship with the companies held and indebted, we have considered these transactions to be a significant area of risk in our audit.</p>	<p>In response to this significant risk, among other procedures conducted, our tests consisted of analyzing the audited annual financial statements of the group companies, revising the estimates made by the administrators regarding the capacity of the subsidiaries to generate profit, and the obtaining confirmation of the balances with all the related parties.</p>

**Responsibility of the directors for the financial statements**

The Company’s directors are responsible for the preparation of the accompanying financial statements, such that they fairly present the equity, financial position and financial performance of society, in accordance with the financial reporting framework applicable to the entity in Spain, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Company's directors are 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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities 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, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with legislation governing the audit practice in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with legislation governing the audit practice in Spain, we exercise professional judgment and maintain professional scepticism throughout the audit. 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 the 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 directors.
- Conclude on the appropriateness of the directors' 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 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 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 Company's directors 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.

From the significant risks communicated with the Company's directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are, therefore, considered to be the most significant risks.

We describe these risks in our auditor's report unless law or regulation precludes public disclosure about the matter.

Madrid, June 14, 2019

**REA**  
audidores

Miembro ejerciente

**ESPAUDIT**  
GABINETE DE  
AUDITORIA, S.A.P

Año: 2019  
Número: 16.624/19

Para incorporar al protocolo

 **economistas**  
Consejo General

**ESPAUDIT GABINETE DE AUDITORIA, S.A.P.**

ROAC Nº 50680

**Pedro Oliveros Fontaine**

ROAC Nº 21688



**PRICOL ESPAÑA, S.L.**  
**(Sociedad Unipersonal)**

Notes to the Abridged Financial Statements for the  
Financial year 2018, ended on March 31<sup>st</sup>, 2019.

*Translation of notes to abridged financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain (see Notes 2 and 14). In the event of a discrepancy, the Spanish-language version prevails.*

**PRICOL S.L.U.**Notes to the abridged financial statements for the financial year ended on March  
31<sup>st</sup> 2019

<b>A) NON CURRENT ASSETS</b>	<b>34.500.456,81</b>	<b>26.831.480,74</b>
I. Intangible fixed assets	0,00	0,00
II. Tangible fixed assets	0,00	0,00
III. Real estate investments	0,00	0,00
IV. Investm in group companies & assoc pa	34.500.456,81	26.831.480,74
240300001 PRICOL DO BRASIL COMPONENTET	20.080.101,53	14.040.317,22
240300002 PMP AUTO MEXICO SA	3.238.510,98	3.238.510,98
240300003 PWS Czech	6.945.728,59	6.095.728,59
242300002 CREDITO A PMP AUTO MEXICO	3.791.077,88	3.456.923,95
242300003 CREDITO WIPING SYSTEM MEXICO	445.037,83	0,00
V. Long-term financial investments	0,00	0,00
255300001 ASSET HEDGING INSTRUMENT L/T	0,00	0,00
VI. Deferred tax assets.	0,00	0,00
VII. Non current trade debtors	0,00	0,00
<b>B) CURRENT ASSETS</b>	<b>5.440.018,74</b>	<b>3.102.734,26</b>
I. Non current assets maintained for sale	0,00	0,00
II. Stocks	0,00	0,00
III. Trade debtors & other amounts to rec	0,00	3.958,39
1. Sales & rendering services customer	0,00	0,00
3. Other debtors	0,00	3.958,39
473000000 Hacienda Pública, retenc	0,00	3.958,39
IV. Short term invest in group comp & ass	478.215,64	2.978.751,12
532300001 PRESTAMO C/P PRICOL DO BRAS	0,00	750.000,00
532300002 PRESTAMO C/P PRICOL DO BRAS	0,00	2.000.000,00
534300000 Intereses a C/P de créditos	144.597,02	144.597,02
534300001 Intereses C/P de créditos a	11.819,18	11.819,18
534300002 INT CREDIT C/P PRICOL DO BRASIL COMP 750.000€	25.445,14	3.236,30
534300003 INT CREDIT C/P PRICOL DO BRASIL COMP 2.000.000 €	67.808,22	8.630,14
534300004 INT CREDIT L/P PMP AUTO MEXICO 4.500.000 USD	217.956,62	60.468,48
534300004 INT PTMO L/P PMP AUTO MEXIC	10.589,46	0,00
V. Short term investments	4.884.377,50	0,00
552300001 - INTERCOMPANY PRICOL DO BRASIL	3.696.600,00	0,00
552300002 - INTERCOMPANY PRICOL MEXICO	1.187.777,50	0,00
VI. Short terms periodifications	1.955,47	54.566,67
480000000 Gastos anticipados	1.955,47	54.566,67
VII. Cash & others liquidity equivalent a	75.470,13	65.458,08
572000001 BANCO SANTANDER 0049 4664 1	68.110,11	65.458,08
572000004 ICICI Bank EUR	6.517,47	0,00
573000001 ICICI Bank USD	842,55	0,00
<b>TOTAL ASSETS (A + B)</b>	<b>39.940.475,55</b>	<b>29.934.215,00</b>

