

APOLLO VREDESTEIN IBÉRICA, S.A.U.

Financial Statements for the year ended March 31st 2021 and Director's Report, together with Independent Auditor's Report

Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain and of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company in Spain (see Notes 1 and 18). In the event of a discrepancy, the Spanish-language version prevails.



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Memory of the annual accounts of the exercise finished on the 31st of March 2021 (Expressed in Euros)

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company in Spain. In the event of a discrepancy, the Spanish-language version prevails



ASSETS	Notes to the report	2021	2020
A) NON-CURRENT ASSETS		125,299	137,814
I. Intangible Fixed Assets		0	0
1. Development			
2. Concessions			
3. Patents, licenses, trademarks & other intangible fixed assets			
4. Goodwill			
5. Computer applications			
6. Re-search			
7. Intellectual property			
8. Greenhouse gas emission allowance trading.			
9. Other intangible fixed assets.			
II. Tangible Fixed Assets	6	111,987	125,121
1. Properties and constructions			
2. Technical installations & other tangible fixed assets		111,987	125,121
3. Fixed assets under construction and advances			
III. Real estate investments.		0	0
1. Properties			
2. Constructions			
IV. Long-Term Investments in Group and Associated Companies		0	0
1. Financial investments			
2. Company loans			
3. Securities representing debt			
4. Derivatives			
5. Other financial assets			
6. Other investments			
V. Long-Term Financial Investments	7.1	13,312	12,693
1. Financial investments			
2. Third party loans			
3. Securities representing debt			
4. Derivatives			
5. Other financial assets		13,312	12,693
6. Other investments			
VI. Deferred Tax Assets			
VII. Non-current trade payables.			
B) CURRENT ASSETS		6,120,133	6,267,445
I. Non-Current Assets Maintained for Sale			
II. Stock	8	628,901	883,798
1. Trade		628,901	883,798
2. Raw materials and other supplies			
3. Products in progress			
4. Finished products			
5. By-products, waste & recovered materials			
6. Advances to suppliers		0	0
III. Trade Debtors and Other Accounts Receivable	7.2	1,505,748	1,231,087
1. Customers, sales and services rendered		1,350,337	1,218,221
2. Customers, group and associated companies		115,863	2,921
3. Sundry debtors		39,515	9,923
4. Personnel.			
5. Assets through current taxes			
6. Other Public Administration Credits	12.b	33	22
7. Stakeholders (partners) through forced disbursement			
IV. Short-Term Investments in Group and Associated Companies	7.3	3,702,252	3,498,610
1. Financial investments			
2. Company loans		3,702,252	3,498,610
3. Securities representing debt			
4. Derivatives			
5. Other financial assets			
6. Other investments			
V. Short-Term Investments in Group and Associated Companies		0	0
1. Financial investments			
2. Company loans			
3. Securities representing debt			
4. Derivatives			
5. Other financial assets			
6. Other investments			
VI. Short-Term installments			
VII. Cash and other equivalent liquid assets		283,232	653,950
1. Cash		283,232	653,950
2. Cash equivalent			
TOTAL ASSETS (A+B)		6,245,432	6,405,259

Memory of the annual accounts of the exercise finished on the 31st of March 2021 (Expressed in Euros)

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EQUITY & LIABILITIES	Notes to the report	2021	2020
A) EQUITY		5,163,127	5,163,619
A-1) Total Equity		5,163,127	5,163,619
I. Capital.	9	3,101,245	3,101,245
1. Stated capital		3,101,245	3,101,245
2. (Non-due capital).			
II. Share premium			
III. Reserves	9	2,062,373	1,956,079
1. Legal and statutory		366,479	355,850
2. Other reserves		1,695,894	1,600,229
2. Revaluation reserve			
IV. (Own equity shares).			
V. Year End P&L		0	0
1. Balance carried forward			
2. (Negative Year End P&L)		0	0
VI. Other contributions by partners			
VII. Year End P&L		-491	106,295
VIII. (Interim dividend)			
IX. Other financial investments			
A-2) Value Change Adjustments		0	0
I. Financial assets available for sale			
II. For operation hedges			
III. Non-current liabilities linked assets held for sale.			
VI. Non-current trade payables.			
V. Other			
A-3) Received subsidies, donations and legacies			
B) NON-CURRENT LIABILITIES		0	0
I. Long-Term Provisions		0	0
1. Long-term personnel obligations			
2. Environmental activities			
3. Restructuring provisions			
4. Other provisions.			
II Long-term Debts		0	0
1. Liabilities & other negotiable instruments			
2. Bank loans			
3. Financial leasing creditors			
4. Derivatives			
5. Other financial liabilities			
III. Long-Term Group & Associated Company Debts			
IV. Deferred Tax Liabilities			
V. Long-term installments			
VI. Non-current trade payables.			
VII. Debt Long-term special features.			
C) CURRENT LIABILITIES		1,082,305	1,241,640
I. Liabilities linked to non-current assets maintained for sale			
II. Short-Term Provisions			
1. Provisions for allowances of greenhouse gases.			
2. Other provisions.			
III. Short-Term Debts		0	0
1. Liabilities and other negotiable instruments			
2. Bank loans			
3. Financial leasing creditors			
4. Derivatives.			
5. Other financial liabilities			
IV. Short-term debts with group and associated companies			
V. Trade Creditors and Other Accounts Payable	10	1,082,305	1,241,640
1. Suppliers			
2. Suppliers, group and associated companies		0	540,801
3. Sundry creditors		506,553	327,538
4. Personnel (outstanding remunerations).		186,131	108,837
5. Current tax liabilities	12.b	102,043	143,180
6. Other Public Administration debts	12.b	287,578	120,632
7. Customer advances		0	652
VI. Short-Term installments			
VII. Debts with special features short term.			
TOTAL NET WORTH & LIABILITIES (A+B+C)		6,245,432	6,405,259

Memory of the annual accounts of the exercise finished on the 31st of March 2021 (Expressed in Euros)

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company in Spain. In the event of a discrepancy, the Spanish-language version prevails

