

Stabilus S.A.
(former Servus HoldCo
S.à r.l.)

Annual accounts
for the year ended
30 September 2014
(with the report of the
Réviseur d'Entreprises
agréé thereon)

2 rue Albert Borschette
L-1246, Luxembourg
Share Capital : EUR 207,232.56
R.C.S. Luxembourg: B0151589

Stabilus S.A. (former Servus HoldCo S.à r.l.)

Management Report
for the year ended 30 September 2014

1. General

Stabilus S.A., Luxembourg, hereafter also referred to as “Stabilus” or the “Company” (former Servus HoldCo S.à r.l. hereafter also referred to as “Servus HoldCo”) is a public limited liability company (société anonyme) incorporated in Luxembourg and governed by Luxembourg law. The registered office of the Company is 2 rue Albert Borschette, L-1246 Luxembourg, Grand Duchy of Luxembourg. The Company was founded under the name of Servus HoldCo S.à r.l. on 26 February 2010. Following the shareholder resolution dated 5 May 2014, the corporate form and the name of the Company were changed from “Servus HoldCo S.à r.l.”, private limited liability company (société à responsabilité limitée), to “Stabilus S.A.”, a public limited liability company (société anonyme).

Stabilus S.A. is the parent company of the Luxembourg based Stabilus Group.

Stabilus Group’s operating entities typically use the brand name “Stabilus” in their registered name. The Group operates in three regions with its subsidiaries. These regions are Europe (Luxembourg, Germany, France, Italy, Romania, Spain, Switzerland and United Kingdom), NAFTA (United States and Mexico) and Asia / Pacific and rest of world (RoW) (China, South Korea, Japan, Australia, Brazil, New Zealand).

The Stabilus Group is a leading manufacturer of gas springs and dampers as well as electrical lifting equipment. The products are used in a wide range of applications in the automotive and the industrial sector, as well as in many furniture applications. Typically the products are used to aid the lifting and lowering or dampening of movements. As a world market leader for gas springs, the Group ships to all key vehicle producers. Various Tier 1 suppliers of the global car industry further diversify the Group’s customer base.

2. Reorganization and IPO

Following the shareholder resolution dated 5 May 2014, the corporate form and the name of the Company were changed from “Servus HoldCo S.à r.l.” to “Stabilus S.A.”

Since September 2014 Stabilus S.A. is listed in the S-Dax of the Frankfurt Stock Exchange. At the Initial Public Offering (IPO) in May, Stabilus S.A. was listed at the Prime Standard of the Frankfurt Stock Exchange’s regulated market. Shares of the Company were offered to the public in Germany and placed privately with institutional investors in certain jurisdictions outside Germany between 9 May 2014 and 22 May 2014. The price range was set between EUR 19 and EUR 25 per share. Shares were allocated at EUR 21.50. Stabilus S.A.’s IPO was oversubscribed multiple times at the issue price. The first trading price was EUR 22.75. In the IPO, 12,157,335 bearer shares with a nominal value of EUR 0.01 each were placed; thereof 9,134,079 shares were placed by the selling shareholder Servus Group HoldCo II S.à r.l. and 3,023,256 new shares were issued.

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Following the Company's IPO, the free float amounted to 58.7%, representing 12,157,335 shares out of a total capital stock of 20,723,256 shares. With the IPO process the selling shareholder had agreed to a six month look up period. On 2 December 2014 further 4,351,884 shares were sold by Servus Group HoldCo II S.à r.l., for the 4,214,037 remaining shares a 90 day look up was agreed. Total free float is now 79%.

The members of the Management Board also committed themselves to comply with market protection agreements and limitations on disposal (lock-up) for a period of twelve months for shares purchased at the IPO.

The Group used the proceeds from the issuance of new shares amounting (before deduction of transaction costs) to EUR 65.0 million to partially redeem its senior secured notes. In addition, prior to the IPO and immediately following the IPO, the Group structure was reorganized (hereinafter also referred to as "IPO reorganization"). As a result, the equity upside-sharing instruments (EUSIs) and the upstream loan to the selling shareholder were extinguished and will no longer be recognized on the Group's balance sheet.

3. Governing bodies

Management Board of the Company

As a Luxembourg société anonyme whose shares are exclusively listed on a regulated market in Germany, the Company is not required to adhere to the Luxembourg corporate governance regime applicable to companies that are traded in Luxembourg or to the German corporate governance regime applicable to stock corporations organized in Germany. The Company has decided to set up own corporate governance rules as described in the following paragraphs rather than to confirm such corporate governance regimes in order to build up a corporate governance structure which meets the specific needs and interest of the Company.

The internal control systems and risk management for the establishment of financial information is described in the section "Risk management and control over financial reporting in the Stabilus Group".

According to the Articles of Incorporation of the Company, the Management Board must be composed of at least two Management Board members, and the Supervisory Board must be composed of at least three Supervisory Board members. The Supervisory Board has set up the following committees in accordance with the Articles of Incorporation: Audit Committee and Remuneration Committee. The Audit Committee is responsible for the consideration and evaluation of the auditing and accounting policies and its financial controls and systems. The Remuneration Committee is responsible for making recommendations to the Supervisory Board and the Management Board on the terms of appointment and the benefits of the managers of the Company as well as for making recommendations on bonus payments to be made to all Stabilus employees. Further details on the composition and purpose of these committees and of the Management Board and the Supervisory Board is described in the section "Management and Supervisory Board of Stabilus S.A.".

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The Annual General Meeting shall be held on the third Wednesday of the month of February at 10 a.m. Luxembourg time. If such day is not a business day in Luxembourg, the meeting shall be held on the next following business day, at the same hour. The Management Board and Supervisory Board may convene extraordinary General Meetings as often as the Company's interests so require. An extraordinary general shareholders' meeting must be convened upon the request of one or more shareholders who together represent at least one tenth of the Company's share capital.

Each share entitles the holder to one vote. The right of a shareholder to participate in a General Meeting and to exercise the voting rights attached to his shares are determined with respect to the shares held by such shareholder the 14th day before the General Meeting. Each shareholders can exercise their voting rights in person, through a proxyholder or in writing (if provided for in the relevant convening notice).

The Company is managed by the Management Board. According to the Articles of Association, the Management Board must be composed of at least two members. The members of the Management Board shall be appointed by the Supervisory Board. The Supervisory Board shall also determine the number of members of the Management Board, their remuneration and the terms of their office. Currently, the Management Board consists of four members.

The Management Board is vested with the broadest powers to perform, or to cause to be performed, all acts of disposition and administration in the Company's interest. All powers not expressly reserved by the 1915 Companies Act or by the Company's Articles of Association to the general shareholders' meeting or the Supervisory Board fall within the competence of the Management Board.