**PRICOL S.L.U.**Notes to the abridged financial statements for the financial year ended on March 31<sup>st</sup> 2019

<b>A) NET WORTH, SHAREHOLDERS EQUITY</b>	<b>15.221.996,73</b>	<b>9.086.554,58</b>
A-1) Equity	15.221.996,73	9.086.554,58
I. Capital	17.967.127,00	10.340.140,00
1. Capital registered	17.967.127,00	10.340.140,00
100000000 Capital social	17.967.127,00	10.340.140,00
2.(Non claimed Capital)		0,00
II. Additional paid in capital		0,00
III. Reserves	-4.363,68	-4.363,68
1. Legal and statutory reserves	-4.363,68	-4.363,68
113000000 Reservas voluntarias	-2.479,73	-2.479,73
113000001 RESERVAS VOLUNTARIAS DE	-1.883,95	-1.883,95
2. Other reserves		0,00
IV. (Shares and participations in own wea		0,00
V. Prior years Profits and Losses	-1.249.221,74	-121.183,97
121000001 RESULTADOS NEGATIVOS EJERCI	-59.035,77	-59.035,77
121000002 RESULTADOS NEGATIVOS EJERCI	-50.662,17	-50.662,17
121000003 RESULTADOS NEGATIVOS EJERCI	-1.139.523,80	-11.486,03
VI. Other shareholders contributions		0,00
VII. Result of the year	-1.491.544,85	-1.128.037,77
Profit and Loss account (129)	0,00	0,00
129000000 Resultado del ejercic	0,00	0,00
Incomes/Expenses outstanding	▼ -1.491.544,85 ▼	-1.128.037,77
623000000 Servicios de profesionales ITG and Montero	-69.774,88	-59.827,12
623000001 Reimbursement of salary Pricol Limited	-102.239,00	-930.593,00
623000002 Servicios gestión préstamo ICI	0,00	-285.464,00
626000000 Bank Fees	-75.587,06	-68.314,15
629000000 Otros servicios	-145,03	-17,05
629000001 GASTOS REGISTROS Y BORME	-1.052,83	-789,86
634100000 Ajustes negativos en IVA de ac	0,00	-3.035,76
634100001 Vat Non Recoverable	-12.609,53	-9.819,22
662300000 Intereses de deudas con entidades de crédito	-838.984,13	-369.164,79
668000000 Diferencias negativas de cambio	-1.647.366,71	-285.476,15
669000000 Otros gastos financieros	-54.566,67	-79.260,33
762000000 Ingresos de créditos	0,00	0,00
762100001 INGRESOS CREDITO PRICOL DO BRASIL	81.386,92	11.866,44
762100002 INTERESES CREDITO MEXICO	148.427,67	61.189,76
762100002 INTERESES CREDITO WIPING	11.080,45	0,00
763300000 Beneficios de instrumentos de	696.723,43	165.339,19
768000000 Diferencias positivas de cambio	370.954,60	725.328,27
778000000 Otros ingresos excep	2.207,92	0,00

**PRICOL S.L.U.**Notes to the abridged financial statements for the financial year ended on March 31<sup>st</sup> 2019

<b>B) NON-CURRENT LIABILITIES</b>	<b>17.801.513,12</b>	<b>16.232.448,67</b>
I. Long term provisions	0,00	0,00
II. Long term debts	17.801.513,12	16.232.448,67
1. Debts with bank and creditor entiti	17.801.513,12	16.232.448,67
170000001 DEUDAS AL/P ICICI BANK	13.796.172,67	12.580.147,72
170000002 DEUDAS AL/P ICICI BANK	4.005.340,45	3.652.300,95
<b>C) CURRENT LIABILITIES</b>	<b>6.916.965,70</b>	<b>4.615.211,75</b>
I. Liab linked noncurrent assets held for	0,00	0,00
II. Short term accruals	0,00	0,00
III. Short term debts	6.860.552,44	3.648.851,77
1. Debts with bank and creditor entiti	24.937,89	47.349,77
527000001 Intereses deudas ICICI C	34.417,11	44.947,18
527000002 Intereses deudas ICICI C	-9.479,22	2.402,59
2. Financial renting creditors	0,00	0,00
3. Other short term debts	6.835.614,55	3.601.502,00
551000001 SHARE APPLICATION PRICOL	6.835.614,55	3.601.502,00
555000000 Partidas pendientes de a	0,00	0,00
IV. Short term debts with group & associa	0,00	0,00
V. Trade creditors & other amounts to be	56.413,26	966.359,98
1. Suppliers	36.759,00	930.593,00
b) Short term suppliers	36.759,00	930.593,00
403000001 PRICOL LIMITED	36.759,00	930.593,00
2. Other creditors	19.654,26	35.766,98
410000001 INTERTRUST SPAIN, S.L.	1.230,43	8.478,44
410000002 REGISTRO MERCANTIL DE MA	0,00	2.123,69
410000004 IGNACIO MANRIQUE PLAZA	5,40	162,99
410000005 LUCIA SERRANO DE HARO	22,30	0,00
410000014 MONTERO ARAMBURU	8.307,05	5.413,94
410000007 REGISTRO MERCANTIL CENTR	0,00	0,00
410000011 CMS ALBIÑANA & SUAREZ DE	0,00	19.574,36
410000012 MIRAS ORTIZ, FRANCISCO	0,00	9,96
410000015 FRANCISCO CONSEGAL	6,37	0,00
410900000 FACTURAS PENDIENTES DE RECIBIR	9.929,00	0,00
475100000 HP, acreedora por retenc	153,71	3,60
<b>TOT SHAREHOLDERS EQUITY &amp; LIABILITIES (A+B+C)</b>	<b>39.940.475,55</b>	<b>29.934.215,00</b>