PROFIT AND LOSS ACCOUNT FOR YEAR ENDED MARCH 31st, 2021 and 2020

	Notes	(Debit) Credit	
		2021	2020
A) ONGOING OPERATING ACTIVITIES			
1. Net turnover	13.a	18,897,127	18,033,336
a) Sales		18,897,127	18,033,336
b) Services rendered		0	0
c) Income from financial nature of the Holding companies.			
2. Variation in stocks of finished goods & products in progress			
3. Work performed for company's assets			
4. Supplies.	13.b	-14,368,308	-12,810,517
a) Consumption of commodities		-14,381,374	-12,810,517
b) Consumption of raw materials and other consumables			
c) Contracted services			
d) Depreciation of commodities, raw materials and other supplies		13,066	0
5. Other operating income		696,592	434,028
a) Non-core and other operating income		684,863	434,028
b) Operating subsidies included in the year's P&L		11,729	0
6. Personnel costs	13.c	-1,275,115	-1,021,443
a) Wages, salaries and similar costs		-1,034,876	-831,237
b) Social security contributions		-240,239	-190,206
c) Provisions			
7. Other operating expenses	13.d	-3,869,715	-4,403,159
a) External services		-3,866,758	-4,402,810
b) Taxes		0	0
c) Losses, depreciation and variation in provisions for commercial operations		-2,957	-349
d) Other current operating expenses			
e) Expenses emission of greenhouse gases.			
8. Fixed Asset Amortization	6	-24,406	-22,593
9. Allocation of Non-Financial & Other Fixed Asset Subsidies			
10. Excess Provisions			
11. Depreciation and Fixed Asset Disposal Results		0	0
a) Depreciation & losses			
b) Disposal and other results			
c) Depreciation and Fixed Asset Disposal Results of the Holding companies.			
12. Negative goodwill on business combinations			
13. Other Operating Results		11	0
A.1) OPERATING RESULT (1+2+3+4+5+6+7+8+9+10+11+12+13)		56,186	209,652
14. Financial income	14.a	45,366	39,823
a) From shares in financial investments			
a ₁) Group and associated companies			
a ₂) Third parties			
b) From marketable securities and other financial instruments		45,366	39,823
b ₁) Group and associated companies		45,366	39,823
b ₂) Third parties			
c) Received subsidies, donations and legacies			
15. Financing costs		0	0
a) For group and associated company debts			
b) For third party debts			
c) For revaluation of provisions			
16. Reasonable value variation of financial instruments		0	0
a) Negotiation portfolio and other			
b) Allocation to P&L of financial assets available for sale			
17. Exchange Rate Differences			
18. Depreciation and results from the sale of financial instruments		0	0
a) Depreciation and losses			
b) Sales results and other results			
19. Other finance income and costs			
a) Addition to assets of financial expenses.			
b) Income from financial arrangements with creditors.			
c) Other income and expenses.			
A.2) INTEREST P&L (14+15+16+17+18+19)		45,366	39,823
A.3) PRE-TAX P&L (A.1+A.2)		101,552	249,475
20. Income Tax	12.c	-102,043	-143,180
A.4) YEAR-END P&L FROM ONGOING OPERATIONS (A.3+20)		-491	106,295
B) DISCONTINUED OPERATIONS			
21. P&L attributed to net discontinued operations			
A.5) YEAR-END P&L (A.4+21)		-491	106,295

Memory of the annual accounts of the exercise finished on the 31st of March 2021 (Expressed in Euros)

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CASH FLOWS FOR YEAR ENDED MARCH 31st, 2021 and 2020			
	Notes	2021	2020
A) CASH FLOWS FROM OPERATING ACTIVITIES			
1. PRE-TAX P&L		101,552	249,475
2. P&L Adjustments		-31,069	-16,881
a) Fixed asset amortization (+).		24,406	22,593
b) Value corrections due to depreciation (+/-).		2,957	349
c) Changes in provisions (+/-).		-13,066	0
d) Allocation of subsidies (-).			
e) Removal or sale of fixed assets (+/-).		0	0
f) Cancellation or sale of financial investments (+/-).			
g) Income (-).		-45,366	-39,823
h) Expenses (+).			
i) Exchange rate differences (+/-).			
j) Reasonable value changes in financial instruments (+/-).			
k) Other income and expenses (-/+).			
3. Changes in working capital		-372,632	184,350
a) Stocks (+/-).		267,963	-198,552
b) Creditors and other accounts receivable (+/-).		-277,618	1,745,458
c) Other current assets (+/-).		-203,642	-236,165
d) Creditors and other accounts payable (+/-).		-159,335	-1,126,391
e) Other current liabilities (+/-).			
f) Other non-current assets and liabilities (+/-)			
4. Other operating cash flows		-56,677	-103,357
a) Interest payments (-).			
b) Accrued dividends (+).			
c) Accrued interest (+).		45,366	39,823
d) Accrued (paid) income tax (+/-).		-102,043	-143,180
e) Other payables (receivables) (-/+)		0	0
5. Cash flows from operating activities (+/--1+/-2+/-3+/-4)		-358,826	313,587
B) CASH FLOWS FROM INVESTMENTS			
6. Investment payments (-).		-11,892	-49,913
a) Group and associated companies			
b) Intangible fixed assets			
c) Tangible fixed assets		-11,272	-47,459
d) Real estate investments			
e) Other financial assets		-620	-2,454
f) Non-current assets for sale			
g) Business unit			
h) Other assets			
7. Accrued disinvestments (+).		0	0
a) Group and associated companies			
b) Intangible fixed assets			
c) Tangible fixed assets			
d) Real estate investments			
e) Other financial assets			
f) Non-current assets for sale			
g) Business unit			
h) Other assets			
8. Cash flows from investments (7-6)		-11,892	-49,913
C) CASH FLOWS FROM FINANCING ACTIVITIES			
9. Financial instrument receivables and payables		0	0
a) Issue of financial investments (+).			
b) Depreciation of financial investments (-).			
c) Purchase of own equity investments (-).			
d) Sale of own equity investments (+).			
e) Subsidies, donations and legacies		0	0
10. Financial instrument receivables and payables			
a) Issue			
1. Liabilities and other negotiable instruments (+).			
2. Bank loans (+).			
3. Group and associated companies debts (+).			
4. Special debts (+).			
5. Other debts (+).			
b) Return and amortization of		0	0
1. Liabilities and other negotiable instruments (-).			
2. Bank loans (-).			
3. Group and associated companies debts (-).			
4. Special debts (-).			
5. Other debts (-).			
11. Other financial instrument receivables and payables			
a) Dividends (-).			
b) Remuneration of other financial instruments (-).			
12. Cash flows from financing activities (+/-9+/-10-11)		0	0
D) Effect of differences in exchange rate			
E) NET CASH INCREASE/DECREASE OR EQUIVALENT (+/-5+/-8+/-12+/-D)		-370,718	263,674
Cash or equivalent at start of fiscal year		653,950	390,276
Cash or equivalent at end of fiscal year		283,232	653,950

Memory of the annual accounts of the exercise finished on the 31st of March 2021 (Expressed in Euros)

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company in Spain. In the event of a discrepancy, the Spanish-language version prevails

A) STATEMENT OF RECORDED INCOME AND EXPENSES FOR THE YEAR ENDED MARCH 31st, 2021 and 2020

	Notes to the report	2021	2020
A) Profit & Loss Account		-491	106,295
Income & expenditure charged directly to net worth			
I. For valuation of financial instruments.			
1. Financial assets available for sale			
2. Other income/expenses			
II. For cash flow hedges			
III. Received subsidies, donations and legacies		11,729	0
IV. For actuarial profits & losses and other adjustments			
V. Non-current liabilities linked assets held for sale.			
VI. Translation differences			
VII. Tax effect			
B) Total income and expenditure charged directly to net worth (I+II+III+IV+V+VI+VII)		11,729	0
Transfers to the P&L account			
VIII. For financial instruments valuation			
1. Financial assets available for sale.			
2. Other income/expenses			
IX. For cash flow hedges			
X. Received subsidies, donations and legacies.			
XI. Non-current liabilities linked assets held for sale.			
XII. Translation differences.			
XIII. Tax effect.			
C) Total transfers to the P&L Account (VI+VII+VIII+IX+X+XI+XII+XIII)			
TOTAL RECORDED INCOME AND EXPENDITURE (A+B+C)		11,238	106,295

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APOLLO VREDESTEIN IBÉRICA, S.A.U.