The Management Board is composed of the following members:

- Dietmar Siemssen, Chairman/CEO, appointed 2014
- Mark Wilhelms, CFO, appointed 2014
- Bernd-Dietrich Bockamp, Director Group Accounting, appointed 2014
- Andreas Schröder, Director Financial Reporting, appointed 2014

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Supervisory Board of the Company

The Supervisory Board shall carry out the permanent supervision of the Management Board, without being authorized to interfere with such management. The Supervisory Board may validly deliberate and make decisions only if at least one half of its members is present or represented. Decisions are made by the majority of the votes of the members present or represented. If a member of the Supervisory Board abstains from voting or does not participate to a vote in respect of a proposed resolution, this abstention or non-participation is taken into account in calculating the majority as a vote against the proposed resolution. Any member of the Supervisory Board may participate in a meeting of the Management Board by conference call, video conference or by similar means of communication in accordance with the Articles of Association. A resolution of the Supervisory Board may also be passed in writing, which must be signed by each member of the Supervisory Board. The Supervisory Board may require the Management Board to provide information of any kind which it needs to exercise its supervision. The Supervisory Board may undertake or arrange for any investigations necessary for the performance of its duties.

The Supervisory Board is composed of the following members:

- Udo Stark, Chairman, appointed 2014
- Nizar Ghossaini, appointed 2014
- Dr. Stephan Kessel, appointed 2014
- Andi Klein, appointed 2014

Committees

The Supervisory Board has established the following committees in accordance with the Company's Articles of Association:

- the Remuneration Committee; and
- the Audit Committee.

Remuneration Committee

The Remuneration Committee has responsibility for making recommendations to the Supervisory Board and the Management Board on the terms of appointment and the benefits of the managers of the Company for each financial year of the Company, as well as for making recommendations on bonus payments to be made to all employees based on recommendation from the Management Board.

The Remuneration Committee is chaired by Udo Stark with Nick Ghossaini and Andi Klein completing the membership of the committee. The Remuneration Committee meets at least twice annually.

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Audit Committee

The Audit Committee is appointed by the Supervisory Board and is responsible for the consideration and evaluation of all material questions concerning the auditing and accounting policies of the Group and its financial controls and systems, together with related recommendations to be made to the Management Board.

The Audit Committee consists of three members, Andi Klein (Chairman), Udo Stark and Dr. Stephan Kessel, of which Udo Stark and Dr. Stephan Kessel are considered to be independent. The Audit Committee intends to meet up to twice annually.

4. Business and general environment

Macroeconomic development

In calendar year 2013, the growth in global gross domestic product (GDP) was with 3.3% at about 2012 level (calendar year 2012: 3.2%). In its latest October 2014 World Economic Outlook, the International Monetary Fund (IMF) reduced its growth forecast for the global economy from 3.4% to 3.3% for the current calendar year 2014. The forecast for 2015 was reduced by 0.2 percentage points to 3.8%.

The IMF still believes that there are considerable risks in the high debt levels of many so called "advanced" economies. Structural reforms continue to be needed to effectively counter the risks.

Development of vehicle markets

A very important factor for our revenues in the automotive and industrial market is global production volumes of newly manufactured light vehicles which comprise passenger cars, station wagons, SUVs, vans and light commercial vehicles weighing less than six tons.

The global demand for vehicles developed positively in the last twelve months. Following the global increase in demand for passenger cars, station wagons, SUVs and light commercial vehicles, the number of vehicles produced in calendar year 2013 increased to around 85 million units, up by ca. 4% from the 82 million units in calendar year 2012. About 80% of this increase relates to China, but also the development of production volumes in NAFTA continues to be strongly positive. The number of light vehicles produced in Europe slightly improved in calendar year 2013.

For calendar year 2014, the total worldwide production of light vehicles in 2014 is expected to amount up to 87 million units. The total increase by ca. 3% compared to 2013 will result from the positive developments in NAFTA (around +5%), Asia (around +4%) and Europe (around +3%), while the production volumes in other markets are expected to shrink by around 5%.

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5. Research and Development

The Company does not perform any research and development activities. Research and development activities are performed from various affiliated undertakings.

6. Results of operations

Income

The Company's income results from services to Stabilus Group entities as well as from interest and profit distributions from financial assets. The income from services in the financial year 2014 amounts to EUR 4.8 million. Gains on distributions of PPLs in the financial year 2014 amounts to EUR 179.3 million. The dividend distributions from subsidiaries the financial year 2014 amount to EUR 210.7 million. The income from the disposal of the 10% share in Servus II (Gibraltar) Limited amount to EUR 14.9 million.

Charges

The charges are mainly driven in the financial year 2014 by the expenses with regards of the 2014 IPO and interest expenses. The IPO expenses amount to EUR 15.5 million.

The interest expense in the financial year 2014 amounts to EUR 179.4 million.

7. Financial position

Equity

The Company holds a strong financial position with its 96.4% equity ratio.

The Company's equity as of 30 September 2014 increased, as compared to 30 September 2013, from EUR 82.1 million to EUR 451.2 million. The profit generated in the financial year 2014 amounts to EUR 218.7 million. The loss brought forward as of 30 September 2014 amounts to EUR 33.3 million. The share capital was decreased by EUR 4.8 million and the amount added to a distributable reserve. The shareholder contributed on 21 May 2014 its receivable against Stabilus S.A. (resulting from the transfer of the liabilities under Senior EUR PPL, Senior USD PPL and ETL PPL to Servus Holdco II S.à r.l.) as share premium for an amount of EUR 157.4 million. On 21 May 2014 Stabilus S.A. distributed 90% of its shares in Servus II (Gibraltar) Limited at carrying amount of EUR 72.0 million to Servus Group Holdco II S.à r.l. out of the newly created share premium of the Company. On 27 May 2014 the number of shares was increased by 3,023,256 shares (having a nominal value of EUR 0.01) leading to an increase in the issued capital by EUR 30 thousand. The total proceeds from this capital increase amounted to EUR 65.0 million.

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The Company's total assets increased from EUR 85.3 million to EUR 468.2 million. This is mainly due to the reorganization of the Group prior to and immediately following the IPO, which has been described in the prospectus (the prospectus is available under www.stabilus.com). As a result, the equity upside-sharing instruments (EUSIs) were extinguished.

Fixed assets

The fixed assets were impacted by an increase primarily due to the contribution to the share premiums and similar premiums of Servus Sub S.à r.l. and Servus II (Gibraltar) Limited, amounting in total to EUR 656.0 million, as well from the disposal of the shares of Servus II (Gibraltar) Limited, which was partly distributed to the shareholders and partly sold. The shares of Blitz F10 acht-drei-drei GmbH & Co. KG were disposed to Servus II (Gibraltar) Limited and then transferred to Servus III (Gibraltar) Limited.

Current assets

Current assets increased by EUR 4.0 million. This is essentially the consequence of higher amounts owed by affiliated undertakings mainly triggered by the implementation of service level agreements with the affiliated undertakings in the financial year 2014.

