

BANKRUPTCY REPORT

Report no.	10
Name	Componenta BV
Bankruptcy number	F.03/16/291
Decision	2 September 2016
Bankruptcy trustee	<i>meester</i> P.M.C. Brouns
Supervisory Judge	<i>meester</i> B.R.M. de Bruijn

General

Comment

This report and successive reports are partially based on information that the bankruptcy trustee obtained from the executive board and management of the company as well as from third parties. The bankruptcy trustee stresses that the information in this report is the subject of further investigation. This concerns the normal investigations that a bankruptcy trustee is expected to conduct for any bankruptcy. It may turn out at a later stage that the information in this report must be adjusted.

With reference to the ruling of the Supreme Court dated 21 January 2005 (NJ 2005, 249 and JOR 2005/104), it is pointed out that this report does not intend to account for the status of the estate or to provide a full understanding thereof. Individual creditors can therefore not derive any rights from this report and successive reports.

This report and successive reports will be entered into the Quality and Innovation (*Kwaliteit en Innovatie*, or KEI) system used by the courts and will be published on the website www.rechtspraak.nl. In addition, the Dutch version, and with some delay, the English version of the reports will be published on the website of the bankruptcy trustee's firm (www.boelszanders.nl). The Dutch version published via rechtspraak.nl will prevail.

Company Details

Componenta BV

Principal establishment:
Lozerweg 90
6006 SR WEERT
Ch. of Comm. 12006980

Branch establishment:
De Koumen 2
6433 KD HOENSBROEK
Ch. of Comm. 12006980

Activities of the company

Componenta BV ("Componenta") operates two large iron foundries (in Weert and Hoensbroek). Componenta is an important supplier for reputable manufacturers of heavy trucks, earthmoving and road construction machines, drives for heavy-duty engines, compressors and compactors.

Componenta is part of the Finnish Componenta Group. The Finnish parent company (Componenta Oyj) is listed on the Finnish stock. Componenta Oyj (directly or indirectly) holds shares in the group companies which, in addition to the Netherlands, operate iron foundries in Finland, Sweden and Turkey. The Componenta group employs approximately 2,500 employees worldwide.

The organizational chart of the Componenta group is attached to this bankruptcy report as Annex 1.

Sales data

2014: EUR 84 million
2015: Under investigation
2016: Under investigation

2014: EUR 84,000,000 (according to the audited annual accounts)
2015: EUR 85,000,000 (according to the internal figures)
2016: EUR 44,000,000 (according to the internal interim figures)

Average number of employees

2014: 530 employees (and approximately 60 temporary workers)
2015: Under investigation
2016: 336 employees (and approximately 120 temporary workers)

Balance at the end of reporting period

EUR 0

EUR 4,897,407.92 (balance liquidation account dated 23/02/2017)

On account of the fact that the estate continued the

production activities in full during the first three months of bankruptcy and currently still performs some smaller scale production and sales activities, the estate has continued Componenta's current account, a credit account, for practical reasons. For that reason, the balances of both the liquidation account and the current account are stated below. Both these balances together form the current estate balance. As soon as the production activities have been finished, the balance of the current account will be transferred to the liquidation account and the current account will be closed.

EUR 3,526,408.06 (balance liquidation account dated 23/05/2017)

EUR 4,716,591.91 (balance current account dated 23/05/2017)

EUR 8,242,999.97

The current account held with Deutsche Bank is closed. The balance has meanwhile been fully transferred to the liquidation account. After payment of various estate debts (in particular the pension contribution), the balance on the liquidation account amounts to:

EUR 7,776,371.79 (balance as at 21 November 2017).

EUR 7,859,383.60 (dated 22 May 2018).

EUR 7,656,896.60 (dated 20 November 2018).

EUR 7,569,117,30 (dated 17 May 2019).