## **PRICOL S.L.U.**

Notes to the abridged financial statements for the financial year ended on March 31<sup>st</sup> 2019

### **1. - Company activities**

PRICOL ESPAÑA., S.L.U., (henceforth, the Company) was incorporated on March 4<sup>th</sup> 2014. It is a company incorporated in Spain in accordance with the Spanish Public Limited Companies Law.

The registered office is addressed in Madrid, Calle Pensamiento 27 – Escalera Izquierda 3 puerta 3.

Its object, which is aligned with its main activity, is the acquisition, possession, enjoyment and management, of securities and / or shares representing the equity of companies or institutions Incorporated in Spain or foreign territory. And it is related to the CNAE number 6420 (National Classification of Business Activities in Spain).

The figures included in these abridged financial statements are in Euros, except otherwise indicated.

### **2.- Basis of presentation of the abridged financial statements**

#### ***2.1 Laws regarding financial information applicable to the Company***

These financial statements were formally prepared by the Director in accordance with the regulatory financial reporting framework applicable to the Company, which consists of:

- a) The Spanish Commercial Code and all other Spanish corporate law.
- b) The Spanish National Chart of Accounts approved by Royal Decree 1514/2007 and the amendments made to it by Royal Decree 1159/2010 and Royal Decree 602/2018
- c) The mandatory rules approved by the Spanish Accounting and Audit Institute in order to implement the Spanish National Chart of Accounts and the relevant secondary legislation.
- d) All other applicable Spanish accounting legislation.

#### ***2.2 Fair presentation***

The abridged financial statements, which were obtained from the Company's accounting records, are presented in with the regulatory financial reporting framework that is applicable in particular the principles and criteria contained therein, present fairly Company's equity, financial position and results of operations for the year current year period. These abridged financial statements, which were formally prepared by the Director of the Company, will be submitted for approval by the Annual General Meeting and it is considered that they will be approved without any changes.

#### ***2.3 Non-obligatory accounting principles applied***

No non-obligatory accounting principles were applied. Also, the Director of the Company formally prepared these abridged financial statements by taking into account all the obligatory accounting principles and standards with a significant effect hereon. All obligatory accounting principles were applied.

#### ***2.4 Key issues in relation to the measurement and estimation of uncertainty***

In relation to the Spanish investments of the Society, in the last years they have accumulated negative results so their Equity has been considerably decreased. Therefore, these subsidiaries have developed a viability plan in order to recover the accumulated losses and therefore it is not contemplated the option of impairments.

As of March 31, 2019, the Board of Directors do not consider it necessary to record impairments in the subsidiary companies.

## **PRICOL S.L.U.**

### **Notes to the abridged financial statements for the financial year ended on March 31<sup>st</sup> 2019**

#### **2.5 Comparative information**

The information relating to 2018 included in these notes to the financial statements is presented for comparison purposes with that relating to 2019.

#### **2.6 Items included under several line items**

The Company has not included any assets or liabilities under several line items.

#### **2.7 Changes in accounting policies**

In 2019 there were no significant changes in accounting policies with respect to those applied in 2018.

#### **2.8 Correction of errors**

In preparing the financial statements no significant errors were detected that would have made it necessary to restate the amounts included in the financial statements for 2019.

### **3. - Distribution of profit**

As at 31st March 2019, the Company registered a loss of 1.491.544, 85 Euros therefore profit distribution is not applicable. The proposal approved by the Board of directors of the Company is to carry over this amount to "Prior Year Losses".

### **4. - Accounting policies and measurement bases**

The principal accounting policies and measurement bases used by the Company in preparing its abridged financial statements for 2019, in accordance with the Spanish National Chart of Accounts, were as follows:

#### **4.1 Financial instruments**

##### *1. Financial assets*

The financial assets held by the Company are classified in the following categories:

- a) Loans and receivables: financial assets arising from the sale of goods or the rendering of services in the ordinary course of the Company's business, or financial assets which, not having commercial substance, are not equity instruments or derivatives, have fixed or determinable payments and are not traded in an active market.

Financial assets are initially recognised at fair value, which, unless there is evidence to the contrary, is the transaction price, which is equal to the fair value of the consideration given, plus any directly attributable transaction costs.