B) TOTAL CHANGES IN NET WORTH FOR YEAR ENDED MARCH 31st, 2021 and 2020

	Capital		Issue premium	Reserves	(Own shares in net worth)	Previous year P&L	Other partner contributions	Year End P&L (Interim dividend)	Other net worth instruments	Value change adjustments	Subsidies, donations and legacies received	TOTAL
	Stated	Not due										
A. BALANCE FOR YEAR ENDED MARCH 31st, 2019	3,101,245	0	0	1,761,766	0	0	0	194,312	0	0	0	5,057,323
I. Adjustments due to changes of 2019 and prior criteria												
II. Adjustments due to 2019 and prior errors												
B. ADJUSTED BALANCE AS OF ABRIL 1st, 2019	3,101,245	0	0	1,761,766	0	0	0	194,312	0	0	0	5,057,323
I. Total recorded income and expenditure								106,295				106,295
II. Operations with partners or owners	0	0	0	0	0	0	0	0	0	0	0	0
1. Capital increases												0
2. (-) Capital reductions												0
3. Conversion of financial liabilities into net worth (conversion of obligations, writing off or debts)												0
4. (-) Distribution of dividends												0
5. Operations with own shares (net)												0
6. Net worth increase (reduction) resulting from the combination of businesses												0
7. Other operations with partners or owners												0
III. Other variations in net worth				194,312		0		-194,312				0
1. Movement of the revaluation reserve.												0
2. Other changes.				194,312		0		-194,312				0
C. BALANCE FOR YEAR ENDED MARCH 31st, 2020	3,101,245	0	0	1,956,079	0	0	0	106,295	0	0	0	5,163,619
I. Adjustments due to change of criteria 2020												
II. Adjustments due to errors 2020												
D. ADJUSTED BALANCE AS OF APRIL 1st, 2020	3,101,245	0	0	1,956,079	0	0	0	106,295	0	0	0	5,163,619
I. Total recorded income and expenditure								-491				-491
II. Operations with partners or owners	0	0	0	0	0	0	0	0	0	0	0	0
1. Capital increases												0
2. (-) Capital reductions												0
3. Conversion of financial liabilities into net worth (conversion of obligations, writing off or debts)												0
4. (-) Distribution of dividends												0
5. Operations with own shares (net)												0
6. Net worth increase (reduction) resulting from the combination of businesses												0
7. Other operations with partners or owners												0
III. Other variations in net worth				106,294		0		-106,295				0
1. Movement of the revaluation reserve.				0				0				0
2. Other changes.				106,294				0				106,294
E. BALANCE FOR YEAR ENDED MARCH 31st, 2021	3,101,245	0	0	2,062,373	0	0	0	-491	0	0	0	5,163,127

Memory of the annual accounts of the exercise finished on the 31st of March 2021 (Expressed in Euros)

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1 COMPANY'S ACTIVITY

Apollo Vredestein Ibérica, S.A.U. (hereinafter the Company) was incorporated as a public limited company in Spain on December 1st, 1987 under the name Vredestein Ibérica, S.A., for an indefinite period of time. As of December 31st, 2012 it was modified for Apollo Vredestein Ibérica, S.A. On January 30th, 2019, the Extraordinary and Universal General Shareholders Meeting approved the decision of single-shareholder, modifying its name by Apollo Vredestein Ibérica, S.A.U.

On October 23th, 2017, the Company meeting at the Extraordinary General Shareholders' Meeting approved the change of registered office until the date established in Carretera de l'Hospitalet, Cityparc Edificio Bruselas, 147. Cornellà de Llobregat (Barcelona) to Carretera de Trasierra n^o29, local 51 (Urbanization Sagrada Familia) of Córdoba.

Its fiscal domicile continues in Carretera de l'Hospitalet, Cityparc, Edificio Bruselas, 147 in Cornellà de Llobregat (Barcelona).

Its corporate object and core business is purchasing, importing and selling all types of industrial products made from rubber, resins and active materials, as well as all types of products made from these materials that are complementary to the trade sector and the industry, and to the goods it manufactures.

The Company belongs to the Vredestein Group through its only shareholder: Apollo Vredestein, B.V. (see Note 9), Group's dominant company. Both companies have their corporate address in The Netherlands.

As of March 31st, 2021 and 2020, Apollo Vredestein Ibérica, S.A.U does not form a decision body with other companies located in Spain, in compliance with Rule 13 of the Rules of Preparation of Annual Accounts.

Unless otherwise stated, the amounts in the accounting forms attached here (balance, P&L account, changes in net worth, cash flows and notes to the report) are expressed in euros.

2 BASIS FOR THE PRESENTATION OF THE ANNUAL ACCOUNTS

1) **True and fair reflection**

The annual accounts are based on the company's accounting records and comply with the commercial law in force and the General Accounting Plan defined in Royal Decree of November 16th, 1514/2007 and the modifications made by the Royal Decree of September 17th 1159/2010, and the Royal Decree of December 2nd 602/2016. The objective of these annual accounts is to show a true and fair reflection of the Company's equity, financial situation, bottom line and cash flows incorporate to the Chas-flow statement.

The annual accounts prepared by the Sole Administrator shall be approved by the Shareholders' Meeting. The annual accounts are expected to be approved without any amendments.

Memory of the annual accounts of the exercise finished on the 31st of March 2021 (Expressed in Euros)

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2) Non mandatory accounting principles

There are no significant accounting principles or generally accepted assessment criteria in Spain that have not been applied to these annual accounts.

3) Comparison of information

In accordance with article 35.6 of the Commercial Code and in compliance with the principle of uniformity and the comparability requirements, these annual accounts ended on March 31st, 2021 are compared to the figures of the previous year.

4) Critical Issues of Valuation and Estimation of Uncertainty

The appearance of Coronavirus in China in January 2020 and its global expansion has led to the viral outbreak being classified as a pandemic by the World Health Organization since March 11, 2020.

The measures adopted by the Company are proving perfectly compatible with the continuity of the activity and the business, a fact that minimizes the estimation of the uncertainty on the date of the exercise.

The Company has prepared its annual accounts based on its current business operations. There are no key assumptions entailing major risks or involving significant changes in the value of the Company's assets and liabilities for the following tax year.

The annual accounts include occasional estimations made by the Sole Administrator to quantify some recorded assets, liabilities, income, expenses and breakdowns. These estimations and hypotheses are based on the Company's experience and other reasonable facts and circumstances used to assess the accounting value of assets and liabilities which can not be immediately determined in any other way.

Although all estimations are based on the best data available at the time of preparation of the annual accounts, any future changes to these estimations shall be applied prospectively as from that moment and will have an effect on the P&L account of the relevant year.

The main estimations and criteria applied in the preparation of the annual accounts are:

- Life of tangible fixed assets (see Note 4.1).
- Reasonable value of financial instruments (see Note 4.3).
- Value corrections due to stock depreciation (see Note 4.4).
- Provisions (see Note 4.9).

5) Consolidated entries

As to facilitate the comprehension of the balance, P&L, changes in net worth and cash flows, these statements are presented all together, presenting the required analysis in the corresponding notes.

6) Elements reflected in several entries

There are no net worth elements presented in two or more items in the balance.

7) Changes in accounting criteria

No adjustments have been made during the 2021 P&L accounts owing to changes in accounting criteria.

8) Correction of errors

The 2021 annual accounts do not include any adjustments resulting from the errors detected during the tax year.

3 PROPOSED DISTRIBUTION OF INCOME

The Sole Administrator will submit to the Shareholders' Meeting for their approval the distribution of income for the fiscal year is as follows:

	2021	2020
Legal Reserves	0	10,630
Voluntary reserves	0	95,665
Negative results from previous exercises	-491	0
Year End P&L	-491	106,295

The Company is obliged to devote 10% of the tax year profits to a legal reserve until it reaches at least 20% of the corporate capital. This reserve must exceed 20% of the corporate capital before it can be distributed among the shareholders (see note 9 of Total Equity).