Non-current liabilities

During 2014, the equity upside-sharing instruments (EUSIs) were transferred to Servus Group Holdco II S.à r.l. in exchange of a liability amounting to EUR 180,400,000. Following this novation, EUR 157,400,000 were contributed by the lender as share premiums and similar premiums. The amount of EUR 23,000,000 was used to settle the disposal of Servus II (Gibraltar) Limited.

Current liabilities

Current liabilities increased by EUR 14.8 million to EUR 16.0 million as of 30 September 2014. The increase is mainly driven by the amounts owed to affiliated undertakings.

8. Risks and opportunities

Risk management and control over financial reporting in the Stabilus Group

The Company considers Risk Management (RM) to be a key part of effective management and internal control. The Company strives for effective RM and financial navigation to safeguard the assets of the Company and to proactively support the Company's strategic and compliance initiatives. The goal of RM is to help the Company to operate more effectively in a dynamic environment by providing a framework for a systematic approach to risks management and exploring opportunities with an acceptable level of risk. The Supervisory Board and the Management Board regularly discuss the operational and financial results as well as the related risks.

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Risk Management covers financial, strategic, compliance as well operational aspects. Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. These operational risks arise from all of the Group's operations. The Group's objective is to manage operational risk in a way to balance the avoidance of financial losses and damages to the Group's reputation with overall cost effectiveness, as well as avoiding control procedures that restrict initiative and creativity. The Company's policy on managing financial risks seeks to ensure effective liquidity and cash flow management and protection of group equity capital against financial risks. As part of its evolution, the Company implements continuous improvements in its risk management and internal control system.

Our accounting control system is designated to ensure all business transactions are correctly and promptly accounted for and that reliable data on the Company's financial situation is available. It ensures compliance with legal stipulations, accounting standards and accounting rules. A Group-wide calendar of deadlines helps ensure the complete and timely processing of financial statements. By separating financial functions and through ongoing review, we ensure that potential errors are identified timely and accounting standards complied with.

Our internal control system is an integral component of the risk management. The purpose of our internal control system for accounting and reporting is to ensure their compliance with legal stipulations, with the principles of proper accounting, with the rules on the International Financial Reporting Standards as adopted by the EU and with Group standards. In addition, we perform assessments to help identify and minimize any risk with a direct influence on our financial reporting. We monitor changes in accounting standards and enlist the advice of external experts to reduce the risk of accounting misstatements in complex issues.

The Company and individual entity financial statements are subject to external audits which act as an independent check and monitoring mechanism of the accounting system and its output. The principal risks that could have a material impact on the Group are set out in the note 32 of the consolidated financial statement and are summarized below:

Foreign currency risk

The Stabilus Group reviews the need of forward currency exchange or interest transaction in regular intervals. As of 30 September 2014, no forward exchange transactions or interest hedges were made within the Group. Operationally we strive to increase our local content to improve our natural hedging position.

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Credit risk

The Group has adopted a policy of dealing only with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. Receivable exposure is controlled by counterparty limits that are reviewed in regular intervals. Trade receivables consist of a large number of customers which are spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate and available, credit guarantee insurance cover is purchased.

Liquidity risk

Stabilus has set an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity requirements. The Group manages liquidity risk by regular reviews, maintaining certain cash reserves, as well as open credit lines.

There is a risk that financial covenants of the Senior Secured Loan contract and the revolving credit facility agreement will not be complied with. All covenants and other conditions set out in the loan contracts were complied with in the past financial year. The Group planning shows that these covenants will also be complied with during the forecast period of the next twelve months.

Interest rate risk

The Stabilus Group is reviewing continuously the need of forward interest swaps. As of 30 September 2014, no interest hedges were closed within the Group.

Technical and litigation risks

The Group's products are used in many different applications. A manufacturing quality management system was implemented many years ago to ensure a high degree of functionality and process reliability. Technical risks for new applications are analyzed during the offer phase in an opportunities and risks summary and are reassessed regularly in the course of the project. The Group is subject to some claims, proceedings and lawsuits related to products, patents and other matters incidental to these businesses. The in-house legal department monitors these risks continuously and reports regularly to Group management and the Supervisory Board. Insurance coverage within certain limits is provided.

Opportunities of the further development of the Company

At the end of the reporting period, macro conditions in the majority of the economic regions around the globe as well as market performance measured on the basis of global automobile production were as favourable as at the beginning of the financial year. Nevertheless NAFTA in particular saw their vehicle markets develop more dynamically than previously anticipated.

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9. Corporate Governance

As a Luxembourg société anonyme, the Company is subject to the corporate governance regime as set forth in particular in the law of 10 August 1915 on commercial companies. As a company whose shares are listed on a regulated market, the Company is further subject to the law of 24 May 2011 on the exercise of certain shareholder rights in listed companies.

The information required by article 10.1 of Directive 2004 / 25 / EC on takeover bids which has been implemented by article 11 of the law of 19 May 2006 on takeovers (the "Law on Takeovers") is set forth here below under "Disclosure Regarding Article 11 of the Law on Takeovers of 19 May 2006".

DISCLOSURE REGARDING ARTICLE 11 OF THE LAW ON TAKEOVERS OF 19 MAY 2006

- A) For information regarding the structure of capital, reference is made to note 21 of the consolidated financial statements
- B) The Articles of Incorporation of the Company do not contain any restrictions on the transfer of shares of the Company.
- C) Information regarding section c) of the law (significant direct and indirect shareholdings) can be found in note 38 of the consolidated financial statement
- D) The Company has not issued any securities granting special control rights to their holders.
- E) The control rights of any shares issued in connection with employee share schemes are exercised directly by the respective employees.
- F) The Articles of Incorporation of the Company do not contain any restrictions on voting rights.
- G) There are no agreements with shareholders which are known to the Company and may result in restrictions on the transfer of securities or voting rights within the meaning of Directive 2004 / 109 / EC (Transparency Directive).
- H) Rules governing the appointment and replacement of Management Board members and the amendment of the Articles of Incorporation:
The Management Board members are appointed by the Supervisory Board by the majority of the votes of the members present or represented (abstention or non-participation being taken into account as a vote against the appointment), or in the case of a vacancy, by way of a decision of the remaining Management Board members for the period until the next Supervisory Board Meeting.
Management Board members serve for the following terms: Chief Executive Officer four years, Chief Financial Officer three years and other Board members one year. Management Board members are eligible for re-appointment.
Management Board members may be removed at any time with or without cause by the Supervisory Board by a simple majority of the votes.

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Resolutions to amend the Articles of Incorporation may be adopted by a majority of two thirds of the votes validly cast, without counting the abstentions, if the quorum of half of the share capital is met. If the quorum requirement of half of the share capital of the Company is not met at the first General Meeting, then the shareholders may be re-convened to a second General Meeting. No quorum is required in respect of such second General Meeting and the resolutions are adopted by a supermajority of two-thirds of the votes validly cast, without counting the abstentions.

I) Powers of the Management Board:

The Company is managed by a Management Board under the supervision of the Supervisory Board.