EUR 7,555,809.17 (dated 20 November 2019)

EUR 7,500,514,52 (dated 19 May 2020)

EUR 7,472,789.61 (dated 30 September 2020)

Reporting period

2 September 2016 to 29 September 2016.

30 September 2016 to 22 February 2017.

23 February 2017 to 23 May 2017.

24 May 2017 to 22 November 2017.

23 November 2017 to 22 May 2018.

	23 May 2018 to 20 November 2018.
	21 November 2018 to 17 May 2019.
	18 May 2019 to 20 November 2019
	21 November 2019 through 19 May 2020
	20 May 2020 to 29 September 2020
Hours spent during the reporting period	1,365.6 hours.
	4,058.70 hours (up to and including 22/02/2017).
	749.00 hours (up to and including 23/05/2017).
	1,234.00 hours (up to and including 22/11/2017).
	802.40 hours (up to and including 22/05/2018).
	292 hours (up to and including 20-11-2018).
	284.70 hours (up to and including 17 May 2019).
	172.80 hours (until 20-11-2019)
	93.50 hours (up to and including 19/05/2020)
	180.60 hours (up to and including 29/09/2020)
Total hours spent	1365.6 hours.
	5,425.00 hours (up to and including 22/02/2017).
	6,200.90 hours (up to and including 23/05/2017).
	7,448.10 hours (up to and including 22/11/2017).
	8,270.50 hours (up to and including 22/05/2018).
	8,562.50 hours (up to and including 20/11/2018).
	8,847.20 hours (up to and including 17/05/2019).
	9,020 hours (until 20-11-2019)
	9,113.50 hours (up to and including 19/05/2020)
	9,294.10 hours (up to and including 29/09/2020)
Explanation	In the first four weeks of the bankruptcy (the exploratory phase), the bankruptcy trustee and his team have focused particularly on investigating the option to continue the

production. After it became clear that there were options to continue the production and the most important customers proved willing to finance the continuation of the production, the production of the iron foundries in both Weert and Hoensbroek was continued with effect from 19 September 2016. The continuation of the production retains and/or increases the chance of a restart and accordingly the preservation of jobs.

This first phase of the bankruptcy turned out to be labour-intensive due to the complexity of the operations.

In outline, the activities of the bankruptcy trustee and his team consisted of the following parts until this day:

1. The inventory of the condition of the company, the business and the assets and liabilities of the company;
2. The investigation into the possibility of continued production;
3. The negotiations with the most important customers and subsequently the conclusion of an agreement for continued production (the "Continuation Agreement");
4. The supervision of the production process during the continuation period of three months;
5. The inventory of the situation from the perspective of environmental law and the permits as well as the consultations with the authorities (province of Limburg, municipality of Heerlen and municipality of Weert) in that respect;
7. Collection of the receivables and sale of stocks;
8. Inventory of property rights and such of third parties and the settlement thereof; inventory of models/toolings of the customers and the settlement thereof;
9. Market exploration in the context of the possibility of a restart; selection of takeover candidates; talks and/or negotiations with various interested parties including VDL Group; drawing up an asset purchase agreement; transfer of assets to VDL Castings Vastgoed Castings BV (immovable property), VDL Castings Weert BV and VDL Castings Heerlen BV (inventories, stocks, raw materials etcetera);
10. Frequent consultations with the works council, trade unions and the Employee Insurance Agency ("UWV"); the organization of staff meetings; dismissal of personnel;
11. The delivery of stock after the completion of the production and the emptying of the supply chain

- (products located at the processors must be delivered after processing);
- 12 commencement of the factual investigation into the causes of the bankruptcy.

As has been set out below in paragraph 6.1, in mid-September 2016 the bankruptcy trustee took the manageable risk to continue the production in both iron foundries for a period of more than three months. This risk was manageable because the largest customers were willing to cover this risk through the payment of a loss guarantee. In addition, the customers were willing to pay the very substantial activities of the bankruptcy trustee and his team involved in the supervision of the production expenses. In advance, these supervision costs were estimated at an amount of EUR 700,000. According to the current estimate, these costs will ultimately come down to an amount of EUR 550,000 to EUR 600,000 and will therefore be considerably lower than estimated. These supervision costs were nearly paid in full as part of the production expenses by the Preferred Customers and are therefore not for the account of the creditors.

The hours spent on the supervision roughly amount to approximately half of the total activities of the bankruptcy trustee and his team. The other half of the activities was spent on the parts mentioned above under 1 up to and including 12, in which most time was in particular spent on the realization of the restart with VDL Group and the settlement of the retentions of title and models.

The continuation of the production formed the basis for the restart that was ultimately realized. As set out below, this has meanwhile realized sales proceeds of EUR 5,200,000 and has moreover allowed for the preservation of a considerable part of the employment.

