

UNIPARTS EUROPE BV
THE NETHERLANDS, VARSSEVELD

Report on the annual accounts 2019/2020

INDEX

Page

FINANCIAL STATEMENTS

| | | |
|---|---|----|
| 1 | Balance sheet as of March 31, 2020 | 4 |
| 2 | Profit and loss account 2019/2020 | 5 |
| 3 | Notes to the financial statements 2019/2020 | 6 |
| 4 | Notes to the balance sheet as at March 31, 2020 | 8 |
| 5 | Notes to the profit and loss account 2019/2020 | 11 |

OTHER INFORMATION

| | | |
|---|--|----|
| 1 | Statutory rules concerning appropriation of result | 13 |
| 2 | Independent auditor's report | 14 |

FINANCIAL STATEMENTS

Uniparts Europe BV, Varsseveld

1 BALANCE SHEET AS OF MARCH 31, 2020 (before appropriation of result)

| | March 31, 2020 | | March 31, 2019 | |
|---------------------------------|----------------|-----------------------|----------------|-----------------------|
| | € | € | € | € |
| ASSETS | | | | |
| FIXED ASSETS | | | | |
| Financial fixed assets | (1) | | | |
| Loan receivable | | 600,000 | | 600,000 |
| CURRENT ASSETS | | | | |
| Debtors | (2) | | | |
| Amounts to be received | | 5,000 | | 5,000 |
| Prepayments and accrued income | | 10,542 | | 6,977 |
| | | <u>15,542</u> | | <u>11,977</u> |
| Cash at bank and in hand | (3) | 32,665 | | 35,032 |
| TOTAL OF ASSETS | | <u><u>648,207</u></u> | | <u><u>647,009</u></u> |

| | March 31, 2020 | | March 31, 2019 | |
|--|----------------|----------------|----------------|----------------|
| | € | € | € | € |
| <i>EQUITY AND LIABILITIES</i> | | | | |
| CAPITAL AND RESERVES | (4) | | | |
| Issued share capital | 1,100,000 | | 1,100,000 | |
| Other reserves | (460,768) | | (457,683) | |
| Result for the year | 1,562 | | (3,085) | |
| | | 640,794 | | 639,232 |
| CURRENT LIABILITIES | (5) | | | |
| Other creditors | 6,074 | | 6,439 | |
| Accruals and deferred income | 1,339 | | 1,338 | |
| | | 7,413 | | 7,777 |
| TOTAL OF EQUITY AND LIABILITIES | | <u>648,207</u> | | <u>647,009</u> |

Uniparts Europe BV, Varsseveld

2 PROFIT AND LOSS ACCOUNT 2019/2020

| | | 2019/2020 | | 2018/2019 | |
|--|-----|-----------|-----------------|-----------|-----------------|
| | | € | € | € | € |
| Expenses | | | | | |
| General costs | (6) | | 12,468 | | 17,077 |
| Operating result | | | <u>(12,468)</u> | | <u>(17,077)</u> |
| Interest receivable and similar income | (7) | | 14,030 | | 13,992 |
| Result | | | 1,562 | | (3,085) |
| Taxation on ordinary activities | | | 0 | | 0 |
| Result | | | <u>1,562</u> | | <u>(3,085)</u> |

3 **NOTES TO THE FINANCIAL STATEMENTS 2019/2020**

GENERAL

General information

The main objects of the company are: production, manufacture, sales, marketing and export of heavy and light engineering products and allied engineering products, hydraulic components, tractor linkage parts systems and solutions, agriculture implements parts and construction equipment parts;

The address of the company's registered office is Herikerbergweg 238 Luna ArenA, 1101 CM Amsterdam, the Netherlands. The company, having its legal seat at Varsseveld, is registered in the Trade Register No. 09167618.

Continuity

The accounting policies used are based on the assumption of continuity of the company.

GENERAL ACCOUNTING PRINCIPLES FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements are drawn up in accordance with the provisions of Titel 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving'). Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost. In the balance sheet, income statement and the cash flow statement, references are made to the note.

Comparison with previous year

The valuation principles and method of determining the result are the same as those used in the previous year.

ACCOUNTING PRINCIPLES APPLIED TO THE VALUATION OF ASSETS AND LIABILITIES

Financial fixed assets

Receivables recognised under financial fixed assets are initially valued at the fair value less transaction cost (if material). These receivables are subsequently valued at amortised cost. For determining the value, any impairments is taken into account.

Deferred tax assets are stated under the financial fixed assets if and to the extent it is probable that the tax claim can be realised in due course. Due to uncertainties regarding the possibility of realizing future profits, an amount of € 9,628 has not been recognised at March 31, 2020.

Debtors

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost. If payment of the receivable is postponed under an extended payment deadline, fair value is measured on the basis of the discounted value of the expected revenues. Interest gains are recognised using the effective interest method. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables.

Cash at bank and in hand

Cash at banks and in hand represent cash in hand, bank balances and deposits with terms of less than twelve months. Cash at bank and in hand is carried at nominal value.

Current liabilities

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received, taking into account premiums of discounts, less transaction cost.

This usually is the nominal value.

PRINCIPLES FOR THE DETERMINATION OF THE RESULT

Financial income and expenses

Interest income is recognised on a pro rata basis, taking account of the effective interest rate of the assets to which it relates.

General and administrative expenses comprise costs chargeable to the year that are not directly attributable to the cost of the goods and services sold.

Taxes

Taxation on the result is calculated based on the result before tax in the income statement, taking account of the losses available for set-off from previous financial years (to the extent that they have not already been included in the deferred tax assets) and exempt profit components and after the addition of non-deductible costs. Due account is also taken of changes which occur in the deferred tax assets and deferred tax liabilities in respect to changes in the applicable tax rate.