The Management Board is vested with the broadest powers to perform or cause to be performed any actions necessary or useful in connection with the purpose of the Company.

All powers not expressly reserved by the Companies Act or by the Articles of Incorporation to the General Meeting or the Supervisory Board fall within the authority of the Management Board.

Certain transactions and measures are subject to the prior approval of the Supervisory Board on the terms set out in the Articles of Incorporation.

The Management Board may appoint one or more persons, who may be a shareholder or not, or who may be a member of the Management Board or not, to the exclusion of any member of the Supervisory Board, who shall have full authority to act on behalf of the Company in all matters pertaining to the daily management and affairs of the Company.

The Management Board is also authorized to appoint a person, either a director or not, to the exclusion of any member of the Supervisory Board, for the purposes of performing specific functions at every level within the Company.

The Management Board may also appoint committees and sub-committees in order to deal with specific tasks, to advise the Management Board or to make recommendations to the Management Board and / or, as the case may be, the General Meeting, the members of which may be selected either from among the members of the Management Board or not, to the exclusion of any member of the Supervisory Board.

The Management Board does not have currently any authority to issue shares in the Company under the Articles of Incorporation.

The Management Board does not have currently any authority to buy back shares under the Articles of Incorporation or a buy-back program.

J) There are no significant agreements to which the Company is party and which take effect, alter or terminate upon a change of control of the Company following a takeover bid.

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- K) There are no agreements between the Company and its Management Board members or employees providing for compensation if they resign or are made redundant without valid reason or if their employment ceases because of a takeover bid.

10. Subsequent events

Stabilus S.A. and further Stabilus companies signed a senior facilities agreement (SFA) on 19 December 2014. The new financing gives the group the opportunity to refinance the existing financial liabilities. The Company is a borrower under the SFA together with Stable II S.à r.l. and Servus Luxembourg Holding S.C.A. as well as other non-Luxembourg group entities. The Company is a guarantor under the SFA together with Stable II S.à r.l., Servus Sub S.à r.l., Servus Luxembourg S.à r.l. and Servus Luxembourg Holding S.C.A. and other non-Luxembourg entities. The SFA has an amount of total EUR 320 million, thereof EUR 50 million is a revolving credit facility.

Apart from this, there were no further events or developments that could have materially affected the measurement and presentation of the Company's assets and liabilities as of 30 September, 2014.

11. Outlook

The forecast for the global light vehicle production sees an annual production growth rate between 3% and 4% for the next 3 years. The growth rate in China is expected to slow down to around 4% in 2018. The NAFTA region is expected to grow on a constant level of 2% whereas the production in Europe is expected to increase by 2016 and 2017 with an annual growth rate of around 4%.

For the growth rate of revenue, adjusted EBITDA and adjusted EBIT of the Group we target to achieve a similar growth rate as achieved for the financial year 2014. The Company will increase its income from charges to affiliated undertakings.

Luxembourg, 23 December 2014





KPMG Luxembourg S.à.r.l.
9, allée Scheffer
L-2520 Luxembourg

Telephone +352 22 51 51 1
Fax +352 22 51 71
Internet www.kpmg.lu
Email info@kpmg.lu

To the Shareholders of
Stabilus S.A.
(formerly Servus HoldCo S.à r.l.)
2, rue Albert Borschette
L-1246 Luxembourg

REPORT OF THE REVISEUR D'ENTREPRISES AGRÉÉ

Report on the annual accounts

Following our appointment by the Extraordinary General Meeting of the Shareholders dated May 5, 2014, we have audited the accompanying annual accounts of Stabilus S.A. (formerly Servus HoldCo S.à r.l.) which comprise the balance sheet as at September 30, 2014 and the profit and loss account for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management Board's responsibility for the annual accounts

The Management Board is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts, and for such internal control as the Management Board determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

Responsibility of the Réviseur d'Entreprises agréé

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the judgement of the Réviseur d'Entreprises agréé, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the Réviseur d'Entreprises agréé considers internal control relevant to the entity's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management Board, as well as evaluating the overall presentation of the annual accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the annual accounts give a true and fair view of the financial position of Stabilus S.A. as of September 30, 2014, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts.

Report on other legal and regulatory requirements

The management report, including the corporate governance statement, which is the responsibility of the Management Board, is consistent with the annual accounts and includes the information required by the law with respect to the corporate governance statement.

Luxembourg, December 23, 2014

KPMG Luxembourg S.à r.l.
Cabinet de révision agréé



Ph. Meyer

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Balance sheet
as at 30 September 2014
(Expressed in EUR)

| | Notes | 30.09.2014 EUR | 30.09.2013 EUR |
|--|-------|--------------------|-------------------|
| ASSETS | | | |
| Fixed assets | 3 | 461,720,127 | 83,316,768 |
| Tangible fixed assets | | | |
| Other fixtures and fittings, tools and equipment | | 5,319 | - |
| Financial fixed assets | 4 | | |
| Shares in affiliated undertakings | | 461,714,808 | 82,218,044 |
| Amounts owed by affiliated undertakings | | - | 1,098,724 |
| Current assets | | 5,930,737 | 1,924,611 |
| Debtors | | | |
| Amounts owed by affiliated undertakings becoming due and payable within one year | 5 | 5,734,565 | 723,266 |
| Other receivables becoming due and payable within one year | | 49,578 | 49,578 |
| Cash at bank, cash in postal cheque accounts, cheques and cash in hand | | 146,594 | 1,151,767 |
| Prepayments | 6 | 496,227 | 29,325 |
| TOTAL ASSETS | | <u>468,147,091</u> | <u>85,270,704</u> |
| LIABILITIES | | | |
| A. Capital and reserves | 7 | 451,223,596 | 82,140,468 |
| Subscribed capital | | 207,233 | 5,012,500 |
| Share premium and similar premiums | | 260,771,044 | 110,417,000 |
| Reserves | | | |
| Other reserves | | 4,835,500 | - |
| Profit or loss brought forward | | (33,289,032) | (397,385) |
| Profit or loss for the financial year | | 218,698,851 | (32,891,647) |
| Subordinated debts | 8 | 914,423 | 1,906,360 |
| Non convertible loans becoming due and payable after more than one year | | 914,423 | 1,906,360 |
| Provisions | | 9,385 | 8,585 |
| Provisions for taxation | | 9,385 | 8,585 |
| Non subordinated debts | | 15,999,687 | 1,215,291 |
| Trade creditors becoming due and payable within one year | | 1,984,628 | 104,000 |
| Amounts owed to affiliated undertakings becoming due and payable within one year | 9 | 13,896,166 | 1,111,291 |
| Tax and social security debts | | | |
| Tax debts | | 78,003 | - |
| Other creditors becoming due and payable within one year | | 40,890 | - |
| TOTAL LIABILITIES | | <u>468,147,091</u> | <u>85,270,704</u> |

The accompanying notes form an integral part of these annual accounts.

Stabilus S.A. (former Servus HoldCo S.à r.l.)