They are subsequently measured at amortised cost.

- b) Cash and cash equivalents: Cash comprises both cash and demand deposits at banks. Cash equivalents are short-term investments maturing at less than three months that are not subject to significant risk of changes in value.
- c) Investments in equity of group companies, multigroup and associated companies: companies related to the Company by a control relationship are called group companies and associated companies are those over which the Company exerts a significant influence. Additionally, the category of multigroup includes companies which by virtue of an agreement, are controlled by the Company with one or more partners.

Investments in equity of group companies, multigroup and associated companies are initially recognised at fair value, which, unless there is evidence to the contrary, is the transaction price,

## **PRICOL S.L.U.**

### **Notes to the abridged financial statements for the financial year ended on March 31<sup>st</sup> 2019**

which is equal to the fair value of the consideration given, plus any directly attributable transaction costs. These investments include an amount for subscription privileges and similar rights.

Later, the investments are recognized at cost, minus the accrued corrections for impairment. These corrections are calculated as the difference between the carrying value and the recoverable amount, which is the highest of the fair value net of transaction costs and the present value of future investment flows. Except for better evidence for the recoverable amount, the net equity of the participated entity is taken into account, corrected by tacit capital gains at the registration date (including goodwill, if it existed).

The Company derecognises a financial asset when it expires or when the rights to the cash flows from the financial asset have been transferred and substantially all the risks and rewards of ownership of the financial asset have been transferred, such as in the case of firm asset sales, factoring of trade receivables in which the Company does not retain any credit or interest rate risk, sales of financial assets under an agreement to repurchase them at fair value and the securitisation of financial assets in which the transferor does not retain any subordinated debt, provide any kind of guarantee or assume any other kind of risk.

However, the Company does not derecognise financial assets, and recognises a financial liability for an amount equal to the consideration received, in transfers of financial assets in which substantially all the risks and rewards of ownership are retained, such as in the case of bill discounting, with-recourse factoring, sales of financial assets under an agreement to repurchase them at a fixed price or at the selling price plus interest and the securitisation of financial assets in which the transferor retains a subordinated interest or any other kind of guarantee that absorbs substantially all the expected losses.

#### *II. Financial liabilities*

Financial liabilities include accounts payable by the Company that have arisen from the purchase of goods or services in the normal course of the Company's business and those which, not having commercial substance cannot be classed as derivative financial instruments.

Accounts payable are initially recognised at the fair value of the consideration received, adjusted by the directly attributable transaction costs. These liabilities are subsequently measured at amortised cost.

The Company derecognises financial liabilities when the obligations giving rise to them cease to exist.

The deregistration of a financial liability implies recognizing the result of the difference between the carrying value and the recoverable amount, net of transaction costs, including assets obtained or liabilities assumed and any deferred loss or profit in gains and losses recognized in net equity.

#### **4.2 Foreign currency transactions**

The Company's functional currency is the euro. Therefore, transactions in currencies other than the euro are deemed to be "foreign currency transactions" and are recognized by applying the exchange rates prevailing at the date of the transaction.

At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated to Euros at the rates then prevailing. Any resulting gains or losses are recognized directly in the income statement in the year in which they arise.

#### **4.3 Income tax**

Tax expense (tax income) comprises current tax expense (current tax income) and deferred tax expense (deferred tax income).

The current income tax expense is the amount payable by the Company as a result of income tax settlements for a given year. Tax credits and other tax benefits, excluding tax withholdings and prepayments, and tax loss carry forwards from prior years effectively offset in the current year reduce the current income tax expense.

## **PRICOL S.L.U.**

### **Notes to the abridged financial statements for the financial year ended on March 31<sup>st</sup> 2019**

The deferred tax expense or income relates to the recognition and derecognition of deferred tax assets and liabilities. These include temporary differences measured at the amount expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities and their tax bases, and tax loss and tax credit carry forwards. These amounts are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled.

Deferred tax liabilities are recognized for all taxable temporary differences, except for those arising from the initial recognition of goodwill or of other assets and liabilities in a transaction that is not a business combination and affects neither accounting profit (loss) nor taxable profit (tax loss), and except for those associated with investments in subsidiaries, associates and joint ventures in which the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognized to the extent that it is considered probable that the Company will have taxable profits in the future against which the deferred tax assets can be utilized.

Deferred tax assets and liabilities arising from transactions charged or credited directly to equity are also recognized in equity.

The deferred tax assets recognized are reassessed at the end of each reporting period and the appropriate adjustments are made to the extent that there are doubts as to their future recoverability. Also, unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that they will be recovered through future taxable profits.

#### **4.4 Revenue and expense recognition**

Revenue and expenses are recognized on an accrual basis, i.e. when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises. Revenue is measured at the fair value of the consideration received, net of discounts and taxes.

Revenue from sales is recognized when the significant risks and rewards of ownership of the goods sold have been transferred to the buyer, and the Company neither continues to manage the goods nor retains effective control over them.