After all legal provisions or by-laws are met, dividends can only be distributed and charged to profits or free disposition reserves if:

- The relevant legal provisions or by-laws have been met.
- The net worth is not –or will not be after the distribution– lower than the corporate capital. In this regard, profit allocated directly to net worth can't be distributed, neither directly nor indirectly. If any losses from previous years reduce the corporate net worth value below the corporate capital, profit will be used to offset these losses.

4 RECORDING AND VALUATION RULES

The main recording and valuation rules applied by the Company for the preparation of the annual accounts are:

Memory of the annual accounts of the exercise finished on the 31st of March 2021 (Expressed in Euros)



4.1 Tangible fixed assets

Tangible fixed assets are shown at acquisition price less depreciation and the accumulated amount of any potential loss of value.

The cost of extending, modernizing or improving the fixed tangible assets is added to the assets as an increased value if it entails increasing their capacity, productivity or life, and provided that it is possible to know or estimate the book value of the items replaced in the inventory.

The financial costs directly attributable to the purchase or construction of tangible fixed assets that require over a year to be used, are added to expenses until they are available for operation.

The cost of major repairs is appraised and depreciated over their estimated life, while repeated maintenance costs are allocated to the P&L account in the year they occur.

With the exception of land, which is not depreciated, tangible fixed assets are systematically subject to a linear amortization according to their estimated life, less their effective depreciation due to their operation and use. The estimated lives of the tangible fixed assets are:

	Estimated life (years)
Technical installations and machinery	10 - 16.5
Other installations, tools and furniture	10
Other tangible fixed assets	4 - 7

In the case of leased properties, the relevant endowment criterion is applied so that the tangible fixed assets are completely written-off at the end of the contract. Likewise, the residual value and life of the assets is revised and adjusted on the date of the balance.

If the accounting value of an asset is higher than the estimated recoverable amount, its value is immediately reduced to its recoverable amount.

The profit and loss resulting from the sale of tangible fixed assets is calculated comparing the income obtained from the sale at the accounting value which is recorded in the P&L account.

At the end of each balance, the Company determines whether there are any signs of depreciation of any assets. Should there be any sign of depreciation, the Company shall estimate the recoverable amount of the asset as the highest value between its reasonable value less its sale cost and its value in use.

In order to determine the value in use of an asset, its estimated future cash flow is deducted from its current value by applying a discount rate that reflects the current value of money in the long term and the specific risks associated with the asset.

If the analyzed asset does not produce a cash flow by itself regardless of other assets, the reasonable value or the value in use of the item producing the cash flow (smallest group of identifiable assets that produce a cash flow and are separately identifiable from other assets or asset groups) in which the asset is included. Should there be losses due to depreciation in an asset producing cash flow, its value in the books will be reduced proportionally to the value of all



other related assets.

Losses due to depreciation (excessive value in the books versus the recoverable value) are stated in the P&L account.

If the Company has experienced losses due to depreciation in previous years, it shall assess at the end of each fiscal year whether the losses have disappeared or decreased. In any case, the recoverable value of the depreciated asset is considered.

Any losses due to depreciation stated in previous years may only be reverted through a change in the estimations used to determine the recoverable amount of the asset since identifying the last loss due to depreciation. In this case, the value of the asset in the books will be increased to its recoverable value and it shall not exceed the value recorded in the books, less amortization, unless the loss due to depreciation from previous years is identified. This reversion will be duly recorded in the P&L account.

4.2 Leases

a) If the Company is the lessee – Financial lease

The Company leases some tangible fixed assets. A financial lease is the lease of tangible fixed assets where the Company bears most of the risk and profit resulting from the property. Financial leases are capitalized at the start of the lease at the reasonable value of the leased property or at the current value of the minimum payments agreed for the lease, whichever is the lowest. The current value is calculated at the interest rate implicit in the agreement and, if it can not be determined, at the interest rate applied by the Company in similar operations.

Every lease payment is distributed between assets and financial charges. The total financial charges are distributed throughout the lease period and allocated to the P&L account of the year with the applicable interest rate. Contingencies are allocated as expense in the year they occur. The relevant lease obligations, less financial charges, are included in "Creditors for financial leases". Fixed assets acquired through financial leases are depreciated through their life or duration of the contract, whichever is shortest.

b) If the Company is the lessee – Operating lease

Lease contracts where the lessor preserves a substantial part of all risks and profit attached to the ownership of assets are classified as operating leases. The operating lease payments (less incentives received from the lessor) are charged to the P&L account and are linearly recorded during the term of the lease.

c) If the Company is the lessor

The Company has not engaged in any operations as lessor.

4.3 Financial assets

The Company classifies its financial assets at the moment they are recognized and reviews them at each year closing based on the decisions made by the Management Board. The classification depends on the purpose for which the investments are made.

In the balance, financial assets expiring in a year or less are considered current assets, whilst those expiring in over a year are non-current assets.

The Company cancels all financial assets that expire or whose cash flow contractual rights have been transferred, in which case, the risk and profit attached to their ownership should be substantially transferred. In the case of receivables, this occurs if the risk of insolvency and bad debts has been transferred.

Financial assets are classified as follows:

a) Loans and accounts receivable

Financial assets with fixed or foreseeable payments that are not listed in an active market. They are included within current assets, except when their maturity is more than 12 months as of the balance date, in which case they are considered non-current assets. In the balance, loans and accounts receivable are included in "Loans to companies" and in "Trade debtors and other accounts receivable".

These financial assets are initially appraised at their reasonable value, including direct transaction costs and, subsequently, at the depreciated cost recognizing the interest received at the relevant interest rate, which is the updated interest rate that equals its value in the books to all the cash flows expected until its expiry. Notwithstanding the above, trade loans that expire in a maximum period of one year are appraised initially and subsequently at their nominal value, provided that not updating the cash flow does not have a significant effect.

At the end of the year the necessary corrections are made due to value depreciation, provided that there is objective evidence that the pending amounts will not be paid in.

The loss due to depreciation is the difference between the asset's book value and the current value of the estimated future cash flows, deducted at the relevant interest rate. Any value corrections, as well as their reversion, are included in the P&L account.

4.4 Stock

Stock is appraised at its cost value or net realizable value, whichever is lowest. When the net realizable value is lower than its cost, it will be amended accordingly and included as cost in the P&L account. If the circumstances causing the value correction cease to exist, the corrected amount will be reversed and included as income in the P&L account.

The cost is determined by the weighted average cost. The net realizable value is the sale price estimated in the normal course of business, less the estimated costs that would apply if the sale was carried out.

4.5 Total Equity

The share capital is represented by ordinary shares.

The cost of issuing new shares or options is set against the net worth as minor reserves.

4.6 Financial liabilities

Debts and payable accounts

A liability is removed when its associated obligation expires.

Liabilities are included in the debit and payables category and refer both to commercial and non-commercial transactions. These resources are classified as current liabilities, except if the Company has the unconditional right to defer their payment at least 12 months after the balance.

These debts are recognized initially at their reasonable value and are adjusted according to the direct transaction costs. The amortized cost is subsequently recorded in accordance with the effective interest rate method. The effective interest rate is an updated rate that levels the book value with the expected payments until the expiry date.

Notwithstanding the above, debts due to commercial transactions that expire in a maximum period of one year and have no contractual interest rate, are appraised initially and subsequently at their nominal value, provided that not updating the cash flow does not have a significant effect.

