


**Company name:** SRF EUROPE KFT  
**Court registry No:** 01-09-323516  
**Statistical code:** 26312349-2222-113-01  
**Financial year:** 1-April-2019 - 31-March-2020  
**Balance sheet date:** 31-March-2020

## SIMPLIFIED ANNUAL REPORT

**Kelt/Date:**

Budapest, 15 May 2020

  
\_\_\_\_\_  
Representative of the company



Company name:  
Court registry No:  
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Balance sheet date:

SRF EUROPE KFT  
01-09-323516  
26312349-2222-113-01  
1 April 2019 - 31 March 2020  
31 March 2020

## SIMPLIFIED ANNUAL REPORT BALANCE SHEET

Data in EUR

Name	Previous year	Current year
<b>A. FIXED ASSETS</b>	<b>7,773,535</b>	<b>79,457,684</b>
I. Intangible assets		
II. Tangible assets	7,773,535	79,447,658
III. Financial investments		10,025
<b>B. CURRENT ASSETS</b>	<b>4,750,897</b>	<b>4,201,236</b>
I. Stocks		667,673
II. Debtors	4,749,177	2,708,665
III. Securities		
IV. Cash at bank and in hand	1,720	824,898
<b>C. ACCRUED AND DEFERRED ASSETS</b>	<b>42</b>	<b>263,023</b>
<b>TOTAL ASSETS</b>	<b>12,524,474</b>	<b>83,921,942</b>
<b>D. EQUITY</b>	<b>837,933</b>	<b>318,793</b>
I. Subscribed capital	1,010,000	1,010,000
<i>Showing separately: ownership shares repurchased at nominal value</i>		
II. Subscribed capital unpaid (-)		
III. Capital reserve		
IV. Retained earnings		-172,067
V. Tied-up reserve		
VI. Revaluation reserve		
VII. Profit or loss for the year	-172,067	-519,141
<b>E. PROVISIONS</b>		
<b>F. CREDITORS</b>	<b>11,672,506</b>	<b>83,571,579</b>
I. Subordinated liabilities		
II. Long-term liabilities		77,291,653
III. Current liabilities	11,672,506	6,279,926
<b>G. ACCRUALS AND DEFERRED INCOME</b>	<b>14,035</b>	<b>31,571</b>
<b>TOTAL LIABILITIES</b>	<b>12,524,474</b>	<b>83,921,942</b>

DATA ABOVE ARE SUPPORTED BY AUDIT

Date: Budapest, 15 May 2020

Representative of the company



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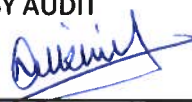
## SIMPLIFIED ANNUAL REPORT PROFIT AND LOSS STATEMENT

Data in EUR

Name	Previous year	Current year
I. Total net sales		
II. Own work capitalized		863,696
III. Other income		822
IV. Material costs	144,649	198,382
V. Staff costs	28,831	1,144,925
VI. Depreciation	88	2,074
VII. Other operating charges	716	41,715
<b>A. RESULTS OF OPERATING ACTIVITIES (I±II+III-IV-V-VI-VII)</b>	<b>-174,284</b>	<b>-522,577</b>
VIII. Income from financial transactions	10,454	33,733
IX. Expenses on financial transactions	8,218	30,235
<b>B. PROFIT OR LOSS FROM FINANCIAL TRANSACTIONS (VIII-IX)</b>	<b>2,236</b>	<b>3,498</b>
<b>C. PROFIT OR LOSS BEFORE TAX (±A±B)</b>	<b>-172,048</b>	<b>-519,079</b>
X. Tax expense	19	61
<b>D. PROFIT AFTER TAX (±C-X)</b>	<b>-172,067</b>	<b>-519,141</b>

DATA ABOVE ARE SUPPORTED BY AUDIT

Date: Budapest, 15 May 2020

  
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**SRF EUROPE Limited Liability Company**

**Notes to the Simplified Annual Report  
1 April 2019-31 March 2020**

Budapest, 15 May 2020



Representative of the Company

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## 1. THE COMPANY

SRF EUROPE Limited Liability Company was founded by SRF Global B.V. on April 16, 2018.

The Company was registered on April 25, 2018 with a registration No. 01-09-323516.

### The Sole Quotaholder of the Company:

SRF Global B.V. (address: Keizersgracht 391A, 1016EJ, Amsterdam, The Netherlands, registration number: 34314945).

### Subscribed capital

The subscribed capital on September 17, 2018 is EUR 1 010 000 comprising cash contribution in full.