Revenue from the rendering of services is recognized by reference to the stage of completion of the transaction at the end of the reporting period, provided the outcome of the transaction can be estimated reliably.

Interest income from financial assets is recognized using the effective interest method and dividend income is recognized when the shareholder's right to receive payment has been established. Interest and dividends from financial assets accrued after the date of acquisition are recognized as income.

#### **4.5 Provisions and contingencies**

The Director of the Company in preparing the annual accounts have mentioned:

- a) Provisions: creditor balances which refer to current obligations resulting from past events, likely to produce an outflow, but which are uncertain as to amount and/or payment date
- b) Contingent liabilities: obligations originating from past events, whose future materialization in the future depends on the occurrence of one or more future event independent of the will of the Company

The annual accounts contain all the provisions with a high probability of having to meet the obligation. Contingent liabilities are not recognized in the annual accounts; rather they are reported in the notes to the financial statements, provided they are not far-fetched.

The provisions are measured at their current value estimating as best as possible the amount necessary to cancel or transfer the obligation, taking into account all the information available about the event and its consequences, and booking the adjustments for updating the provisions as a financial expense.

## PRICOL S.L.U.

### Notes to the abridged financial statements for the financial year ended on March 31<sup>st</sup> 2019

The compensation received from a third party when settling an obligation, provided the reimbursement is certain, will be registered as an asset, except in the case of an already existing legal binding which has outsourced part of the risk, by virtue of which the Company is not obliged to respond, in this case, the compensation will be used to estimate the provision amount.

#### 4.6 Related party transactions

The Company performs all its transactions with related parties on an arm's length basis. Also, the transfer prices are adequately supported and, therefore, the Company's Director considers that there are no material risks in this connection that might give rise to significant liabilities in the future.

## 5. - Financial assets

### 5.1 Non-Current financial assets (long term financial investments)

On the basis of the classification established by the Spanish National Chart of Accounts in the accounting policies and measurement bases for financial assets, the Company maintains the following non-current balances at financial year end 2019 and 2018 (in Euros):

Categories	Class	Long term Financial investments	
		31.03.2019	31.03.2018
Long-term investments in group companies		30.264.341,10	23.374.556,79
Non-current credits to group companies (Mexico)		4.236.115,71	3.456.923,95
<b>Total</b>		<b>34.500.456,81</b>	<b>26.831.480,74</b>

### 5.2 Current financial assets (Short term financial investments)

On the basis of the classification established by the Spanish National Chart of Accounts in the accounting policies and measurement bases for financial assets, the Company maintains the following current balances at financial year end 2019 and 2018 (in Euros):

Categories	Class	Current financial instruments	
		31.03.2019	31.03.2018
Taxation authorities, receivables		-	3.958,39
Short term interest accrued with group companies		478.215,64	228.751,12
Short term credits in group companies (Brazil)		-	2.750.000,00
Current account with group companies		4.884.377,50	-
Prepaid expenses		1.955,47	54.566,67
Cash and cash equivalents		75.470,13	65.458,08
<b>Total</b>		<b>5.440.018,74</b>	<b>3.102.734,26</b>

The total amount included in the account "Short term interest accrued with group companies" is the total of the accrued interest of the credits for each year.

The 26th November 2018 the credits with Pricol do Brazil were capitalized into the value of the subsidiary with a value of 2.750.000,00 Euros.

The total amount included in the account "Current account with group companies" is related to the funds sent to the Subsidiaries Pricol do Brazil and Pricol Wiping Systems Mexico S.A.

Since the end of the year 2018 the Society have three bank accounts, one in Santander Bank and other two on an Indian Bank.

**PRICOL S.L.U.**Notes to the abridged financial statements for the financial year ended on March 31<sup>st</sup> 2019**5.3 Group companies**

The most significant information related to group companies at 2018 and 2017 financial year end is the following:

**Year 2019**

Name	% participation		Local currency					Euros	
	Direct	Indirect	Share capital	Result	Rest of Equity	Total of Equity	Dividends	Total of Equity (Euros)	Book Value
				Net					Cost
PRICOL DO BRASIL COMPONENTES AUTOMOTIVOS LTDA/Brasil / Reales	100	-	159.505.185,00	(39.110.423)	(151.810.637,25)	(31.415.875,34)	-	(6.911.492,57)	20.080.101,53
Pricol Wiping Systems Mexico S.A de CV. / Mexico / Pesos	99,99	0,01	74.329.810,00	(8.771.365,00)	(52.334.332,00)	13.224.113,00	-	581.860,97	3.238.510,98
PWS Czech / República Checa / Coronas	100	-	10.000,00	(123.274.650,00)	51.162.280,00	(72.102.370,00)	-	(1.853.751.932)	6.095.728,59
<b>Total</b>									<b>30.264.341,10</b>