In the event that the existing debts are renegotiated, no significant changes will be deemed to take effect if the new lender is the same entity that granted the first loan and the current value of the cash flows, including net commissions, is not more than 10% of the current value of the outstanding cash flows to be paid from the original liabilities calculated with the same method.

4.7 Income tax

The expenditure (income) resulting from income tax is accrued during the year and includes both current and deferred tax.

Both the current and deferred tax expenditure (income) are recorded in the loss account. However, the net worth includes taxes related to items that are directly recorded in the net worth.

Current tax assets and liabilities are valued according to the amounts expected to be paid to or recovered from the tax authorities, in compliance with the law in force or a law that has been passed and is pending publication at the closing of the year.

Deferred taxes are calculated with the liability method and are based on the temporary differences emerging between the asset and liability tax base and their book value. However, if deferred taxes arise from the initial identification of an asset or liability in a transaction different from a business combination, and they do not affect the accounting result or the tax base, then the deferred taxes are not recognized. Deferred taxes are based on the applicable regulations and on the approved tax rates —or to be approved on the date of the balance— and they are applied when the relevant asset for deferred taxes is received or the liability paid.

Assets resulting from deferred taxes are recognized if it is expected that future tax profits will offset the temporary differences.



Deferred taxes are recognized on the temporary differences arising from investments in dependent, associated or combined business, except when the Company can control the reversion moment of the temporary differences and no reversion is expected in a foreseeable future.

4.8 Income recognition

Income is recorded at the reasonable value of the compensation to be received and refers to the income to be received in exchange for the goods and services rendered when performing the Company's activities, less returns, discounts, rebates and VAT.

The Company recognizes income when its amount can be reliably established when future profits will have an impact on the Company and when the specific conditions described below for each activity are met. Income amounts can not be established in a reliable manner until the sale contingencies are solved. The Company makes its estimations on the basis of historical results taking into account the type of client and transaction, as well as the terms and conditions of every agreement.

a) Sales

Income from the sale of goods or services is recognized at the reasonable value of the compensation to be received in exchange. Advance payment discounts, large volume rebates or other discounts, as well as the interest payable on credits, are deducted from the income.

Notwithstanding the above, the Company includes the interest rate applicable to commercial credits that expire in a maximum period of one year and have no contractual interest rate, provided that not updating the cash flow does not have a significant effect.

Discounts to clients are recognized at the moment that the discount conditions are likely to be met and are recorded as a reduction of the income from sales.

b) Income from interest rates

Income from interest rates is recognized by applying the effective interest rate method. When the value of an account receivable is depreciated, the Company reduces its book value from the recoverable amount, discounts future cash flows at the estimated original interest rate and records the discount as a reduced income due to interest rate. Income from interest rates resulting from depreciated loans is recognized by applying the effective interest rate method.

4.9 Provisions and contingent liabilities

Provisions are recognized when the Company has a current legal or implicit obligation resulting from past actions, when it is likely that it will require resources to pay the obligation and when the amount thereof can be reliably established.

Provisions are estimated at the current value of the disbursements that are expected to pay the obligation applying an interest rate before taxes that reflects the current temporary market value of money and the specific risks of the obligation. Any adjustments applied after updating the provisions are recorded as expenditure when they are accrued.

Provisions that expire within a year and whose financial impact is not significant are not discounted.

When a part of the amount required to pay the provision is reimbursed by a third party, it is recorded as an independent asset, provided that it is virtually secured.

Additionally, potential obligations resulting from past actions whose materialization is subject to one or more future events out of the Company's control are recorded as contingent liabilities. These contingent liabilities are not recorded in the books, but are described in full in the report (Note 11).

4.10 Environment

Costs resulting from business actions addressed to protect and improve the environment are recorded as expenditure in the year they occur. When these costs are due to the purchase of new tangible fixed assets that minimize the Company's environmental impact and protect and improve the environment, they are recorded as tangible fixed assets.

4.11 Group and associated companies

As of its financial statements, it is considered that the group companies are part of it if they are associated to the Company within a control relationship. Control means having more than half of the vote rights of the Company or, even better, if it exists other motives or facts that show off the existence of control (as an example, shareholders agreements).

Associated companies are considered to be those in which the Company exercises significant influence. Significant influence means owning between 20% and 50% of the voting rights or, if less, if there are other reasons of facts that demonstrate the existence of significant influence.

4.12 Transactions with associated companies

In general, transactions with Group companies are recorded at the initial moment at their reasonable value. Should the agreed price differ from the reasonable value, the difference will be recorded according to the actual value of the transaction. Subsequent appraisals are subject to the regulation in force.

4.13 Transactions in foreign currency

Transactions in foreign currency are converted into the Company's currency (euros) by applying the exchange rates in force at the time of the transaction. All profits and losses in the foreign currency due to the payment of transactions in a foreign currency and their conversion into the Company's currency are recorded in the P&L account.

5 MANAGEMENT OF FINANCIAL RISK

5.1 Financial risk factors

The Company's activities are exposed to several risk factors: credit risk, interest rate risk and liquidity risk. The Company is not significantly exposed to exchange rate risks (the transactions conducted by the Company in foreign currency are not relevant within the annual accounts), or to a price risk (the Company does not hold any assets listed in an active market).

Memory of the annual accounts of the exercise finished on the 31st of March 2021 (Expressed in Euros)

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company in Spain. In the event of a discrepancy, the Spanish-language version prevails



The management of the financial risk is under the control of the Financial Manager.

a) Credit risk

The credit risk emerges from cash and cash equivalents, as well as from commercial debtors and other debts, including outstanding accounts receivable and transactions that the Company has engaged in.

The Company does not concentrate a significant credit risk. The Company has policies in place to ensure that wholesales are made to clients with a solid credit history. The Company evaluates the credit solvency of clients based on their financial position, past experience and other factors. The individual credit limits are based on internal criteria.

The Company establishes strict criteria when correcting values due to client insolvency, the review of individual balances based on the client's credit solvency, the current market trends and the historical analysis of accumulated insolvencies.

With regard to the financial investments made by the Company in financial entities until their maturity, the Company invests its funds in entities with a renowned solvency.

b) Cash-flow interest rate risk

As the Company does not hold significant assets remunerated with a variable interest rate, the income and cash-flows from their operating activities are quite independent from the market interest rates.

Likewise, the Company does not have any credits with financial entities or other entities that are subject to variable interest rates, so its cash-flows are barely conditioned by the evolution of interest rates in the market.

c) Liquidity risk

The Company is cautious in the management of its liquidity risk, which means that it maintains adequate cash and negotiable values, that it has funding available through a sufficient number of credit instruments and can settle market positions. The Company has Group's financial support.

The Management Board monitors the liquidity reserves based on the expected cash-flows. During the fiscal year ended on March 31st 2021, and until the date of these annual accounts, the Company has settled all payments resulting from debts with third parties.

5.2 Estimation of reasonable value

The reasonable value of financial investments not listed in an active market is calculated through appraisal techniques. The Company applies several methods and develops hypotheses that are based on the existing market conditions at the dates stated in the balance.

It is assumed that the book value of credits and debts related to commercial transactions is its approximate reasonable value.