Profit and loss account
for the year ended 30 September 2014
(Expressed in EUR)

| | Notes | 2014 EUR | 2013 EUR |
|---|-------|--------------------|-------------------|
| CHARGES | | | |
| Other external charges | 10 | 16,382,137 | 290,842 |
| Staff costs | 12 | | |
| Wages and salaries | | 85,929 | - |
| Social security on wages and salaries | | 18,498 | - |
| Value adjustments | | | |
| on formation expenses and on tangible and intangible fixed assets | 3 | 240 | - |
| Other operating charges | 11 | 145,753 | - |
| Value adjustments and fair value adjustments on financial fixed assets | | - | 31,847,191 |
| Interest and other financial charges | 13 | | |
| concerning affiliated undertakings | | 179,408,325 | 38,985,086 |
| other interest and similar financial charges | | 77,801 | 12,257,050 |
| Income tax | | 4,871 | 1,575 |
| Other taxes not included in the previous caption | | - | 394 |
| Profit for the financial year | | 218,698,851 | - |
| TOTAL CHARGES | | <u>414,822,405</u> | <u>83,382,138</u> |
| INCOME | | | |
| Other operating income | | 4,792,092 | - |
| Income from financial fixed assets | | | |
| derived from affiliated undertakings | 14 | 410,030,313 | 50,432,535 |
| Other interests and other financial income | | | |
| other interest and similar financial income | | - | 57,956 |
| Loss for the financial year | | - | 32,891,647 |
| TOTAL INCOME | | <u>414,822,405</u> | <u>83,382,138</u> |

The accompanying notes form an integral part of these annual accounts.

Stabilus S.A. (former Servus HoldCo S.à r.l.)

Notes to the annual accounts
for the year ended 30 September 2014

1 General

Stabilus S.A., Luxembourg, hereafter also referred to as “Stabilus” or the “Company” (former Servus Holdco S.à r.l. hereafter also referred to as “Servus HoldCo”) is a public limited liability company (société anonyme) incorporated in Luxembourg and governed by Luxembourg law. The registered office of the Company is 2 rue Albert Borschette, L-1246 Luxembourg, Grand Duchy of Luxembourg. The trade register number is B0151589. The Company was founded under the name of Servus HoldCo S.à r.l. on 26 February 2010. Following the shareholder resolution dated 5 May 2014, the corporate form and the name of the Company were changed from “Servus HoldCo S.à r.l.”, private limited liability company (société à responsabilité limitée), to “Stabilus S.A.”, a public limited liability company (société anonyme).

The Company is managed by a Management Board under the supervision of the Supervisory Board.

The Company is formed for an unlimited duration.

The purpose of the Company is (i) the acquisition, holding and disposal, in any form, by any means, whether directly or indirectly, of participations, rights and interests in, and obligations of, Luxembourg and foreign companies, including but not limited to any entities forming part of the Stabilus group, (ii) the acquisition by purchase, subscription, or in any other manner, as well as the transfer by sale, exchange or in any other manner of stock, bonds, debentures, notes and other securities or financial instruments of any kind (including notes or parts or units issued by Luxembourg or foreign mutual funds or similar undertakings) and receivables, claims or loans or other credit facilities and agreements or contracts relating thereto, and (iii) the ownership, administration, development and management of a portfolio of assets (including, among other things, the assets referred to in (i) and (ii) above).

The Company’s financial year starts on the 1 October and ends on 30 September each year.

The Company has no parent company which prepares consolidated financial statements including the Company as a subsidiary.

In May 2014 the Company made an initial public offering (IPO) and is listed at the Frankfurt Stock Exchange’s regulated market. The IPO was accompanied by a restructuring of the internal and external financial structure of the Company.

The Company also prepares consolidated financial statements in accordance with EU regulation 1606/2002.

The copies of the consolidated financial statements are available at the registered office of the Company at 2 rue Albert Borschette L-1246 Luxembourg or on www.stabilus.com.

Stabilus S.A. (former Servus HoldCo S.à r.l.)

Notes to the annual accounts
for the year ended 30 September 2014
(continued)

2 Summary of significant accounting policies

2.1 Basis of presentation

The annual accounts are prepared in accordance with Luxembourg company law and generally accepted accounting principles applicable in Luxembourg. The accounting policies and valuation principles are, apart from those enforced by Law, determined by the Management Board.

2.2 Foreign currency translation

The Company maintains its books and records in Euro ("EUR"). The Balance Sheet and the Profit and Loss account are expressed in this currency.

Formation expenses, intangible, tangible and financial fixed assets denominated in currencies other than EUR are translated at the historical exchange rates.

Cash at bank denominated in currencies other than EUR are translated at the exchange rates prevailing at the date of the Balance Sheet.

Current assets and liabilities denominated in currencies other than EUR (having an economic link and similar characteristics) are recorded globally at the exchange rates prevailing at the date of the Balance Sheet.

Long term debts denominated in currencies other than EUR having an economic link with receivables recorded in financial assets (and having similar characteristics) are translated at the historical exchange rates (loans "back to back").

As a result, realized exchange gains and losses and unrealized exchange losses are recorded in the Profit and Loss account. Unrealized exchange gains are not recognized.

2.1 Valuation of tangible fixed assets

Tangible assets are used for business purposes and are measured at cost less accumulated value adjustments. Depreciation on tangible fixed assets is recorded on a straight-line basis in accordance with its utilization and based on the useful lives of the assets. The residual values, depreciation methods and useful lives are reviewed annually and adjusted, if necessary.

2.2 Valuation of financial fixed assets

Shares in affiliated undertakings, participating interests and securities held as fixed assets are stated at acquisition cost. Write-downs are recorded if, in the opinion of the Management Board, it is expected the reduction in their value will be permanent. The impairment analysis is done individually for each investment.

Stabilus S.A. (former Servus HoldCo S.à r.l.)

Notes to the annual accounts
for the year ended 30 September 2014
(continued)

Loans to affiliated undertakings are recorded at their nominal value. Loans are written down to their recoverable amount if, in the opinion of the Management Board, there is a permanent impairment.

These value adjustments may not be continued if the reasons for which the value adjustments were made have ceased to exist.

2.3 Debtors

Current receivables are recorded at their nominal value. Current receivables are written down to their recoverable amount if, in the opinion of the Management Board, there is a permanent impairment.

These value adjustments may not be continued if the reasons for which the value adjustments were made have ceased to exist.

2.4 Debts

Debts are recorded at their reimbursement value. Where the amount repayable on account is greater than the amount received, the difference is shown as an asset and is written off over the period of the debt.

Debts are recorded under subordinated debts when their status is subordinated to unsecured debts.

2.5 Provisions

Provisions are intended to cover losses or debts, the nature of which is clearly defined and which, at the date of the balance sheet, are either likely to be incurred or certain to be incurred but uncertain as to their amount or the date on which they will arise.

Stabilus S.A. (former Servus HoldCo S.à r.l.)