In addition, the estate resulted in important surplus proceeds because the outstanding accounts receivable could be collected nearly in full and the stocks present could be sold for all but the normal sales prices. As a consequence, the estate realized a (provisional) turnover of EUR 5,000,000. A part of the stock still needs to be sold and more sales proceeds will therefore be realized. Furthermore, the continuation resulted in considerable costs saving for the estate, as set out in section 6 below.

During the reporting period running from 23 February to 23

May 2017, the bankruptcy trustee and its team focused their activities primarily on the following subjects:

1. Continuation of efforts to “empty” the supply chain. A considerable volume of iron castings for the customer Caterpillar is still located at various processors. Given the completion time of the processing process and the call-off planning, the processing and delivery of the raw castings is not expected to finish until after August/September 2017.
2. Continuation of the so-called CPV activities for the customer Atlas Copco. This production activity was continued by three employees from the business location in Weert under the estate’s management. Initially, it was agreed with Atlas Copco that these activities would be continued until 30 June 2017. Atlas Copco recently requested that this period be extended by a further three months. As the costs will be covered in full by Atlas Copco and this will enable the estate to achieve surplus proceeds, the estate is not unfavourably disposed towards this. It is currently being investigated whether an extension is possible without drawbacks and, if so, under which conditions. Naturally, the supervisory judge will have to grant permission for this.
3. Further handling and financial processing of the operation for the preferred customers. Final settlements have been received from various suppliers during the past reporting period, which settlements have been audited and, after approval, paid and included in the estate’s financial accounts. In addition, the estate has sold and delivered surplus castings to customers.
4. Collection of estate receivables. Intensive discussions have been held with primarily the preferred customers on the amounts owed by them.
5. Liquidation and settlement of surplus stocks of raw castings with VDL Castings Heerlen and VDL Castings Weert, all in conformity with the arrangements laid down in the asset purchase agreement.
6. Settlement of amounts payable between the estate and VDL, comprising costs paid in advance and sales proceeds received for the other party.
7. Assessment of the UWV’s and the employees’ claim against the estate.
8. Continuation of the factual investigation; consultations

- with the Finnish administrator of Componenta Oyj and the Swedish administrator of Componenta Främmestad.
9. Assessment of the status of the Finnish and Swedish reorganization procedures.
 10. Assessment of the proceedings between Componenta and the customer Atlas Weyhausen, more specifically the importance of the results of the appeal proceedings for the payments made by Componenta to Atlas Weyhausen on the basis of the judgment.

During the reporting period running from 24 May to 22 November 2017, the bankruptcy trustee and his employees focused their activities primarily on the following subjects:

1. Settlement with VDL Castings of stocks of castings. Part of the asset purchase agreement with VDL Castings was the agreement that the bankruptcy trustee would deliver the castings produced under the continuation agreement and that the remaining stock would be sold to VDL Castings at agreed prices. The castings that the estate has not delivered to customers (mostly produced without a direct order or not purchased by customers), have been taken over and paid by VDL Castings.
2. Settlement with VDL Castings of ongoing obligations at the expense of the estate that, pursuant to the asset purchase agreement, should be for the account of VDL Castings. Most continuing performance contracts have meanwhile been taken over by VDL Castings. At the time of this report, VDL Castings no longer charges costs on to the estate (see also 2.3). The costs relating to several continuing performance contracts that have not been taken over yet will be charged to VDL Castings periodically.
3. Continuation of the processing of castings produced for Caterpillar. Updating the operations account for the continuation period.
4. Completing the debt collection.
5. Settling the claims concerning retentions of title.
6. Settling the return of models/tooling to the customers. The estate only had tooling/models left in store for customer Caterpillar. Due to termination of the storage contract with Gebr. Verstralen, this external storage location has been vacated. The Caterpillar tooling/models have been relocated to VDL Castings Weert BV, or have been destroyed in consultation with Caterpillar.
7. Continuation and completion of CPV activities. See also

- 2.3 below.
8. Continuing the factual investigation into the causes of the bankruptcy.
 9. Assessing the financing structure of the Componenta Group, including the intercompany relationships.
 10. Consulting with Componenta Oyj and reaching an amicable settlement with Componenta Oyj.
 11. Liquidating Componenta Netherlands.
 12. Settlement with the pension fund/ insurer (PME and Aegon) for the liquidation period.
 13. Assessing tax position, consulting with tax authorities and VAT return and income tax and social contributions return.
 14. Preparing the verification of debt claims.