6 TANGIBLE FIXED ASSETS

The details and movements of the tangible fixed assets is as follows:

	Technical installations and other tangible fixed assets	Total
As of April 1st, 2019		
Cost	167,778	167,778
Accumulated amortization	-67,523	-67,523
Net book value	100,255	100,255
2019		
Initial net book value	100,255	100,255
Additions	47,459	47,459
Disposals	0	0
Transfers	0	0
Amortization charges	-22,593	-22,593
Accumulated amortization	0	0
Net book value	125,121	125,121
As of March 31st, 2020		
Cost	215,237	215,237
Accumulated amortization	-90,116	-90,116
Net book value	125,121	125,121
2020		
Initial net book value	125,121	125,121
Additions	11,272	11,272
Disposals	0	0
Transfers	0	0
Amortization charges	-24,406	-24,406
Accumulated amortization	0	0
Net book value	111,987	111,987
As of March 31st, 2021		
Cost	226,509	226,509
Accumulated amortization	-114,522	-114,522
Net book value	111,987	111,987

Tangible fixed assets are amortized systematically during its estimated lifetime.

No events have occurred that significantly affect the residual value, life or amortization methods of tangible fixed assets in the current year or future years.

6.1 Depreciation losses

No events have occurred that significantly affect the life or amortization methods of intangible fixed assets in the current year or future years.

6.2 Disposals tangible fixed assets

During the year ended March 31st, 2021 there haven't been disposals of fixed assets (same situation in the year ended March 31st 2020).

6.3 Goods purchased from Group and associated companies

No significant fixed assets were purchased from Group and associated companies during the year ended March 31st, 2021 (or during the year ended March 31st, 2020).

6.4 Fully amortized goods

As of March 31st, 2021 some tangible fixed assets that are still in use have already been fully amortized. They amount to 38,924 euros (37,614 euros as of March 31st, 2020), as shown below:

	<u>2021</u>	<u>2020</u>
Other fixed assets	<u>38,924</u>	<u>37,614</u>
	<u>38,924</u>	<u>37,614</u>

6.5 Tangible fixed assets as guarantee

The Company does not have any assets used as guarantee for debts.

6.6 Goods subject to operating leases

The P&L account includes as expenditure the operating leases corresponding to the renting of vehicles, offices and the renting of the warehouse. The cost amounts to 334,236 euros (331,605 euros in the year ended March 31st, 2020) (See Note 13.d).

6.7 Insurance

The Company has taken out several insurance policies to cover the risks relevant to tangible fixed assets. Their coverage is considered sufficient.



7 FINANCIAL INVESTMENTS AND TRADE DEBTORS

7.1 Financial investments

Other financial assets as of March 31st, 2021 and 2020 for a total amount of 13,312 and 12,693 euros respectively, correspond to guarantees and long-term deposits resulting from operating leases. (See Note 6.6 of tangible fixed assets).

7.2 Trade debtors and other receivables

The book values of debtor balances and other accounts receivable are expressed in euros.

The client balance and other receivables is as follows:

	2021	2020
Clients, sales and services rendered	1,373,545	1,247,990
Clients, group and associated companies (Note 14)	115,863	2,921
Other debtors	13,996	9,923
Other debtors group (Note 14)	25,519	0
Other Public Administration Credits (Note 12.b)	33	22
Provisions for value depreciation	-23,208	-29,769
Final balance	1,505,748	1,231,087

There are no significant differences between the carrying amounts and fair values in trade and other receivables.

The provisions for depreciation losses of receivables are as follows:

	2021	2020
Initial balance	-29,769	-37,859
Provision for receivables depreciation	-7,566	-13,061
Payment of doubtful receivables during the year	4,609	12,712
Reversal of provisions of doubtful receivables	9,518	8,439
Final balance	-23,208	-29,769

Reversion of the value not used. Values in the depreciation account are canceled when there are not expectations of recovering more cash.

The maximum credit risk exposure at the date the information was submitted is the reasonable value of each of the above-mentioned receivables. The Company does not have any guarantees as insurance.

7.3 Short-Term Investments in Group and Associated Companies

The amount of 3,702,252 euros (3,498,610 euros in the year ended March 31st, 2020) corresponding to short-term investments in group and associated companies are short time loans with the parent company Apollo Vredestein, B.V., as showed in Note 14 of balances and transactions with group companies and associates.



8 STOCK

The stock is classified as follows:

	2021	2020
Trade	645,685	913,648
Value adjustments due to depreciation	-16,784	-29,850
Final balance	628,901	883,798

The movement in the provision for impairment of inventories is as follows:

	2021	2020
Initial balance	-29,850	-29,850
Reversion for stock depreciation	13,066	0
Final balance	-16,784	-29,850

9 TOTAL EQUITY

a) Capital

As of March 31st, 2021 and 2020 the share capital amounted to 3,101,245 shares with a par value of 1 euro each, fully subscribed and paid up. These shares have equal political and economic rights.

As of December 20th, 2018 it was formalized a purchase-sale contract of shares, where the shareholder Apollo Vredestein, B.V. acquired all the remaining shares of the other shareholders. As of March 31st, 2021 and 2020 the shareholders of Apollo Vredestein Ibérica, S.A.U. are as follow:

Partners	Number of shares	Participation percentage
Apollo Vredestein, B.V.	3,101,245	100.00%
	3,101,245	100.00%

No restrictions apply to the free transfer of shares.

b) Reserves

The reserves are the following:

	<u>2021</u>	<u>2020</u>
Legal and statutory:		
Legal reserve	366,479	355,850
Other reserves:		
Voluntary reserves	1,695,894	1,600,229
	<u>2,062,373</u>	<u>1,956,079</u>

Legal reserve

Companies are forced to devote 10% of each year's profits to a reserve until it reaches at least 20% of the corporate capital. This reserve cannot be distributed among the shareholders and can only be used if there are no other reserves available to cover the P&L debt. It can also be used in some cases to increase the corporate capital when the reserve exceeds in 10% the previous capital increase. At 31st March, 2021 this reserve isn't at the minimum level stated by law.

10 FINANCIAL LIABILITIES

Analysis per categories

The analysis per category of the financial liabilities as of March 31st 2021 and 2020 is the following:

	<u>2021</u>	<u>2020</u>
<i>Group</i>		
Suppliers (note 14)	0	540,801
<i>Non-linked</i>		
Creditors	506,553	327,538
Personnel	186,131	108,837
Current tax liabilities (Note 12.b)	102,043	143,180
Other debts with Public Administrations (Note 12.b)	287,578	120,632
Advance Customers	0	652
FINAL BALANCE	<u>1,082,305</u>	<u>1,241,640</u>

Information regarding the payment of suppliers based on the Law 15/2010

The breakdown of payments for commercial operations carried out during this financial year and pending payment at its close, in relation to the maximum legal deadline anticipated in the law of 5th July 15/2010 on the "right to information", is the following:

	2021	2020
	days	days
PMPE (days) payments	31	29
Ratio paid operations	8%	16%
Ratio of pending operations	2%	5%
	Amount (euros)	Amount (euros)
Total Payments	20,748,548	17,953,086
Total outstanding payments	506,553	868,338

The Law of December 3rd, 31/2014, modified the Law of 5th July 15/2010 about the information to provide in the financial statements to apply the average payment for commercial operations. Later, the ICAC Resolution of January 1st, 2016 explains the methodology for its calculation and requirements of information in the financial statements. This Resolution came into force on February 5th, 2016 for the all the financial statements ended as of January 1st, 2015.