Notes to the annual accounts
for the year ended 30 September 2014
(continued)

3 Movements in fixed assets

| | Tangible fixed assets | Shares in affiliated undertakings | Amounts owed by affiliated undertakings | total |
|--|-----------------------|-----------------------------------|---|--------------------|
| Costs | | | | |
| Opening | - | 82,218,044 | 1,098,724 | 83,316,768 |
| Addition | 5,559 | 68,602,004 | 389,961,080 | 458,568,643 |
| Capital contribution of loans to affiliated undertakings | - | 571,459,804 | -391,059,804 | 180,400,000 |
| Disposal | - | -80,165,044 | - | -80,165,044 |
| Capital reimbursement | - | -180,400,000 | - | -180,400,000 |
| | 5,559 | 461,714,808 | - | 461,720,367 |

| | | | | |
|--------------------------------------|-------------|----------|----------|-------------|
| Accumulated value adjustments | | | | |
| opening | - | - | - | - |
| Additions | -240 | - | - | -240 |
| Disposals | - | - | - | - |
| Reclassification | - | - | - | - |
| | -240 | - | - | -240 |

| | | | | |
|------------------------|-------|-------------|-----------|-------------|
| Carrying amount | | | | |
| Balance as of 30.09.14 | 5,319 | 461,714,808 | - | 461,720,127 |
| Balance as of 30.09.13 | - | 82,218,044 | 1,098,724 | 83,316,768 |

Stabilus S.A. (former Servus HoldCo S.à r.l.)

Notes to the annual accounts
for the year ended 30 September 2014
(continued)

4 Financial fixed assets

4.1 Shares in affiliated undertakings

| Name and registered office | Proportion of capital held | Year end date | Shares in affiliated undertakings as at 30.09.2014 | Equity as at year end (including result) | Profit or loss for the year ended |
|--|----------------------------|---------------|--|--|-----------------------------------|
| | in (%) | EUR | EUR | EUR | EUR |
| Blitz F10 neun GmbH, Grosse Eschenheimer Strasse 13, 60613 Frankfurt, Germany | 100% | 31.12.2012 | 28,000 | 13,704 | 2,380 |
| Servus III (Gibraltar) Limited*, 57/63 Line Wall Road, Gibraltar | 100% | | 5,162,000 | | |
| Servus Luxembourg S.à r.l., 2 rue Albert Borschette, L- 1246 Luxembourg | 100% | 30.09.2013 | 12,500 | 8,071 | -4,429 |
| Servus Sub S.à r.l., 2 rue Albert Borschette, L-1246 Luxembourg | 100% | 30.09.2013 | 456,512,308 | 2,005,007 | -7,429 |
| Total | | | 461,714,808 | | |

*No information disclosed due to the foundation in 2014
and not yet approved accounts available

Development of shares in affiliated undertakings refer to note 3.

On 21 May 2014, prior to the IPO, the Company distributed 90% of its shares in Servus II (Gibraltar) Limited to its shareholder amounting to EUR 72,015,727. The remaining 10% were sold following the IPO realizing a financial gain of EUR 14,910,233. During this transaction the shares in Blitz F10 acht-drei-drei GmbH & Co. KG were disposed.

On 29 April 2014, the Company incorporated Servus III (Gibraltar) Limited with a share capital of EUR 3,000.

On 15 May 2014, the Company contributed its receivables under the existing intra group ETL, PEC, Mezzanine, Senior EUR and Senior USD PPLs to the share premium of Servus III (Gibraltar) Limited at a value amounting to EUR 180,400,000.

On 15 May 2014, the Company contributed its short term receivable owed by Servus III (Gibraltar) Limited resulting from the purchase of the shares in Blitz F10 acht-drei-drei GmbH & Co KG to the share premium of Servus III (Gibraltar) Limited for an amount of EUR 5,159,000.

On 27 May 2014, the Company contributed the proceeds of the IPO deducted of transaction costs of a total amount of EUR 63,440,004 to the share premium of Servus Sub S.à r.l..

Stabilus S.A. (former Servus HoldCo S.à r.l.)

Notes to the annual accounts
for the year ended 30 September 2014
(continued)

On 30 September 2014, Servus III (Gibraltar) Limited made a distribution in the form of the intra group ETL, PEC, Mezzanine and Senior EUR PPLs amounting to EUR 391,059,804. The distributed assets were previously contributed by the Company on 15 May 2014 to Servus III (Gibraltar) Limited. Following a restructuring in Stabilus Group the distributed PPLs held by Servus III (Gibraltar) Limited were triggered and the variable interest was capitalized resulting in a value increase of EUR 210,659,804. Part of the distribution amounting to EUR 180,400,000 was treated by the Company as a capital reimbursement and deducted from financial shares in Servus III (Gibraltar) Limited in relation to the prior contribution on 15 May 2014. The remaining amount of EUR 210,659,804 is recognized as dividend in the profit and loss account (see Note 14).

On 30 September 2014, the Company contributed these intra group receivables to the share premium of Servus Sub S.à r.l. for an amount of EUR 391,059,804.

4.2 Amounts owed by affiliated undertakings

| Nature | Maturity Date | Book value 30.09.2013 | Addition/diminution during the period | Book value 30.09.2014 | Notional value of underlying investment 30.09.2014 | Interest Rate | Interest income | Accrued interest as at 30.09.2014 | Total book value 30.09.2014 |
|--------------------|---------------|-----------------------|---------------------------------------|-----------------------|--|---------------|---------------------------------|-----------------------------------|-----------------------------|
| | | EUR | EUR | | | | | | EUR |
| PEC PPL | 30.9.14 | 1,098,720 | - 1,098,720 | - | - | 1%* | EUR 90,291,006 | - | - |
| Mezzanine PPL | 30.9.14 | 1 | - 1 | - | - | 1%* | EUR 37,217,431 | - | - |
| Senior EUR PPL | 30.9.14 | 1 | - 1 | - | - | 1%* | EUR 13,899,899 USD 1,678,189 | - | - |
| Senior USD PPL | 30.9.14 | 1 | - 1 | - | - | 1%* | EUR 1,169,046 USD 2,815,432 | - | - |
| ETL PPL | 30.9.14 | 1 | - 1 | - | - | 1%* | EUR 33,441,003 | - | - |
| IFPEC | 30.9.14 | - | - | - | - | - | - | - | - |
| Total (EUR) | | 1,098,724 | - 1,098,724 | - | | | 179,301,276 | - | - |

*plus variable interest, being any amount paid to, received by or due and payable to Servus Sub S.à r.l. under or in respect of the underlying investments.

The Company contributed its receivables under the existing intra group ETL, PEC, Mezzanine, Senior EUR and Senior USD PPLs to the additional share premium of Servus III (Gibraltar) Limited amounting to EUR 180,400,000 (see note 4.1).

Development of amounts owed by affiliated undertakings refer to note 3.