During the reporting period running from 23 November 2017 to 22 May 2018, the bankruptcy trustee and his employees focused their activities primarily on the following subjects:

1. Continuation of efforts to “empty” the supply chain. The processing of the rough castings for Caterpillar has now been completed and the processed products have been invoiced to Caterpillar. Meanwhile, matters have been settled with processing companies. Caterpillar has undertaken – after an administrative check – to pay the outstanding invoices.
2. There are still several continuing performance contracts ongoing for VDL Castings, the costs of which are charged on to VDL Castings on a monthly basis.
3. Audit of debt collection by the three factor companies; consultation with the factoring companies regarding the debtors transferred to them. Support for the factoring companies in the debt collection, given the financial importance of the estate.
4. Assessment claims factoring companies.
5. Continued examination of the financing structure of the Componenta group and of the legality of the current account claims submitted by Componenta Turkey and Componenta Finland Oy.
6. Negotiations with Componenta Finland Oy's lawyer regarding the size of the current account claim and reaching an amicable settlement.
7. Initiating the liquidation of Componenta France SA in consultation with the French lawyer.
8. Financial settlement of the cooperation agreement with Ferromatrix NV.

9. Turnover tax returns in connection with activities during the liquidation period; coordination with the Tax and Customs Administration.
10. Consultation with bankruptcy trustees about foreign sales offices (subsidiaries of Componenta BV) and determining their claims under the agency agreements.
11. Consultation with various lease companies in connection with the assessment of their remaining claim.
12. Overall assessment of creditors' claims in preparation for the meeting of creditors still to be put on the agenda.
13. Assessing the legality of various large debt claims and exchanging views with the lawyers of these creditors.
14. Assessment Atlas Weyhausen's claim.

In the reporting period 23 May 2018 - 20 November 2018, the bankruptcy trustee's activities were mainly related to the following topics:

1. Consultation and correspondence with the customer Caterpillar regarding payment of outstanding invoices in respect of the products delivered to it by the bankrupt estate.
2. Consultation and correspondence with factoring company OP in connection with its remaining liquidation claim; in view of the interest of the estate in reducing the claim, the bankrupt estate has supported OP in collecting invoices assigned to it.
3. There are still a number of continuing performance contracts that continue on behalf of VDL Castings and the costs of which are charged on to VDL Castings on a monthly basis.
4. Continued study of the financing structure of the Componenta group and the legality of the claim submitted by Componenta Turkey. Correspondence/consultation with lawyer of Componenta Turkey.
5. Financial settlement of cooperation agreement with Ferromatrix NV. Correspondence and consultation with Ferromatrix and its lawyer.
6. Turnover tax returns in connection with activities during the winding-up period; coordination with the tax authorities.
7. Consultation with various leasing companies in connection with the assessment of their remaining

- claims.
8. Assessing the legitimacy of various (large) claims and exchanging views with the lawyers of these creditors.
 9. Continuation of the assessment of the Atlas Weyhausen proceedings and claim.
 10. Assessment of various personnel issues.

During the reporting period running from 21 November 2018 to 17 May 2019, the bankruptcy trustee's activities focused primarily on the following subjects:

1. Final settlement of the continuation agreement and settlement with Caterpillar with regard to the storage costs.
2. Collection of the last claims against Caterpillar assigned to OP Corporate Bank and determination of OP's remaining claim.
3. In connection with the verification process and the preparations for the verification meeting still to be put on the agenda, intensive consultations took place and views were exchanged with various creditors and their lawyers regarding the claims submitted by these creditors.
4. Continuation of investigation into the financing structure of the Componenta group and the legitimacy of the claim submitted by Componenta Turkey. Assessment of production license fee agreement. Correspondence/consultations with lawyer of Componenta Turkey.
5. Settlement of passing of ongoing continuing performance agreements to VDL.
6. VAT return on winding-up period.

During the reporting period running from 18 May 2019 to 20 November 2019, the bankruptcy trustee's activities were focused primarily on the following subjects:

1. Consultation with the Swedish administrator of Componenta Sweden about the agreement reached in Sweden and the payment to be received by Componenta Netherlands in that context and the collection thereof. Collection of payment from the agreement reached in Finland.
2. Assessment of claims submitted by various creditors and conduct of negotiations. The conclusion of

- amicable agreements with various creditors and the recording thereof in settlement agreements.
3. Continuation of investigation into the claim submitted by Componenta Turkey. Correspondence/consultations with lawyer of Componenta Turkey. Assessment of production license fee agreement.
 4. Turnover tax return.