### Main activity of the Company:

- Plastic packaging production

### Registered seat

Registered office of the Company: 1053 Budapest, Károlyi utca 12. 3rd floor

### Managing Director of the Company who has the right to sign the simplified annual report individually:

Prashant Mehra  
IN 122 009, Haryana  
Sector 28, Gurgaon, H-12/1, 12th Floor, Pilots Court, Essel Towers, MG Road  
India

Employee registered as authorized signature person:

Nikhil Maheshwari  
1055 Budapest, Nagy Ignác utca 18. 1. em. 1.

Kumar Pawan  
5126 Jászfényszaru, Kültérület hrsz. 05/04

### Chartered accountant

The name of the person who is responsible for the managing of the accounting services is Katalin Józsa (address: 2724 Újlengyel, Nyári Pál u.73.) chartered accountant, registration number: 161894.

### Audit

Based on the Section 155 (5) of the Act C of 2000 on Accounting the election of an auditor is obligatory.

The auditor of the Company is KPMG Hungary Audit Kft. (1134 Budapest, Váci út 31.), appointed auditor: Bajusz Ádám Gyula (chamber's number: 007395).

The audit fee charged by the auditor for the audit of current business year's simplified annual report is EUR 24,500 + VAT.



## **2. ACCOUNTING POLICY**

### **a) Business year**

The business year of the company is from April 1 until March 31.

The financial statements relate to the period from April 1, 2019 until March 31, 2020.

The Company has set, April 15, 2020 as the preparation of the simplified annual report.

### **b) Basis of accounting**

The Company is required to keep double-entry books. The selected method for the preparation of the Balance Sheet is version "A" and for the preparation of the Profit and Loss Statement is the total cost method. The simplified financial statements have been prepared under the historical cost convention in accordance with the Hungarian Act on Accounting. The Company does not make any changes (enlarging or concentrating) in the chosen version of the Balance Sheet and the Profit and Loss Statement.

The Company keeps its records in EUR.

### **c) Recording of transactions arising in foreign currencies**

Transactions arising in a foreign currency other than that in which the books are kept are recorded at the Hungarian National Bank's exchange rate and cross bank rate prevailing at the date of the transaction. Exchange gains or losses arising from the difference between the exchange rates prevailing at the date of payment and the date of the transaction are stated in the profit and loss account.

### 3. VALUATIONS (data in EUR)

#### a) Fixed assets

##### Gross amount of tangible assets

Description	Movements in EUR				
	Opening	Increasing	Transfer	Decreasing	Closing
Intangible assets					0
Buildings		3,167,591			3,167,591
Production equipments					0
Other equipments	1,921	5,433	-4	0	7,350
Assets in course of construction	7,771,702	71,179,817	0	3,173,024	75,778,495
Payments on account		496,384			496,384
<b>Total tangible assets:</b>	<b>7,773,623</b>	<b>74,849,225</b>	<b>-4</b>	<b>3,173,024</b>	<b>79,449,821</b>

##### Depreciation of tangible assets

Description	Movements in EUR				
	Opening	Increasing	Transfer	Decreasing	Closing
Intangible assets					
Buildings					
Production equipments					
Other equipments	88	2,074	0	0	2,162
<b>Total tangible assets:</b>	<b>88</b>	<b>2,074</b>	<b>0</b>	<b>0</b>	<b>2,162</b>

##### Net value

	Previous year	3/31/2020
Intangible assets	0	0
Buildings	0	3,167,591
Production equipments	0	0
Other equipments	1,833	5,188
Payments on account		496,384
Assets in course of construction	7,771,702	75,778,495
<b>Total:</b>	<b>7,773,535</b>	<b>79,447,658</b>

SRF Europe Kft. was primarily established in Europe to be able to serve its customers in the BOPET film market therefore the project underway involves setting up of biaxially oriented polyethylene terephthalate (BOPET) film line and metallizer (aluminum coating) to produce. To be able to do this SRF Europe Kft. is constructing on the Property a BOPET film producing facility. The area of the factory buildings is approximately 25,000 m2. The expected time of the obtainment of the final occupancy permit is 30 June 2020, while the expected time of the commencement of the commercial production activity is 31 July 2020.

#### b) Stocks and Debtors

Raw materials		667,673
Receivables from independent undertakings	3,613,991	1,720,045
Other receivables	1,135,186	988,620
<b>Összesen</b>	<b>4,749,177</b>	<b>3,376,337</b>

<b>c) Liquid assets</b>	<b>Previous year</b>	<b>3/31/2020</b>
Petty cash	11	0
Bank account	1,709	824,898
<b>Total:</b>	<b>1,720</b>	<b>824,898</b>

<b>d) Accrued and deferred assets</b>		
Accrued expenses	42	263,023
<b>Total:</b>	<b>42</b>	<b>263,023</b>