**Year 2018**

Name	% participation		Local currency					Euros	
	Direct	Indirect	Share capital	Result	Rest of Equity	Total of Equity	Dividends	Total of Equity (Euros)	Book Value
				Net					Cost
PRICOL DO BRASIL COMPONENTES AUTOMOTIVOS LTDA/Brasil / Reales	100	-	118.652.505	(45.163.000)	(106.648.505,00)	(33.159.000,00)	-	(8.099.807,47)	14.040.317,22
Pricol Wiping Systems Mexico S.A de CV. / Mexico / Pesos	99,99	0,01	74.329.810,60	(11.815.317,00)	(40.519.015,60)	21.995.478,00	-	976.496,14	3.238.510,98
PWS Czech / República Checa / Coronas	100	-	10.000,00	(356.000,00)	158.922.000,00	158.576.000,00	-	6.237.010,82	6.095.728,59
<b>Total</b>									<b>23.374.556,79</b>

**Pricol DO BRASIL LTDA COMPONENTES**

The purpose of the Company is related to industry, commercial activities, import and export automotive articles as well as to render services related to automotive articles and to hold shares on other company's equity and/or share capital.

At 23<sup>th</sup> January 2015 the Company acquired the capital of PRICOL DO BRASIL COMPONENTES AUTOMOTIVOS LTDA., 66.782.312 shares amounting to 1 Brazilian Real corresponding to € 0,33.

At 31<sup>st</sup> March 2017, the company had also contributed 16.369.185, 00 Brazilian Reales into PRICOL DO BRASIL COMPONENTES AUTOMOTIVOS LTDA equity, increasing the total share capital of the entity to 97.123.185, 00 Brazilian Reales.

## PRICOL S.L.U.

### Notes to the abridged financial statements for the financial year ended on March 31<sup>st</sup> 2019

At 31<sup>st</sup> March 2018, the company had also contributed 14.717.063, 00 Brazilian Reales into PRICOL DO BRASIL COMPONENTES AUTOMOTIVOS LTDA equity, increasing the total share capital of the entity to 118.652.505, 00 Brazilian Reales.

At 31<sup>st</sup> March 2019, the company has a total of share capital of 159.505.185,00 Brazilian Reales.

#### **Pricol Wiping Systems Mexico S.A de CV**

The purpose of the Company is related to industry, commercial activities, import and export automotive articles as well as to render services related to automotive articles and to hold shares on other company's equity and/or share capital.

At 28<sup>th</sup> August 2017, the Company acquired 99.99% of the capital of Pricol Wiping Systems Mexico S.A de CV composed of 49.999 shares of the series AA and 79.027.390 shares of the series BB for an amount of 1 Mexican peso each of the shares.

At 31<sup>st</sup> March 2019, the company has a total of share capital of 74.329.810,00 Mexican peso.

#### **PWS Czech**

The purpose of the Company is related to industry, commercial activities, import and export automotive articles as well as to render services related to automotive articles and to hold shares on other company's equity and/or share capital.

At 26<sup>th</sup> July 2018, the Company acquired the capital PWS Czech composed of 10.000 shares for an amount of 1 Czech koruna.

At 31<sup>st</sup> March 2019, the company has a total of share capital of 10.000,00 Czech koruna.

## **6. - Financial liabilities**

### **6.1 Non-current financial liabilities (Long term financial investments)**

On the basis of the classification established by the Spanish National Chart of Accounts in the accounting policies and measurement bases for financial liabilities, the Company maintains the following non-current balances at year end 2019 and 2018 (in euros):

Class	Non-current financial instruments	
	31.03.2019	31.03.2018
Categories		
Long term debts with banks	17.801.513,12	16.232.448,67
<b>Total</b>	<b>17.801.513,12</b>	<b>16.232.448,67</b>

The amount of debts with credit institutions, correspond to two loans for the amount of 13.796.172,67 euros (15.500.000 USD) and 4.005.340.45 euros (4.500.000 USD) granted by the bank ICICI Bank in India .

Being the agreed interest rate of a fixed rate of 2.12% plus the Libor USD to six months for the first mentioned loan and a fixed rate of 3.12% plus the Libor USD to six months for the second loan. Whose maturities correspond to 7 years from the granting date of the loan, which is August 22 and September 28, 2024 respectively.

### **6.2 Current financial liabilities (Short term financial investments)**

On the basis of the classification established by the Spanish National Chart of Accounts in the accounting policies and measurement bases for financial liabilities, the Company maintains the following current balances at year end 2019 and 2018 (in euros):

## PRICOL S.L.U.

### Notes to the abridged financial statements for the financial year ended on March 31<sup>st</sup> 2019

Class Categories	Current financial instruments	
	31.03.2019	31.03.2018
Short term debts with group and assoc.	6.835.614,55	3.601.502,00
Interest on debts with credit entities	24.937,89	47.349,77
Commercial creditors with group and assoc.	36.759,00	930.593,00
Commercial creditors	19.500,55	35.763,38
Withholdings and payment on account	153,71	3,60
<b>Total</b>	<b>6.916.966,70</b>	<b>4.616.211,75</b>

## **7. - Shareholders' equity**

### **7.1 Share Capital**

Additionally, the Net Equity as at 31<sup>st</sup> March 2019 and 2018 is composed as follows (in euros):

	31.03.2019	31.03.2018
Share capital	17.967.127,00	10.340.140,00
Voluntary Reserves	(4.363,68)	(4.363,68)
Prior year Losses	(1.249.221,74)	(121.183,97)
Result of the year	(1.491.544,85)	(1.128.037,77)
<b>Total</b>	<b>15.221.996,73</b>	<b>9.086.654,58</b>

On March 31, 2018 the Company's share capital is 10.340.140,00 Euros, represented by fully subscribed and paid shares of 1,00 Euro par value each, all of the same class.