11 CONTINGENCIES AND AGREEMENTS

a) Contingent assets

There are no contingent assets as of March 31st, 2021 and 2020.

b) Contingent liabilities

The Company has no guarantees. The Company has some contingent liabilities resulting from litigations related to the normal performance of its activities. No significant liabilities are expected in the future.

c) Purchase agreements

As of the date of the balance, the Company has not signed any purchase contracts to acquire tangible fixed assets.

d) Operating lease agreements (when the Company is the lessee)

The minimum future payments (not recorded) for non-convertible operating leases amount to the following:

	<u>2021</u>	<u>2020</u>
Less than 1 year	126,873	102,830
1 to 5 years	300,161	514,149
	<u>427,034</u>	<u>616,979</u>

12 TAX POSITION

a) Tax information

The Company has pending the inspection by the tax authorities of the last four years of the main taxes it is subject to, except Corporate Tax of which year 2016 prescribes on October 25th 2021.

Therefore, the different interpretations of the current tax law, among other factors, could give rise to additional contingent liabilities that are difficult to quantify. In any case, the Sole Administrator considers that if there were any additional liabilities, they would not significantly impact the current annual accounts.

b) Balance with Public Administrations

As of March 31st 2021 and 2020, the credit and debit balance with Public Administrations is the following:

	Debtors		Creditors	
	2021	2020	2021	2020
Public Treasury, VAT debtor	33	22		
Public Treasury, VAT creditor	0	0	238,543	90,939
Corporate Tax			102,043	143,180
Public Treasury, withholding tax creditor			20,927	11,633
Social Security			28,108	18,060
FINAL BALANCE	33	22	389,621	263,812

c) Income Tax

The reconciliation of the net income/expenses and Corporate Tax is as follows:

	2021		
	Increase	Reduction	Total
Year's income and expenditure	0	491	-491
Corporate Tax	102,043		102,043
Permanent differences	306,618		306,618
Temporary differences	0		0
Offset negative taxable base from previous years			
Taxable base (result)	408,661	491	408,170

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	2020		Total
	Increase	Reduction	
Year's income and expenditure	106,295		106,295
Corporate Tax	143,180		143,180
Permanent differences	323,244		323,244
Temporary differences	0		0
Offset negative taxable base from previous years			
Taxable base (result)	572,719		572,719

13 INCOME AND EXPENSES

a) Net turnover and other operating income

The Company sells almost all its products (rubber products, resins and active materials) in the domestic market.

	2021	2020
Domestic market	18,776,904	17,825,965
Sales in Andorra	120,223	207,371
Total sales	18,897,127	18,033,336

Other operating income from imports of 684,683 euros in 2021 and 434,028 euros in 2020 mainly corresponded to the turnover for tyre recycling.

b) Supplies:

Consumption of goods

	2021	2020
Domestic purchases	14,649,337	13,009,069
Changes in stocks	-267,963	-198,552
Impairment of goods	-13,066	0
Total	14,368,308	12,810,517

The transfer pricing policy of Apollo Vredestein BV ("AVBV") was revised in collaboration with the specialists and in harmony with transfer pricing guide of the OECD for its application in the years 2018 and 2019 and subsequent years for all the European subsidiaries.

It has been applied the TNMM (Transaction Net Margin method) which compares the net profit margins realized by arm's length parties from similar transactions. In accordance with the application of this method, EBIT will correspond to maximum up to 3% of the sales figure.

For this concept, the Company has received a credit note from AVBV in this year for an amount of 1,342,736 euros (2,198,610 euros in 2020)

c) The personnel costs are distributed as follows:

	<u>2021</u>	<u>2020</u>
Wages, salaries and similar costs	1,034,876	831,237
Social security contributions	240,239	190,206
	<u>1,275,115</u>	<u>1,021,443</u>

The average number of employees sorted by gender and professional categories is the following:

POSITION	2021			2020		
	Male	Female	Total	Male	Female	Total
Sole Administrator	1	0	1	1	0	1
Managers	1	0	1	1	0	1
Technicians and scientific experts	11	0	11	10	0	10
Office workers	0	6	6	0	6	6
Total	13	6	19	12	6	18

d) Other operating expenses

The Other operating expenses costs are distributed as follows:

	<u>2021</u>	<u>2020</u>
Leases	334,236	331,605
Repair, preservation and maintenance	2,814	2,814
Independent professional services	38,997	35,001
Transport expenses	1,508,110	1,909,762
Insurance premiums	37,162	23,412
Bank charges	15,336	13,819
Advertising, publicity and PR	430,953	630,487
Supplies	30,896	33,198
Other services	1,468,254	1,422,712
Total external services	<u>3,866,758</u>	<u>4,402,810</u>
Taxes	0	0
Losses, depreciation and variation in provisions for commercial operations	2,957	349
	<u>2,957</u>	<u>349</u>
Total other operating expenses	<u>3,869,715</u>	<u>4,403,159</u>

e) Miscellaneous information

The accrued auditing fees for the year ended as of March 31st, 2021 amounts to 13,200 euros (2020: 13,200 euros) by A.B.L. Auditores, S.L. for the financial statements auditing services rendered to the Company. For the year ended March 31st, 2021 and 2020 the Company has not paid nor accrued any amounts for any other service to A.B.L. Auditores, S.L.

14 RELATED PARTY TRANSACTIONS

a) Balances and transactions with associated companies

The associated companies are the shareholders of the company Apollo Vredestein, B.V., as well as their dependent companies. The annual accounts include the assets and liabilities of the Company with Group and associated companies.

The detail of account balances with Group and associated companies is as follows (those account balances are also included in the notes 7.2, 7.3 and note 10):

	Financial assets		Current Asset		Liabilities	
	Credit		Customers		Debts	
	2021	2020	2021	2020	2021	2020
Apollo Vredestein, B.V.	3,702,252	3,498,610	127,136	2,921	0	540,801
Others	0	0	14,246	0	0	0
	3,702,252	3,498,610	141,382	2,921	0	540,801

Note 7.3

Note 7.2

Note 10

The balance with companies of the group corresponds to a contribution to bank accounts of the group related to advance payments for future responsibilities in the buying of goods and services offered by the parent company (See Note 7.3).

The Company has conducted the following transactions with the Group and associated companies:

	2021			2020		
	Purchases	Received services	Services provided	Purchases	Received services	Services provided
Apollo Vredestein, B.V.	14,364,494	1,809,496	185,483	12,631,171	1,991,981	2,921
Apollo Vredestein France S.A.S			14,830			0
Apollo Tyres Global R&D B.V			1,090			0
	14,364,494	1,809,496	201,403	12,631,171	1,991,981	2,921

The purchase order includes the payment of Apollo Vredestein BV (the parent company of the Group) for the purchases of tires made during the year and which is part of what has been established in the transfer pricing policy of the Group, such and as mentioned in note 13.b.

The services received include the expenses for logistic, telecommunications and advertising services invoiced by the Company's majority shareholder.

	2021	2020
	Interest	Interest
Apollo Vredestein, B.V.	45,366	39,823
	45,366	39,823

At the end of the fiscal year, interest settlement is made by the Company for the contributions to group bank accounts. The amount for the year ended March 31st 2021, is 45,366 euros (2020: 39,823 euros), with an interest rate of 0.83 % (2020: 0.90 %).

b) Remuneration of Administrators and Managers

In the year ended March 31st 2021, the Sole Administrator did not receive any salaries, allowances or remunerations. Likewise, the Sole Administrator has not received any advances or credits and the Company had not paid for any specific pension plans or life insurance for the Administrators (identical situation as in 2020).