5 Amounts owed by affiliated undertakings

The increase is mainly due to the new service level agreements to affiliated undertakings. An amount of EUR 4,977,822 consists of receivable under these agreements. The remaining relates to cash pool receivables and working capital loans owed by affiliated undertakings.

Stabilus S.A. (former Servus HoldCo S.à r.l.)

Notes to the annual accounts
for the year ended 30 September 2014
(continued)

6 Prepayments

Prepayments mainly relate to insurance contracts.

7 Capital and reserves

Issued capital as of 30 September 2014 amounts to EUR 207,232.56 (Prior year: EUR 5,012,500.01) and was fully paid in. It is divided into 20,723,256 shares with a nominal value of EUR 0.01 each.

According to the shareholder resolution dated 5 May 2014 the issued capital of the Company was reduced by EUR 4,835,550.01. The Company's issued capital was brought from an amount of EUR 5,012,500.01 (divided into 501,250,001 shares having a nominal value of EUR 0.01) to an amount of EUR 177,000.00 (divided into 17,700,000 shares having a nominal value of EUR 0.01) by way of cancellation of 483,550,001 shares and allocation of an aggregate amount of EUR 4,835,500.01 to a newly created distributable other reserve of the Company.

On 21 May 2014, Servus Group Holdco II S.à r.l., contributed its receivable against Stabilus S.A. (resulting from the transfer of the liabilities under Senior EUR PPL, Senior USD PPL and ETL PPL to Servus Holdco II S.à r.l.) as share premium for an amount of 157,400,000.

On 21 May 2014 Stabilus S.A. distributed 90% of its shares in Servus II (Gibraltar) Limited amounting to EUR 72,015,727.33 to Servus Group Holdco II S.à r.l., out of the share premium account of the Company.

On 27 May 2014 the number of shares was increased by 3,023,256 shares (having a nominal value of EUR 0.01) leading to an increase in the issued capital by EUR 30,232.56. The total proceeds from this capital increase amounted to EUR 65,000,004; the share premium and similar premium was increased by EUR 64,969,771.44.

As at 30 September 2014, the share premium amounted to EUR 260,771,044.41 and the distributable other reserve amounted to EUR 4,835,500.01.

The authorized capital of the Company is set at EUR 315,000 represented by maximum of 31,500,000 shares, each with a nominal value of EUR 0.01.

Stabilus S.A. (former Servus HoldCo S.à r.l.)

Notes to the annual accounts
for the year ended 30 September 2014
(continued)

The development of the equity positions shows as followed:

| In EUR | Subscribed capital | Share premium and similar premiums | Reserves Other reserves | Profit or loss brought forward | Profit or loss for the financial year | Total |
|---------------------------------|--------------------|------------------------------------|--------------------------------|--------------------------------|---------------------------------------|-------------|
| Balance 1.10.2013 | 5,012,500 | 110,417,000 | - | -397,385 | -32,891,647 | 82,140,468 |
| carry over profit prior year | - | - | - | -32,891,647 | 32,891,647 | - |
| Reduction of subscribed capital | -4,835,500 | - | 4,835,500 | - | - | - |
| Contribution by owner | - | 157,400,000 | - | - | - | 157,400,000 |
| Dividends | - | -72,015,727 | - | - | - | -72,015,727 |
| Proceeds from capital increase | 30,233 | 64,969,771 | - | - | - | 65,000,004 |
| Profit / loss | - | - | - | - | 218,698,851 | 218,698,851 |
| Balance 30.9.2014 | 207,233 | 260,771,044 | 4,835,500 | -33,289,032 | 218,698,851 | 451,223,596 |

Under Luxembourg law, the Company is required to appropriate annually at least 5% of its statutory net profit to a legal reserve until the aggregate reserve equals 10% of the subscribed share capital. The reserve is not available for distribution.

Due to the income in the financial year 2014 the Company will propose to appropriate an amount of EUR 20,723.26 equal to 10% of the subscribed share capital to the legal reserve. The decision is taken at the following shareholder meeting.

Stabilus S.A. (former Servus HoldCo S.à r.l.)

Notes to the annual accounts
for the year ended 30 September 2014
(continued)

8 Subordinated debts

| Nature | Maturity Date | Book value 30.09.2013 | Addition/ diminution during the period | Book value 30.09. 2014 | Notional value of underlying investment 30.09.2014 | Interest Rate | Interest expense | Accrued interest as at 30.09. 2014 | Total book value 30.09. 2014 |
|--------------------|---------------|-----------------------|--|------------------------|--|---------------|---------------------------------|------------------------------------|------------------------------|
| | | EUR | EUR | | | | | EUR | EUR |
| PEC PPL | 30.9.14 | 1,098,720 | - 1,098,720 | - | - | 1% * | EUR 90,291,006 | - | - |
| Mezzanine PPL | 30.9.14 | 1 | - 1 | - | - | 1% * | EUR 37,217,431 | - | - |
| Senior EUR PPL | 30.9.14 | 1 | - 1 | - | - | 1%* | EUR 13,899,899 USD 1,678,189 | - | - |
| Senior USD PPL | 30.9.14 | 1 | - 1 | - | - | 1%* | EUR 1,169,046 USD 2,815,432 | - | - |
| ETL PPL | 30.9.14 | 1 | - 1 | - | - | 1%* | EUR 33,441,003 | - | - |
| Upstream loan | 7.6.43 | 807,636 | - | 807,636 | EUR 807,636 | 10% | EUR 81,437 | 106,787 | 914,423 |
| Total (EUR) | | 1,906,360 | - 1,098,724 | 807,636 | | | 179,301,277 | 106,787 | 914,423 |

*plus variable interest, being any amount paid to, received by or due and payable to the Company under or in respect of the underlying investments.

The increase of interest expense is triggered by the transfer of the PPL instruments to Servus Group Holdco II S.à r.l..

An upstream loan has been granted by Stable II S.à r.l. to the Company on 7 June 2013 for an amount of EUR 807,635.87 used for repayment of mezzanine warrants in an amount of EUR 807,635.87. The upstream loan becomes due and payable after more than 5 years.

All rights under the existing external structural PPLs were transferred to Servus Group Holdco II S.à r.l. in exchange of a liability amounting to EUR 180,400,000 and leading to interest expenses of EUR 179,301,277. Following this novation, EUR 157,400,000 were contributed by the lender as capital surplus. The remaining amount of EUR 23,000,000 was used to settle the sale of the 10% interest in shares of Servus II (Gibraltar) Limited.

9 Amounts owed to affiliated undertakings

An amount of EUR 13,862,770 consists of cash pool liabilities owed to affiliated undertakings and prior years working capital loan received from the shareholder.

The remaining EUR 33,396 consists of invoices not yet paid at the year end.

Stabilus S.A. (former Servus HoldCo S.à r.l.)

