



Grant Thornton

An instinct for growth™

Apollo Vredestein Schweiz AG Baden

Financial Statements for the Year ended March 31, 2018
and Report of the Statutory Auditor on
the Limited Statutory Examination





Grant Thornton

An instinct for growth™

Grant Thornton AG

Im Tiergarten 7
P.O. Box 9317
CH-8036 Zürich

T +41 43 960 71 71
F +41 43 960 71 00

www.grantthornton.ch

Report of the Statutory Auditor on the Limited Statutory Examination

To the General Meeting of the shareholders of
Apollo Vredestein Schweiz AG, Baden

As statutory auditor, we have examined the financial statements (balance sheet, income statement and notes) of Apollo Vredestein Schweiz AG for the year ended March 31, 2018.

These financial statements are the responsibility of the board of directors. Our responsibility is to perform a limited statutory examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

We conducted our examination in accordance with the Swiss Standard on the Limited Statutory Examination. This standard requires that we plan and perform a limited statutory examination to identify material misstatements in the financial statements. A limited statutory examination consists primarily of inquiries of company personnel and analytical procedures as well as detailed tests of company documents as considered necessary in the circumstances. However, the testing of operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.

Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the financial statements and the proposed appropriation of available earnings do not comply with Swiss law and the company's articles of incorporation.

We would like to point out that in the absence of freely disposable reserves, other short-term receivables due from shareholder and other group companies amounting to CHF 1'878'186 constitute a return of capital contributions that is prohibited under article 680 paragraph 2 CO.

Zurich, April 19, 2018

Grant Thornton AG

Erich Bucher
Audit expert
Auditor in charge

Stefan Widmer
Audit expert

Enclosures

- Financial statements (balance sheet, income statement and notes)
- Proposed appropriation of available earning

APOLLO VREDESTEIN SWITZERLAND LTD

BALANCE SHEET AS OF 31 MARCH 2018

	CHF	CHF
	31.03.2018	31.03.2017
ASSETS		
Cash on hand	2'657.11	2'541.21
Postal giro accounts	198'067.47	137'771.08
Total cash and cash equivalents	<u>200'724.58</u>	<u>140'312.29</u>
Trade accounts receivable	1'527'192.02	1'762'695.41
./. Provision for bad debts and collection risks	<u>-60'000.00</u>	<u>-60'000.00</u>
Total trade accounts receivable third parties	<u>1'467'192.02</u>	<u>1'702'695.41</u>
Other short-term receivables		
- due from shareholder	1'730'768.30	1'588'423.17
- due from other group companies	147'417.40	153'155.70
- due from third parties	28.61	-63.64
Inventories	1'201'000.00	971'000.00
Prepaid expenses and accrued income	277'028.61	216'733.67
Total current assets	<u>5'024'159.52</u>	<u>4'772'256.60</u>
Other long-term receivables	90'432.06	90'429.02
Equipment, technical equipment	223'000.40	223'000.40
./. Accumulated depreciation equipment, technical equip.	<u>-194'114.81</u>	<u>-184'542.78</u>
Total property, plant and equipment	<u>28'885.59</u>	<u>38'457.62</u>
Total non-current assets	<u>119'317.65</u>	<u>128'886.64</u>
TOTAL ASSETS	<u>5'143'477.17</u>	<u>4'901'143.24</u>

APOLLO VREDESTEIN SWITZERLAND LTD

BALANCE SHEET AS OF 31 MARCH 2018

	CHF	CHF
	31.03.2018	31.03.2017
LIABILITIES AND SHAREHOLDERS' EQUITY		
Trade accounts payable third parties	116'405.76	142'911.40
Other short-term liabilities third parties	122'991.15	94'320.52
Accrued expenses and deferred income	22'000.00	12'000.00
Provision for taxation	37'000.00	51'000.00
Provision for salaries and similar obligation	84'000.00	85'000.00
Provision for commission, trade discount and sales return	92'483.89	110'000.00
Provision for general expenses	57'175.00	0.00
Total short-term liabilities	532'055.80	495'231.92
Total liabilities	532'055.80	495'231.92
Share capital	3'000'000.00	3'000'000.00
Legal retained earnings		
General legal retained earnings	529'000.00	515'000.00
Voluntary retained earnings		
Free reserves	300'000.00	300'000.00
Available earnings		
- Accumulated earnings	576'911.32	311'525.05
- Net profit for the year	205'510.05	279'386.27
Total Shareholders' equity	4'611'421.37	4'405'911.32
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	5'143'477.17	4'901'143.24