4 NOTES TO THE BALANCE SHEET AS AT MARCH 31, 2020

FIXED ASSETS

1. Financial fixed assets

| | <u>3/31/2020</u> | <u>3/31/2019</u> |
|------------------------|------------------|------------------|
| | € | € |
| Loan receivable | | |
| Uniparts India GmbH | 600,000 | 600,000 |
| | <u>600,000</u> | <u>600,000</u> |

The rate of interest is monthly Euribor plus 230 bps. No securities have been agreed.

CURRENT ASSETS

2. Debtors

Amounts to be received

| | | |
|----------------|--------------|--------------|
| Sundry Debtors | 5,000 | 5,000 |
| | <u>5,000</u> | <u>5,000</u> |

Prepayments and accrued income

| | | |
|---------------------|---------------|--------------|
| Interest receivable | 10,542 | 6,977 |
| | <u>10,542</u> | <u>6,977</u> |

3. Cash at bank and in hand

| | | |
|------------------|---------------|---------------|
| ABN AMRO Bank NV | 32,665 | 35,032 |
| | <u>32,665</u> | <u>35,032</u> |

4. CAPITAL AND RESERVES

| | <u>3/31/2020</u> | <u>3/31/2019</u> |
|---|------------------|------------------|
| | € | € |
| Issued share capital | | |
| The authorised capital concerns 1,100,000 shares with a par value of € 1. | <u>1,100,000</u> | <u>1,100,000</u> |
| | <u>2019/2020</u> | <u>2018/2019</u> |
| | € | € |
| Other reserves | | |
| Balance as at April 1 | (457,683) | (458,345) |
| Result for the prior financial year | (3,085) | 662 |
| Balance as at March 31 | <u>(460,768)</u> | <u>(457,683)</u> |
| Result for the year | | |
| Balance as at April 1 | (3,085) | 662 |
| Unappropriated prior year result | 3,085 | (662) |
| Unappropriated result for the year | <u>1,562</u> | <u>(3,085)</u> |
| Balance as at March 31 | <u>1,562</u> | <u>(3,085)</u> |

The board of directors proposes that the result for the financial year 2019/2020 amounting to € 1,562 should be transferred to reserves in 2020/2021.
Pending the approval of this proposal by the General Meeting of Shareholders the financial statements do not yet reflect this proposal. The result has been included in the entry of unappropriated result.

5. CURRENT LIABILITIES

| | <u>3/31/2020</u> | <u>3/31/2019</u> |
|------------------------|------------------|------------------|
| | € | € |
| Other creditors | | |
| Sundry Creditors | <u>6,074</u> | <u>6,439</u> |

Uniparts Europe BV, Varsseveld

| | <u>3/31/2020</u> | <u>3/31/2019</u> |
|-------------------------------------|------------------|------------------|
| | € | € |
| Accruals and deferred income | | |
| Legal & Professional Charges | <u>1,339</u> | <u>1,338</u> |

5 **NOTES TO THE PROFIT AND LOSS ACCOUNT 2019/2020**

Staff

During the financial year 2019/2020 the company had no staff.

Other operating expenses

| | <u>2019/2020</u> | <u>2018/2019</u> |
|------------------------------|------------------|------------------|
| | € | € |
| 6. General costs | | |
| Audit fees | 4,834 | 10,273 |
| Legal & Professional Charges | 7,484 | 6,613 |
| Bank Charges | 150 | 191 |
| | <u>12,468</u> | <u>17,077</u> |

Financial income and expenses

7. Interest receivable and similar income

| | | |
|----------|---------------|---------------|
| Interest | <u>14,030</u> | <u>13,992</u> |
|----------|---------------|---------------|

Signing of the financial statements

The Netherlands, Varsseveld
August 28, 2020

G.S. Soni

P.S. Soni

OTHER INFORMATION

OTHER INFORMATION

1 Statutory rules concerning appropriation of result

Article 18.

The income is at the disposal of the general meeting of shareholders. They can appropriate the income whole or partly into formation of - or contribution to - one or more general or special reserve funds.

a. The company can only distribute the distributed income to the shareholders and other authorities if the shareholders' equity exceed the issued and paid-in capital increased with legal reserves.

b. The income will be distributed after adoption of the annual accounts from which allowance appears.

c. There will be no distribution of income to shares hold by the company.

In the calculation of the appropriation of income, the companies own shares do not count.

They only count if they are loaded with usufruct or if there are issued share certificates with cooperation of the company.

The company can make interim contributions to the reserve fund, only if the shareholders' equity exceed the issued and paid-in capital increased with legal reserves as meant in paragraph 2a.

2 INDEPENDENT AUDITOR'S REPORT

To: the shareholders and directors of Uniparts Europe BV

A. Report on the audit of the financial statements 2019/2020 included in the report on the annual accounts

Our opinion

We have audited the financial statements 2019/2020 of Uniparts Europe BV, based in Varsseveld, the Netherlands.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Uniparts Europe BV as at March 31, 2020, and of its result for 2019/2020 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. the company balance sheet as at March 31, 2020;
2. the company profit and loss account for 2019/2020; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Uniparts Europe BV in accordance with the "Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten" (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the "Verordening gedrags- en beroepsregels accountants" (VGBA, Dutch Code of Ethics).

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

B. Description of responsibilities regarding the financial statements

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

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. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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;
- Obtaining 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;
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Concluding on the appropriateness of 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 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 a company to cease to continue as a going concern;
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Enschede, August 28, 2020

KroeseWevers Audit BV

R. Iking MSc RA