On March 31, 2019 the Company's share capital is 17.967.127,00 Euros, represented by fully subscribed and paid shares of 1,00 Euro par value each, all of the same class.

### **7.2 Legal reserve**

Under the Spanish Limited Liability Companies Law, 10% of net profit for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of the share capital. The legal reserve can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased share capital amount. Otherwise, until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose.

As at March 31<sup>st</sup> of 2019 the balance of this reserve had not reached the legally required minimum.

## **8. - Tax matters**

### **8.1 Years open for review and tax audits**

Under current legislation, taxes cannot be deemed to have been definitively settled until the tax returns filed have been reviewed by the tax authorities or until the four-year statute-of-limitations period has expired. At 2018 year end the Company has 2014 year and onwards opened for review for income tax and all other taxes applicable to it. The Board of Director of the Company consider that the tax returns for the aforementioned taxes have been filed correctly and, therefore, even in the event of discrepancies in the interpretation of current tax legislation in relation to the tax treatment afforded to certain transactions, such liabilities as might arise would not have a material effect on the accompanying financial statements.

### **8.2 Negative operating losses**

The NOLS that have been subject of liquidation or self-assessment can be offset with the positive incomes of the following years. Therefore, it is allowed the unlimited offsetting on time.



## PRICOL S.L.U.

### Notes to the abridged financial statements for the financial year ended on March 31<sup>st</sup> 2019

The statute of limitations for the Tax Administration to audit the pending NOLS is of 10 years from the day following the end of the voluntary period of submission of the return that generate the offset right.

#### 8.3 Tax Regime for Foreign-Securities Holding Companies (ETVE)

The Company has requested the application of the ETVE Regime according to the Corporate Income Tax Act. For such purpose, the company has submitted the communication before the Tax Administration for the application of the regime, according to the Corporate Income Tax Act on September 28<sup>th</sup>, 2015.

#### 8.3 Current balances with Tax Authorities

The detail of current balances receivable and payable to tax authorities in the closing year 2019 and 2018 is as follows:

##### Debit balances

	31.03.2019	31.03.2018
Taxation authorities	-	3,958,39

##### Credit balances

	31.03.2019	31.03.2018
Taxation authorities, withholding tax	153,71	3,60

#### 8.5 Corporate Income Tax

The conciliation between the accounting and tax result for the FY 2019 and 2018 is the following

	31.03.2019			31.03.2018		
	Increase	Decrease	Total	Increase	Decrease	Total
Accounting result			(1.491.544,85)			(1.128.037,77)
Permanent differences	5.055,00		5.055,00	5.000,00		5.000,00
Temporary differences: NOLS						
<b>Taxable base</b>			<b>(1.486.489,85)</b>			<b>(1.124.137,77)</b>

The company has adjusted in the CIT liquidation, an amount of 5.055,00 Euros due to they are deemed non-deductible expense for CIT purposes.

In the CIT return 2017, the company adjusted 5.000,00 Euros, due to they were deemed non-deductible expenses for CIT purposes.

## 9. - Income and Expenses

### 9.1 Other operating expenses

The breakdown of "Other operating expenses" of 2019 and 2018 is the following (in euros):

## PRICOL S.L.U.

Notes to the abridged financial statements for the financial year ended on March 31<sup>st</sup> 2019

	31.03.2019	31.03.2018
External services	261.408,33	1.357.860,16
<b>Total</b>	<b>261.408,33</b>	<b>1.367.860,16</b>

### 9.2 Other financial incomes

The breakdown of "Other financial incomes" of 2019 and 2018 is the following (in euros):

	31.03.2019	31.03.2018
Interest income Brazil credit	81.386,92	11.866,44
Interest income Brazil credit	148.427,67	61.189,76
Interest income México credit	11.080,45	-
<b>Total</b>	<b>240.895,04</b>	<b>73.056,20</b>

### 9.2 Other financial expenses

The breakdown of "Other financial expenses" of 2019 and 2018 is the following (in euros):

	31.03.2019	31.03.2018
Interest loan ICICI Bank	838.984,13	369.164,79
Other expenses	54.566,67	79.260,33
<b>Total</b>	<b>893.550,80</b>	<b>448.425,12</b>

## 10.- Related party transactions

### 10.1 Related parties operations

The detail of the account "related party operations" at the end of 2019 and 2018 shows the following breakdown (in euros):