In the reporting period of 21 November 2019 – 19 May 2020, the bankruptcy trustee's activities mainly related to the following subjects:

1. Assessment of tax liabilities and coordination with financial controller and the Tax and Customs Administration;
2. Verification/audit of the various claims from creditors;
3. Correspondence/assessment of documents regarding Componenta Turkey's claim;
4. Preparation of verification meeting and coordination with district court in connection with planning the meeting during the Coronavirus pandemic.

In the reporting period of 20 May 2020 – 29 September 2020, the bankruptcy trustee's activities mainly related to the following subjects:

- 1. Verification/audit of the various claims from creditors;**
- 2. Correspondence and intensive consultations with various creditors regarding their claims in anticipation of the verification meeting;**
- 3. Preparation of verification meeting and notifying creditors;**
- 4. Processing creditors' responses following the notification regarding the verification meeting.**

1. General overview

1.1 Management board and organization

Two-tier board structure

Componenta is a two-tier board company. As there is a question of an international group, whereby Componenta's shares are held by a legal entity whose employees for the most part are employed outside of the Netherlands, pursuant to Article 2:265 of the Dutch Civil Code (in Dutch: *BW*) the

mitigated two-tier board structure applies. Based on the two-tier board structure, Componenta has a supervisory board as required by law.

The shareholder

Componenta Oyj holds 90.6% of the shares in Componenta (a total of 32,752 shares, numbered 1 through 32,453 and 34,155 through 34,453). Componenta holds 9.4% of the shares in its own capital (a total of 3,402 shares, numbered 34,454 through 36,154 and 32,454 through 34,154), but the company cannot exercise voting rights on these shares. Componenta Oyj is therefore in fact the only shareholder of Componenta that can exercise any influence.

The shares in the capital of Componenta Oyj are (in part) traded on the stock exchange in Helsinki (Nasdaq OMX Helsinki).

Componenta Oyj also has liquidity problems. With effect from 30 September 2016, Componenta Oyj has been involved in reorganization proceedings under Finnish law and has been appointed an administrator by the Finnish Court. The details of this Finnish administrator are not yet known.

The court in Helsinki appointed the Finnish lawyer Mika Ilveskero as administrator of Componenta Oyj. The bankruptcy trustee consulted with the Finnish administrator several times. This consultation has demonstrated that the reorganization process applied in both Finland with regard to Componenta Oyj and Sweden with regard to the Swedish subsidiary Componenta Främmestad AB is comparable to the American Chapter 11. Another administrator was appointed in Sweden as well. Componenta Oyj aims to sell its share interest in its Turkish subsidiary Componenta AS to offer a composition with creditors using the proceeds thereof.

The executive board

Mr H.E. Kremers is the independently authorized executive director of the company. Mr Kremers was appointed executive director under the articles of association on 8 June 2016.

In the period (of three years) preceding the bankruptcy, Componenta's executive directors under the articles of association were:

- Mr M.R.J. Hassinen: (from 1 November 2012) until 7 June 2016
- Mr P.A. Steensels: (as from 1 October 2007) 1 March 2015

The supervisory board

The supervisory board consists of the following three persons:

- Mr G.J. Mantel (from 01/01/2015 until 01/10/2016)
- Mr O.A. Karhunen (since 01/01/2016)
- Mr M. J. Honkasalo (since 01/01/2016)

In the period (of three years) preceding the bankruptcy, Componenta's supervisory directors were:

- Mr Y.H. Lehtonen (from 5 May 2004 until 19 November 2015)
- Mr J.A. Lehtonen from 26 April 2006 until 9 September 2015)
- Mr J.W. Sodderland from 26 April 2006 to 13 May 2014)

Subsidiaries/joint venture

Componenta holds all shares in four sales offices established in the United States, France, Germany, Italy and the Netherlands.

Componenta holds all shares in four subsidiaries that functioned as sales offices established in the United States, France, Germany, and Italy.

The sales offices in the United States, France, Germany and Italy concern separate legal entities incorporated under the laws of their countries of establishment. Although the sales offices are 100% subsidiaries of Componenta, these sales offices perform sales activities for the whole Componenta group. The sales offices were financed from the Netherlands, because Componenta provided the sales offices with financial resources or paid the costs of the sales offices. The costs were subsequently charged on by Componenta to Componenta Oyj and were charged on to the group via Componenta Oyj.

