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Apollo Vredestein Schweiz AG Baden

Financial Statements for the Year ended March 31, 2019
and Report of the Statutory Auditor on
the Limited Statutory Examination





Grant Thornton

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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, 2019.

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.

Zurich, April 30, 2019

Grant Thornton AG

Erich Bucher
Audit expert
Auditor in charge

Tobias Bader
Audit expert

Enclosures

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

APOLLO VREDESTEIN SWITZERLAND LTD

BALANCE SHEETS AS OF 31 MARCH 2019 AND 2018

	CHF	CHF
	31.03.2019	31.03.2018
ASSETS		
Cash on hand	3'374.41	2'657.11
Postal giro accounts	179'446.72	198'067.47
Total cash and cash equivalents	182'821.13	200'724.58
Trade accounts receivable	1'965'641.60	1'527'192.02
./. Provision for bad debts and collection risks	-60'000.00	-60'000.00
Total trade accounts receivable third parties	1'905'641.60	1'467'192.02
Other short-term receivables		
- due from shareholder	1'293'986.46	1'730'768.30
- due from other group companies	150'979.36	147'417.40
- due from third parties	18'510.54	28.61
Inventories	1'105'000.00	1'201'000.00
Prepaid expenses and accrued income	60'630.12	277'028.61
Total current assets	4'717'569.21	5'024'159.52
Other long-term receivables	90'432.06	90'432.06
Equipment, technical equipment	223'000.40	223'000.40
./. Accumulated depreciation equipment, technical equipment	-202'336.34	-194'114.81
Total property, plant and equipment	20'664.06	28'885.59
Total non-current assets	111'096.12	119'317.65
TOTAL ASSETS	4'828'665.33	5'143'477.17

APOLLO VREDESTEIN SWITZERLAND LTD

BALANCE SHEETS AS OF 31 MARCH 2019 AND 2018

	CHF	CHF
	31.03.2019	31.03.2018
LIABILITIES AND SHAREHOLDERS' EQUITY		
Trade accounts payable third parties	237'169.33	116'405.76
Other short-term liabilities third parties	155'894.60	122'991.15
Accrued expenses and deferred income	9'000.00	22'000.00
Provision for taxation	52'000.00	37'000.00
Provision for salaries and similar obligation	69'000.00	84'000.00
Provision for commission, trade discount and sales return	114'817.68	92'483.89
Provision for general expenses	45'175.00	57'175.00
Total short-term liabilities	683'056.61	532'055.80
Total liabilities	683'056.61	532'055.80
Share capital	2'250'000.00	3'000'000.00
Legal retained earnings		
General legal retained earnings	540'000.00	529'000.00
Voluntary retained earnings		
Free reserves	300'000.00	300'000.00
Available earnings		
- Accumulated earnings	771'421.37	576'911.32
- Profit for the year	284'187.35	205'510.05
Total Shareholders' equity	4'145'608.72	4'611'421.37
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	4'828'665.33	5'143'477.17



APOLLO VREDESTEIN SWITZERLAND LTD

INCOME STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 AND 2018

	CHF	CHF
	01.04.2018 - 31.03.2019	01.04.2017 - 31.03.2018
Revenue from sale of goods and services	15'064'015.95	13'077'279.94
Other revenues (cost compensation)	22'561.20	20'693.55
Total revenues from sale of goods and services	15'086'577.15	13'097'973.49
./. Sales deductions	-509'135.59	-418'190.44
./. Losses from receivables	-3'288.35	-934.60
OPERATING INCOME	14'574'153.21	12'678'848.45
Cost of goods sold	-9'681'574.23	-8'254'453.51
GROSS PROFIT	4'892'578.98	4'424'394.94
Wages & salaries	1'075'953.85	1'100'698.90
Social security contributions	272'721.30	268'919.95
TOTAL PERSONNEL EXPENSES	1'348'675.15	1'369'618.85
Material and energy	22'668.68	26'799.68
Repairs and maintenance costs	17'580.37	40'318.57
Automobiles expenses and insurance	20'312.63	26'440.93
Administration expenses	140'344.50	95'490.94
Rental and leasing expenses	174'343.32	189'910.52
Selling expenses	87'474.41	102'896.46
Advertising and representation expenses	372'651.17	343'970.47
Depreciation and amortizing	8'221.53	9'572.03
Local warehousing fees	429'377.10	486'194.26
Local distribution expenses	925'504.11	748'873.49
Distribution and logistic expenses Enschede	672'327.23	532'424.56
Sevices Enschede	394'287.84	302'276.69
TOTAL OPERATING EXPENSES	3'265'092.89	2'905'168.60
Ordinary result before interest and taxes	278'810.94	149'607.49
Financial income	80'746.70	60'391.28
Non-operating income	7'487.12	35'977.75
Non-operating expenses	-6'232.95	-4'109.15
Ordinary result before taxes	360'811.81	241'867.37
Extraordinary, non-recurring or prior period income	85.05	2'579.11
Extraordinary, non-recurring or prior period expenses	-25'009.21	-1'691.93
Profit for the year before taxes	335'887.65	242'754.55
Direct taxes	51'700.30	37'244.50
PROFIT FOR THE YEAR	284'187.35	205'510.05



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).

2 Accounting policies

Inventory

Inventory are stated at acquisition cost less impairment provision, if applicable. The actual transfer price 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. 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, except for unrealised gains, 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

Other information

	01.04.18-31.03.19	01.04.17-31.03.18
3 Number of full time equivalent	<u>Employees</u>	<u>Employees</u>
Annual average number of full-time equivalents	11	12
4 Residual amount of leasing obligations	CHF	CHF
Following lease obligations are not recorded in the balance sheet (excl. VAT):		
MF Fleetmanagement (Automobiles)	157'298	154'515
CHG-Meridian (IT hardware)	11'860	18'846
Privera (Rent of office)	405'000	117'000
Total of leasing obligations	574'158	290'361
Portion which is due within 12 months:	170'000	180'000
5 Liabilities against pension institution		
AXA Stiftung Berufliche Vorsorge	49'566	0

APOLLO VREDESTEIN SWITZERLAND LTD

Proposed appropriation of available earnings

31.03.2019

CHF

Accumulated earnings	771'421.37
Profit for the year	284'187.35
Available earnings	<u>1'055'608.72</u>

The board of directors proposes to the General Meeting of shareholders the following appropriation of available earnings:

Dividend (netting with receivables due from shareholder)	900'000.00
Transfer to the general legal retained earnings according to Art. 671/1 CO	14'250.00
Transfer to the general legal retained earnings according to Art. 671/2/3 CO	78'750.00
Balance to be carried forward	62'608.72
Available earnings	<u>1'055'608.72</u>