#### Year 2019

	Parent company	Group Companies
	31.03.2019	31.03.2019
Expenses	102.239,00	-
Ingresos por intereses devengados pero no pagados	-	240.895,04

#### Year 2018

	Parent company	Group Companies
	31.03.2019	31.03.2019
Expenses	930.593,00	-
Ingresos por intereses devengados pero no pagados	-	73.056,20

### 10.2 On-balance with related parties

The detail of the account "on-balance with related parties" at the end of 2019 and 2018 shows the following breakdown (in euros):

## PRICOL S.L.U.

Notes to the abridged financial statements for the financial year ended on March 31<sup>st</sup> 2019

### Year 2019

	Parent company	Group Companies
	31.03.2019	31.03.2019
A) NON-CURRENT ASSETS		
1. Investments in group companies and associates		
a) Loans to group companies		4.236.115,71
B) CURRENT ASSETS		
1. Investments in group companies and associates		478.215,64
2. Investments in group companies and associates		4.864.377,50
a) Interest loans to group companies		
C) CURRENT LIABILITIES		
3. Short term debts	6.835.614,35	
5. Suppliers, related entities	36.759,00	

The total amount included in the account "Loans to group companies" makes reference to the credits with Pricol México as of March 2019.

The total amount included in the account "Investments in group companies and associates" make reference to the total interest of the credits.

The total amount included in the account "2. Investments in group companies and associates" make reference to the funds send to Pricol do Brazil and México.

The total amount included in the account "Short term debts" is related to the funds received from the Sole Shareholder, Pricol Limited as of march 2019.

The total amount included in the account "Suppliers, related entities" makes reference to the Invoices received from Pricol Limited.

### Year 2018

	Parent company	Group Companies
	31.03.2019	31.03.2019
A) NON-CURRENT ASSETS		
1. Investments in group companies and associates		
a) Loans to group companies		3.456.923,95
B) CURRENT ASSETS		
1. Investments in group companies and associates		2.978.751,12
a) Interest loans to group companies		
C) CURRENT LIABILITIES		
3. Short term debts	3.601.502,00	
5. Suppliers, related entities	930.593,00	

The total amount included in the account "Loans to group companies" makes reference to the credits with Pricol México as of March 2019.

The total amount included in the account "Investments in group companies and associates" make reference to the total interest of the credits.

The total amount included in the account "Short term debts" is related to the funds received from the Sole Shareholder, Pricol Limited.

The total amount included in the account "Suppliers, related entities" makes reference to the Invoices received from Pricol Limited.

### **10.3 Remunerations of the Board members and Senior Management**

During the year 2019 the Sole Director incurred in 5.500,00 euros of remuneration and in 2018 was 5.000,00

## PRICOL S.L.U.

Notes to the abridged financial statements for the financial year ended on March 31<sup>st</sup> 2019

euros.

### **10.4 Information relating to conflicts of interest by the Director.**

For the purposes of the article 229 of the Corporate Law, it is noted that during 2019 fiscal year neither the sole administrator nor any related parties have held any charges or share participation, neither direct nor indirect, with third parties, in which it would exist conflict of interest with the Company.

## **11.- Information on the environment and greenhouse emission rights**

### **11.1 Information on the environment**

No expenses were incurred as of the 31<sup>st</sup> March 2019 in relation to the protection and improvement of the environment. Similarly, no charges or contingencies arose for which a provision for environmental costs was required, and no contingencies relating to environmental protection and improvement emerged.

### **11.2 Information on greenhouse gases emission rights**

During the year, the Company did not register any changes related to greenhouse gases emission rights or allocation of these rights.

## **12.- Disclosures on the payment periods to suppliers. Additional Provision Three. "Disclosure obligation" provided for in Law 15/2010, of 5 July**

The information required by Additional Provision Three of Law 15/2010, of July 5 (modified through the second final provision of Law 31/2014, of March 3) prepared in accordance with detailed resolution ICAC of 29 January 2018 on the information included in the notes of the financial statements in relation to the average payment period to suppliers in commercial operations.

	2019	2018
	Days	Days
Average payment period to suppliers	48	99

The information disclosed in the above chart about payments to suppliers is related to commercial creditors regarding debts due to supply of goods and services. Meaning that there is relative information exposed in the "Other creditors" heading from current liabilities in the balance sheet.

The maximum legal period of payment applicable to the Company in the 2018 period following the Law 2/2004 dated on 29<sup>th</sup> March in which measures to encounter morosity in commercial operations have been established, is 60 days.

## **13. - Events after year end**

No significant events have taken place subsequent to the 2019 year end which could require modification of the 2018 annual accounts or of the application of the going concern principle.

**PRICOL S.L.U.**

Notes to the abridged financial statements for the financial year ended on March 31<sup>st</sup> 2019

**14. - Explanation added for translation to English**

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



Gopalakrisman Smakulam.



Sirdhar Jambunathan



Alberto Osacar

19 de Junio de 2019