APOLLO VREDESTEIN SWITZERLAND LTD
INCOME STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

	CHF	CHF
	1.04.2017 - 31.03.2018	1.04.2016 - 31.03.2017
OPERATING INCOME		
Revenue from sale of goods	13'077'279.94	12'305'279.01
Other revenues (cost compensation)	20'693.55	45'667.92
Total revenues from sale of goods	13'097'973.49	12'350'946.93
./. Sales deductions	-418'190.44	-439'271.19
./. Losses from receivables	-934.60	-953.05
NET OPERATING INCOME	12'678'848.45	11'910'722.69
Cost of goods sold	-8'254'453.51	-7'520'659.45
GROSS PROFIT	4'424'394.94	4'390'063.24
EXPENSES		
Wages & salaries	1'100'698.90	1'192'442.40
Social security contributions	268'919.95	251'205.80
TOTAL PERSONNEL EXPENSES	1'369'618.85	1'443'648.20
Material and energy	26'799.68	21'108.60
Repairs and maintenance costs	40'318.57	35'078.83
Automobiles expenses and insurance	26'440.93	26'650.47
Administration expenses	95'490.94	131'786.97
Rental and leasing expenses	189'910.52	191'304.32
Selling expenses	102'896.46	112'305.27
Advertising and representation expenses	343'970.47	274'749.01
Depreciation and amortizing	9'572.03	13'488.32
Local warehousing fees	486'194.26	431'004.02
Local distribution expenses	748'873.49	754'134.51
Distribution and logistic expenses Enschede	532'424.56	507'009.89
Sevices Enschede	302'276.69	231'175.03
TOTAL OPERATING EXPENSES	2'905'168.60	2'729'795.24
Ordinary result before interest and taxes	149'607.49	216'619.80
Financial income	60'391.28	62'109.76
Non-operating income	35'977.75	27'212.25
Non-operating expenses	-4'109.15	-9'413.58
Ordinary result before taxes	241'867.37	296'528.23
Extraordinary, non-recurring or prior period income	2'579.11	36'855.66
Extraordinary, non-recurring or prior period expenses	-1'691.93	-2'963.37
Profit for the year before taxes	242'754.55	330'420.52
Direct taxes	37'244.50	51'034.25
PROFIT FOR THE YEAR	205'510.05	279'386.27



APOLLO VREDESTEIN SWITZERLAND LTD

Notes to the Financial Statements

1 General

Apollo Vredestein Switzerland Ltd is registered under CHE-105.931.975. The legal domicile is Mellingerstrasse 2a, 5400 Baden.

These financial statements were prepared according to the principles of the Swiss Law on accounting and financial reporting (32nd title of the Swiss Code of Obligations).

Where not prescribed by law, the significant accounting and valuation principles applied are described below. It should be noted that the company's financial statements may be influenced by the creation and release of hidden reserves.

2 Accounting policies

Inventory

Inventory are stated at acquisition cost less impairment provision, if applicable. The FIFO method is used to value inventory. The company has furthermore made use of a general value adjustment admissible under tax law.

Trade accounts receivable

Trade accounts receivable are stated at nominal value less applicable impairment provisions, if applicable.

Furthermore, general value adjustment admissible under tax law are done.

Trade accounts receivable classified as current all have a maturity date less than 12 months.

Property, Plant & Equipment

Property, plant and equipment are stated at cost, net of depreciation and any provision for impairment, if applicable.

Depreciation is calculated to write off the depreciable amount (cost less residual value) of all property, plant and equipment by equal instalments over their expected useful economic lives.

Revenue

Revenue from sale of goods comprises all sales in the normal course of business. All revenue is measured at fair value of consideration received or receivable.

Revenue is recognised when the risk and rewards of ownership have been transferred.

Foreign currency translation

Non-Swiss Franc denominated assets and liabilities of the company are translated into Swiss Francs at year-end rates of exchange.

Income and expense items are translated at monthly average rates of exchange or the rate ruling at the date of the transaction.

Foreign currency transaction gains and losses, are included in the income statement. Loans granted in foreign currencies are translated at the rate of the balance sheet date, whereby unrealised losses are recorded but unrealised profits are not recognised.



APOLLO VREDESTEIN SWITZERLAND LTD

Notes to the Financial Statements

Details and explanations for items included in the balance sheet and income statement

	01.04.17-31.03.18	01.04.16-31.03.17
3 Number of full time equivalent	<u>Employees</u>	<u>Employees</u>
Full time equivalents at year end	12	13
	CHF	CHF
4 Residual amount of leasing obligations		
Following lease obligations are not recorded in the balance sheet (excl. VAT)		
MF Fleetmanagement (Automobiles)	154'515	150'112
CHG-Meridian (IT hardware)	18'846	13'006
Privera (Rent of office)	117'000	227'000
Total of leasing obligations	290'361	390'118
Portion which is due within 12 months:	180'000	177'000

APOLLO VREDESTEIN SWITZERLAND LTD

Proposed appropriation of available earnings

31.03.2018

CHF

Retained earnings brought forward	576'911.32
Net result of the year	205'510.05
Available earnings	<u>782'421.37</u>

The board of Directors proposes to the General Meeting of Shareholders the following appropriation of available earnings:

Transfer to the general legal retained earnings	11'000.00
Retained earnings carry forward	771'421.37
Available earnings	<u>782'421.37</u>