In the Company, the Managers form the Management Board. In the years ended March 31st, 2021 and March 31st, 2020 the Managers received as salary 123,812 euros and 124,662 euros, respectively. The Managers have not received any advances or credits and the Company has not paid for any specific pension plans or life insurance for them (identical situation as in 2020).

c) Other information on the Administrators

In order to avoid conflict with the interest of the Company, during the year the Sole Administrator has complied with its obligations under Article 228 of the revised text of the Corporations Act. Also, he and those related to them, have refrained from engaging in the alleged conflict of interest under section 229 of the Act, except in cases where it has been obtained proper authorization.

The Sole Administrator of the Company has no shares but holds positions or develops functions in companies whose corporate purpose is identical, similar or complementary to that of the Company in Austria, Italy, Britain, Holland, Germany, Switzerland, Sweden, Denmark, Finland, Belgium, France, Hungary, Poland and the US.

15 INFORMATION ON THE ENVIRONMENT

An environmental activity is any activity the purpose of which is to minimize the environmental impact and protect and improve the environment.

In the year ended of March 31st, 2021 and 2020 the Company did not make any significant environmental investments or incurred in any expenses with the aim of protecting or improving the environment.

As of March 31st, 2021 the Sole Administrator considers that there are no significant contingencies related to the protection and improvement of the environment and does not consider necessary to include a provision for environmental risks or expenses (identical situation as of March 31st, 2020).

On the other hand, the Company has not received any subsidies or income for environmental activities.

16 INFORMATION ON ALLOWANCES OF GREENHOUSE GASES

On August 27, 2004 Royal Decree Law 5/2004, establishing the system of trading allowances of greenhouse gases, which aims to help meet the obligations under the convention and the Kyoto Protocol.

Because of the activity to which the company is engaged, it will not be allocated allowances for greenhouse gases, which could be significant in relation to the assets, financial position and results of it.

17 EVENTS SUBSEQUENT TO YEAR'S END

The Company has continued to develop its activity normally at the beginning of the new fiscal year on April 1, 2021, and until the date of formulation of these annual accounts there have been no extraordinary events that could mark its evolution and that could have a significant impact in the annual accounts.

18 EXPLANATION ADDED FOR TRANSLATION TO ENGLISH

These financial statements are presented on the basis of the regulatory financial reporting framework applicable to the Company in Spain (see Note 2-1). Certain accounting practices applied by the Company that conform to that regulatory framework may not conform with other generally accepted accounting principles and rules.

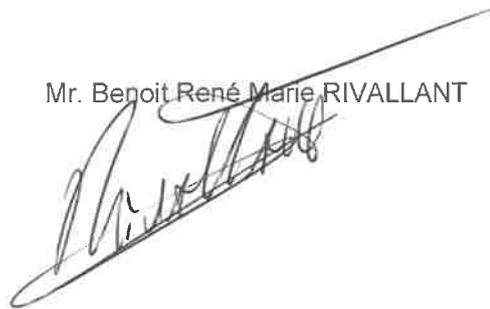


APOLLO VREDESTEIN IBÉRICA S.A.U.

FORMULATION OF THE FINANCIAL STATEMENTS AND MANAGEMENT REPORT OF THE COURSE 2021

The sole administrator of the APOLLO VREDESTEIN IBÉRICA, S.A.U. company, on date April 26 2021, and in compliance of the requirements established in the article 253 of the Capital Company's Law and the article 37 of the trade code, proceeds to formulate the financial statements and the management report of the annual course ended on March 31st 2021, which come constituted for the annexed documents that precede this document.

Mr. Benoit René Marie RIVALLANT



MANAGEMENT REPORT YEAR 2021

Previous considerations

The financial year closed on March 31st 2020 shows a positive result before income tax of 101,552€ and a turnover of 18,897,127€ achieving a 4,79% increase in operating volume compared to the previous year.

The company's main activity is the sale of passenger car tyres, now present in the market with two brands: Vredestein and Apollo. The sales of truck tyres of the brand Apollo reached 25% of the Company's total turnover this year, thus exceeding their expectations.

Business economical evolution

The most important product line is still the passenger car tyres a segment in which they have their two brands: Vredestein and Apollo.

The tyres segment "all stations" has grown a 10% with respect the previous year and reflex the good entrance of this type of tyres in the national market. The soft winter hasn't allowed to accomplish the objectives fixed for the sales of winter tyres. The products that attract more the clients are medium and high range contribute to improve the product mix in the national market. Likewise, the turism tyre line of the Apollo brand maintains a stable line.

The agricultural tyre sales maintains a growing progression. This product has a good acceptance in the national market, being the truck tyres of radial construction the most prominent product of the brand in this sector.

From April 2018 the company commercializes the truck tyres range of the brand Apollo. For the development of this activity, the company has a specialist in this field at national level. The sales in this tyre segment have grown a 56% in this fiscal year with respect the previous one.

The new tyre models, tourism, agriculture and truck introduced during this fiscal year have received a good acceptance in the market.

It is important to notice that the company has maintained its contention and control spending policy as it has been doing in the last years, taking into consideration the parent company's guidelines.

The detailed company's main indicators are described in the following box:

	2021	2020
EBITDA	127.957,57	272.068,67
WORKING CAPITAL	5.037.828,71	5.025.804,26
GROSS MARGIN	23,97%	28,96%
ECONOMIC PROFITABILITY	-0,01%	1,66%
FINANCIAL PROFITABILITY	-0,01%	2,06%



Fixed assets

During the financial year closed on March 31st 2021 the company has not carried out investment operations in significant property in fixed assets.

R&D

No operations on R&D during exercise closed on March 31st 2021.

Facts occurred after closure of accounts

The Company has continued its normal activity at the beginning of its exercise, which is on the April 1st 2021, and until the formulation date of these annual statements, any extraordinary facts have not occurred that could impact on its evolution and negatively impact on the financial statements.

Share acquisition

No share acquisition happened during the exercise closed on March 31st 2021.

Main risks and uncertainties

Apollo Vredestein Group, and therefore, the Company, had to implement a risk control in the following fields:

- Operational risks: includes, production, technology, employees, collaborators, procedures, information, non – payments, decreasing markets and the cost of raw materials.
- Financial risks: includes risks associated with interest rates, liquidity, exchange rate, market and credit risks.
- Strategic risks: includes risks associated with the company's ethics and corporate management, risks associated to organizational structure, alliances, mergers and acquisitions, risks derivate from the regulator environment and competence risks.

Key factors and company evolution

The Company has implemented a series of changes both at a structural and operational level, thus seeking to achieve the new objectives set by the Group.

As of April 1st ,2021 the South West Europe Cluster will be established in Barcelona, which includes Spain, Portugal, Andorra, Italy and France. A Costumer Care Service will be created to serve customers in this geographical area.

For the next financial year, it plans to increase sales in the Apollo brand truck tire sector. The manufacture of this type of tire is carried out in the Hungarian factory, which is achieving an increasingly important level of production and providing service to the European subsidiaries. The company trusts in the good evolution of the product in the national market.



As to activate the agricultural tire sector, it has been planned to carry out product presentations in some workshops in favorable areas and favor direct contact with the players in this sector.

One of the objectives for next year is to increase sales in the tourism tire sector in the Vredestein brand, actions have been proposed with its best products which is trusted that will contribute to the realization of the new objective.

The company's objective is to achieve customer satisfaction, improve the efficiency and quality of its services and reduce costs, in a way that allows it to maintain the competitiveness that the market is increasingly demanding.

Córdoba, April 26 2021.

A handwritten signature in black ink, located in the bottom right corner of the page. The signature is stylized and appears to consist of several overlapping loops and lines.