<b>e) Shareholders' equity</b>				
	<b>4/1/2019</b>	<b>Increase</b>	<b>Decrease</b>	<b>3/31/2020</b>
Subscribed capital	1,010,000	0	0	1,010,000
Profit/Loss after taxes	-172,067	0	-519,141	-691,208
<b>Total:</b>	<b>837,933</b>	<b>0</b>	<b>-519,141</b>	<b>318,793</b>

Decision on the lost shareholder's equity shall be made at the next owner's meeting

<b>f) Liabilities</b>		
Long-term loans		47,916,147
Long-term liabilities to significant ownership undertakings		29,375,506
Short term bank loans		1,500,000
Trade creditors	1,860,000	4,032,924
Short-term liabilities to significant ownership undertakings	9,688,898	509,264
Other short term liabilities	123,608	237,738
<b>Total:</b>	<b>11,672,506</b>	<b>83,571,579</b>

As of now the company is able to repay its short term bank loans. As currently there is a moratorium for loan repayment the company may use this opportunity if necessary.

<b>g) Accrued and deferred liabilities</b>		
Deferred expenses	14035	31,571
<b>Total</b>	<b>14035</b>	<b>31,571</b>

<b>h) Own work capitalized</b>		
Variation in stocks of finished goods and in work in progress	0	0
Work performed by the company for its own purposes and capitalized	0	863,696
<b>Total</b>	<b>0</b>	<b>863,696</b>



	Previous year	2019.04.01-2020.03.31
<b>h) Material-type expenditures</b>		
Raw materials	766	7273
Contracted services	141,957	186,743
Other service activities	1,926	4,366
<b>Total:</b>	<b>144649</b>	<b>198,382</b>
<b>i) Payments to personnel</b>		
Wages	16,130	807,955
Other payments to personnel	7,778	179,249
Payroll related taxes	4,923	157,721
<b>Total:</b>	<b>28,831</b>	<b>1,144,925</b>
<b>j) Depreciation</b>		
Depreciation of fixed assets	88	2,074
<b>Total:</b>	<b>88</b>	<b>2,074</b>
<b>k) Other expenditures</b>		
Other expenditures	660	41,715
Costs incurred not in connection with the business activity	56	0
<b>Total:</b>	<b>716</b>	<b>41,715</b>
<b>l) Financial income</b>		
Other financial income	10,454	33,733
<b>Total:</b>	<b>10,454</b>	<b>33,733</b>
<b>m) Financial expenditures</b>		
Interest paid to bank	81	0
Other financial expense	8,137	394
<b>Total:</b>	<b>8,218</b>	<b>394</b>
<b>n) Taxation</b>		
<b>The company opted to calculate tax as per minimum tax rules:</b>		
Total income	10,454	34,536
Tax base for minimum (income) tax	209	691
Minimum (income) tax	19	62
<hr/>		
Minimum tax booked for previous year were reversed in current year as the company was not required to pay (first business year)		
<b>o) Wages and staff number</b>		
Average number of employees	1	33

**q) Other information**

The Company has no board of directors or supervisory board.

There is no direct or indirect connection with any environmental protected area, therefore the Company has no policy for environmental protection or did not have any environmental protection decision.

Off balance sheet items of the company:

Long term bank loans:

Bank:	Raiffeisen Bank				
Credit limit	50,000,000	EUR	Credit limit used	47,916,147	EUR
Starting date	2020. január 14				
End date:	2027. január 14				

Bank guarantees:

Bank:	Raiffeisen Bank	
Loan guarantee	1,328,640,000	HUF
Starting date:	2020. január 30	
End date:	2021. január 29	

Letters of credit:

The company issued a commercial letter of credit of 1 785 155 EUR through Citibank Europe.

Security created on the loans from bank(s):

Term loans aggregating to Euro 50,000,000 and working capital facilities aggregating to Euro 20,000,000, taken from Raiffeisen Bank, are, inter-alia, secured by the following :

- a) Corporate Guarantee by the SRF Limited (both term loan and working capital)
- b) Pledge of 85% share capital of the Company held by SRF Global BV (both term loan and working capital)
- c) Mortgage of the land and buildings of the Company at the factory situated at Jaszfenyszaru, Hungary (term loan only)
- d) Exclusive charge over the fixed assets of the Company at the factory situated at Jaszfenyszaru, Hungary (term loan only)
- e) Pledge over the receivables arising out of trade agreements (working capital facilities only)

The Company does not have any research or development activity.

Effect of COVID-19 on the company: due to the travel restrictions the OEM engineers could not finish commissioning production equipments. This results in approximately 2 month delay in starting operations. This issue had very little effect on current year's financial results. According to our analysis the situation did not have a significant, prolonged effect on the value of our assets. We could not identify any changes in prospective customers in the subsequent year. Therefore there is no doubt regarding continued operations.