Notes to the annual accounts
for the year ended 30 September 2014
(continued)

10 Other external charges

| | 2014 EUR | 2013 EUR |
|-----------------------------|-------------------|----------------|
| Administration fees | 91,845 | 26,920 |
| IPO & restructuring fees | 15,549,179 | - |
| Audit fees | 280,348 | 232,428 |
| Group insurance | 39,633 | 26,304 |
| Legal and professional fees | 419,833 | 4,105 |
| Chamber of Commerce fees | 350 | 350 |
| Bank charges | 949 | 735 |
| Total | 16,382,137 | 290,842 |

11 Other operating charges

The other operation charges refer to the remuneration of the Supervisory Board.

12 Staff costs

The Company employs 3 employees as of 30 September 2014. The average number of employees in the financial year 2014 was 1.

13 Interest and other financial charges

| | 2014 EUR | 2013 EUR |
|--|--------------------|-------------------|
| Interest from variable PPL interest | 179,301,277 | 47,584,248 |
| Other | 184,849 | 3,657,888 |
| Total | 179,486,126 | 51,242,136 |

Stabilus S.A. (former Servus HoldCo S.à r.l.)

Notes to the annual accounts
for the year ended 30 September 2014
(continued)

14 Income from financial fixed assets

| | 2014 EUR | 2013 EUR |
|--|--------------------|-------------------|
| Gains on distributions of PPLs | 179,301,276 | - |
| Interest from variable PPL interest | - | 50,432,535 |
| Dividend Servus II (Gibraltar) Limited | 5,159,000 | - |
| Dividend Servus III (Gibraltar) Limited | 210,659,804 | - |
| Profit in sale of shares | 14,910,233 | - |
| Total | 410,030,313 | 50,432,535 |

15 Taxation

The Company is subject to Luxembourg company tax law.

16 Related Parties

Following transaction with the former sole shareholder Servus Group Holdco II S.à r.l. are described in notes 4 (Financial fixed assets), 7 (Capital and reserves) and 8 (Subordinated debts).

The remuneration of the members of the Management Board amount to EUR 85,677. Further remuneration is paid by other affiliated undertakings.

The remuneration of the members of the Supervisory Board amount to EUR 145,753.

Selected Stabilus Group management members hold interest in Stabilus S.A. directly of about 1% of the total shares. Selected Stabilus Group management members further hold indirect participations in Stabilus S.A. via partnerships under the German Civil Code (GbRs). In each case resulting in less than 1.5% economical interest in Stabilus S.A. Certain Supervisory Board members participate as well in the partnership, in each case below 1.5% economical interest in Stabilus S.A.

The management participation program, set up for selected Stabilus Group management members, is designed to carry out an exit via sale / disposal of all of the interests. For the intended exit scenario, the proceeds on disposal correspond to fair value.

Stabilus S.A. (former Servus HoldCo S.à r.l.)

Notes to the annual accounts
for the year ended 30 September 2014
(continued)

17 Share-based payment

The variable compensation for the members of the Management Board includes a matching stock program. The matching stock program provides for four annual tranches granted each year during the -financial year ending September 30, 2014 until September 17, 2017. Participation in the matching stock program requires Management Board members to invest in shares of the Company. The investment has generally to be held for the lock-up period.

As part of the matching stock program A (the "MSP A") for each share the Management Board invests in the Company in the specific year (subject to general cap), the Management Board members receive a certain number of fictitious options to acquire shares in the Company for each tranche of the matching stock program. The amount of stock options received depends upon a factor to be set by the Supervisory Board annually which will be in a range between 1.0 time and 1.7 times for the outlined timeframe. Thus, if a Management Board member was buying 1,000 shares under the MSP in the Company, he would receive 1,000 to 1,700 fictitious options for a certain tranche. The fictitious options are subject to a lock-up period of four years and may be exercised during a subsequent two-year exercise period.

As part of matching stock program B (the "MSP B") for each share the Management Board holds in the Company in the specific year (subject to a general cap), the Management Board members receive a certain number of fictitious options to acquire shares in the Company for each tranche of the matching stock program. The amount of stock options received depends upon a factor to be set by the Supervisory Board annually which will be in a range between 0.0 times and 0.3 times for the outlined timeframe. Thus, if a Management Board member was holding 10,000 shares under the MSP in the Company, he would receive 0 to 3,000 fictitious options for a certain tranche. The fictitious options are subject to a lock-up period of four years and may be exercised during a subsequent two-year exercise period. The options may only be exercised if the stock price of the Company exceeds a set threshold for the relevant tranche, which the Supervisory Board will determine, and which needs to be between 10% and 50% growth over the base price, which is the share price on the grant date. If exercised, the fictitious options are transformed into a gross amount equaling the difference between the option price and the relevant stock price multiplied by the number of exercised fictitious options. The generally limited net amount resulting from the calculated gross amount is paid out to the Management Board members. Alternatively, the Company may decide to buy shares in an amount equaling the net amount in order to settle the exercised options. The maximum gross amounts resulting from the exercise of the fictitious options of one tranche in general is limited in amount. Reinvestment of IPO proceeds from previous equity programs are not taken into account for MSP A.

As of the date of this report no stock options have been granted according to this program.

Stabilus S.A. (former Servus HoldCo S.à r.l.)

Notes to the annual accounts
for the year ended 30 September 2014
(continued)

18 Commitments, contingencies and pledges

In order to collateralize the bond issued on 7 June 2013 by Servus Luxembourg Holding S.C.A. which serves to finance the Stabilus Group, following significant items of security have been provided:

- Assignment of the shares in affiliated undertakings
- Assignment of trade receivables
- Chattel mortgage of items on noncurrent and current assets
- Registration of a mortgage on the premise in Koblenz

The Company is guarantor of the bond issued by Servus Luxembourg Holding S.C.A. (EUR 256.1 million; prior year EUR 315.0 million) and is jointly and severally liable for potential cash pool obligations. All obligations of the loan agreement were fulfilled by the Stabilus Group within the past financial year or are expected to be fulfilled within the planning period. Therefore the Management Board does not expect a utilization.

The Company has signed a rent contract starting 1 November 2013 and terminating 31 January 2018. The commitments amount for the financial year 2015 to EUR 156,860, financial year 2016 and 2017 EUR 171,120 each and the financial year 2018 EUR 57,040.

19 Subsequent Events

Stabilus S.A. and further Stabilus companies signed a senior facilities agreement (SFA) on 19 December 2014. The new financing gives the group the opportunity to refinance the existing financial liabilities. The Company is a borrower under the SFA together with Stable II S.à r.l. and Servus Luxembourg Holding S.C.A. as well as other non-Luxembourg group entities. The Company is a guarantor under the SFA together with Stable II S.à r.l., Servus Sub S.à r.l., Servus Luxembourg S.à r.l. and Servus Luxembourg Holding S.C.A. and other non-Luxembourg entities. The SFA has an amount of total EUR 320 million, thereof EUR 50 million is a revolving credit facility.

Apart from this, there were no further events or developments that could have materially affected the measurement and presentation of the Company's assets and liabilities as of 30 September, 2014.

