

Vredestein Consulting B.V.

Enschede, the Netherlands

ANNUAL REPORT 2017-2018

Vredestein Consulting B.V.

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Vredestein Consulting B.V.

DIRECTORS REPORT

The Board of Directors herewith submits the Annual Report of Vredestein Consulting B.V. for the financial year ended March 31, 2018.

Summary of activities

The Company mainly acts as a supplier of tyre technology.

Result for the year

During the year under report the company recorded a profit of EUR 55,920 (previous year EUR 437,703 profit).

Future outlook

The company is in contact with various parties for consulting agreements in the coming years.

Post balance sheet events

No major post balance sheet events affecting the financial statements have occurred to date.

The Board of Directors

R. Dewan



Amsterdam,

Vredestein Consulting B.V.

Balance Sheet as at March 31
(In Euro, after appropriation of results)

	<u>Notes</u>	<u>2017-2018</u>	<u>2016-2017</u>
ASSETS			
CURRENT ASSETS			
	3		
Receivables		3,164,008	2,415,565
Liquid assets		<u>647,780</u>	<u>1,254,928</u>
		<u>3,811,788</u>	<u>3,670,493</u>
EQUITY AND LIABILITIES			
EQUITY			
	4		
Issued capital		22,689	22,689
Other reserves		<u>3,588,374</u>	<u>3,532,453</u>
		<u>3,611,063</u>	<u>3,555,142</u>
CURRENT LIABILITIES			
	5		
Other liabilities		<u>200,725</u>	<u>115,351</u>
		<u>200,725</u>	<u>115,351</u>
		<u>3,811,788</u>	<u>3,670,493</u>

Vredestein Consulting B.V.

**Profit and Loss Account
for the period from April 1 till March 31
(In Euro)**

	<u>Notes</u>	<u>2017-2018</u>	<u>2016-2017</u>
REVENU			
Net turnover		140,166	718,113
OPERATING EXPENSES			
Employee expenses	6	52,864	142,308
Other expenses	7	19,495	51,512
Interest expenses		-	-
TOTAL EXPENSES		<u>72,359</u>	<u>193,820</u>
NET RESULT BEFORE TAXATION		67,807	524,292
Corporate income tax		<u>11,887</u>	<u>86,589</u>
NET RESULT AFTER TAXATION		<u>55,920</u>	<u>437,703</u>

Vredestein Consulting B.V.

Notes to the Financial Statements 2017-2018
(In Euro)

1. GENERAL

Vredestein Consulting B.V. is a Dutch private company with limited liability, incorporated on 22-12-1992 and has its statutory seat in Enschede, the Netherlands.

2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES

(a) General

The principles adopted for the valuations of assets and liabilities and determination of the result are based on the historical cost convention.
If not stated otherwise, assets and liabilities are shown at nominal value.

(b) Receivables

Receivables are stated at nominal value less a provision for indebtedness if necessary.

Vredestein Consulting B.V.

Notes to the Financial Statements 2017-2018
(In Euro)

3. CURRENT ASSETS	2017-2018	2016-2017
Receivables from related parties (Apollo Vredestein B.V.)	2,998,802	2,299,102
Receivables from related parties (Apollo Tyres Hungary Kft)	-	6,500
Receivables from third parties	165,206	109,963
	<u>3,164,008</u>	<u>2,415,565</u>

4. EQUITY

The company's authorised share capital amounts to EUR 22,690 divided into 22,690 ordinary shares of EUR 1. Issued share capital comprises 22,689 shares.

	Issued Share Capital	Other Reserves	Retained profits	Total
Balance as at April 1,	22,689	2,881,071	651,382	3,555,142
Result for the year	-	-	55,920	55,920
Balance as at March 31,	<u>22,689</u>	<u>2,881,071</u>	<u>707,302</u>	<u>3,611,063</u>

5. CURRENT LIABILITIES	2017-2018	2016-2017
Value added tax	69,178	28,762
Corporate income tax	98,476	86,589
Other liabilities	33,071	-
	<u>200,725</u>	<u>115,351</u>

6. EMPLOYEE EXPENSES	2017-2018	2016-2017
Salaries	28,887	98,103
Social security charges including pensions	9,342	22,814
Other personnel expenses	650	3,753
Temporary labour	13,986	17,638
	<u>52,864</u>	<u>142,308</u>

Average number of employees	1	4
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7. OTHER EXPENSES	2017-2018	2016-2017
Travel expenses	11,799	19,531
Testing materials	104	10,936
Other general expenses	7,592	21,046
	<u>19,495</u>	<u>51,512</u>

The Board of Directors,

R. Dewan

Amsterdam,

A handwritten signature in blue ink, appearing to be 'R. Dewan', written over the printed name.

Vredestein Consulting B.V.

Other information

1. AUDIT

Since the Company qualifies as a "small sized company", it is not legally required to have its accounts audited as provided for in Article 396, Book 2 of the Dutch Civil Code.

2. RESULT DISTRIBUTION ACCORDING TO ARTICLES OF ASSOCIATION

According to article 23 of the Articles of Association, the other reserves are at the free disposal of the Annual General Meeting of Shareholders.

Furthermore, Dutch law prescribes that any profit distribution may only be made to the extent that the shareholders' equity exceeds the amount of the issued capital and the legal reserves.

3. APPROPRIATION OF THE RESULT

The profit realised by the Company during the year under review will be credited the other reserves.

4. POST BALANCE SHEET EVENTS

No major post balance sheet events affecting the financial statements have occurred to date.