Due to the bankruptcy, Componenta was no longer able to finance the foreign sales offices. Meanwhile, Componenta Oyj had requested for a reorganization process in Finland and indicated that it no longer had an interest in the sales offices.

Componenta Oyj was therefore not willing to finance the sales offices. Taking into account the fact that the complete Componenta Group is in dire straits, Componenta Oyj decided to phase out its activities abroad as much as possible. The first step towards this was filing for the bankruptcy of Componenta in the Netherlands. Componenta Oyj furthermore aims to sell its interest in Componenta Turkey. Its strategy focuses on exercising its activities from its operating companies in Finland and Sweden. Taking into account this change of strategy, Componenta Oyj decided not to continue the foreign sales offices and to wind these up, or let them go bankrupt.

Since Componenta's estate (in the Netherlands) had no independent interest in the continuation of the sales offices, the bankruptcy trustee informed the directors of the four sales offices thereof and advised them to dissolve the companies in question, or to file for their bankruptcy.

It has become apparent that Componenta Netherlands BV has no known assets and liabilities. After consulting with the bankruptcy trustee, the management of Componenta in its capacity of the shareholder's representative intends to adopt a resolution to dissolve the company. This resolution has not yet been adopted. It will be implemented during the next reporting period.

Componenta Netherlands BV has been dissolved by a resolution of the shareholder. The resolution to dissolve was registered by the Chamber of Commerce on 17 May 2017.

On 28 October 2016, Componenta Germany GMBH was declared bankrupt by the *Amtsgericht* Stuttgart, whereby registered accountant Dr Oliver Kritschnek was appointed as *Insolvenzverwalter*.

On 8 November 2016, Componenta USA LLC was declared bankrupt by the Central District Court of Illinois, whereby Charles E. Covey was appointed as bankruptcy trustee.

Componenta Italy Srl was dissolved and wound up on 11 October 2016.

Componenta France SA will presumably also be dissolved and wound up, since there are said to be no assets and liabilities. Mr Suutari, director of Componenta Oyj, is also director of Componenta France and gave instructions to this end. Before he will lend his cooperation in this matter, the bankruptcy

trustee would like to hear it confirmed that there are no assets and liabilities and would like to hear it confirmed by Hogan Lovells (the law firm engaged by Componenta Oyj), that dissolution in this matter is the appropriate route to termination of the company.

The bankruptcy trustee is still waiting for a reply from Componenta Oyj regarding the manner in which it wants to proceed with the liquidation of Componenta France. The most likely manner of liquidation is the acquisition of the shares in Componenta France by Componenta Oyj, after which it will proceed to liquidate the company. In this context, Componenta BV will have to waive a claim against Componenta France, which claim is considered irrecoverable.

The bankruptcy trustee has consulted with Componenta Oyj on the transfer of the shares in Componenta France in order to enable Mr Suutari (who is director of both Componenta Oyj and Componenta France) to proceed to liquidation. Componenta Oyj, however, was not willing to indemnify the estate against possible liabilities. Componenta Oyj has meanwhile stated that it has decided not to take over the shares and liquidate the company. Furthermore, Mr Suutari has retired as director under the articles of association of Componenta France. As Componenta France is no longer active, nor contains any assets, the bankruptcy trustee will now seek advice in France to file for Componenta France's bankruptcy, or to proceed to liquidate this company.

After obtaining the opinion of a French lawyer, the bankruptcy trustee instructed the French lawyer to wind up Componenta France given that this company is no longer active and no longer contains any assets.

As the bankruptcy trustee understands from the executive board, the Dutch company Componenta Netherlands BV (Verkoopmaatschappij De Globe BV) is a shell company. This is being further investigated. If there are indeed no assets and liabilities, the resolution to dissolve the company may be opted for (an 'expedited liquidation').

Componenta furthermore holds 50% of the shares in the joint venture Componenta Ferromatrix NV, a company incorporated under Belgian law.

With the permission of the supervisory judge, the bankruptcy trustee, on 31 January 2017, concluded a settlement

agreement with Michel Van de Wiele NV ("Van de Wiele"), the other shareholder in the joint venture Componenta Ferromatrix NV ("CFMX"), Ferromatrix NV and CFMX. Pursuant to this settlement agreement ("Settlement Agreement CFMX"), the bankruptcy trustee sold Van der Wiele the shares that Componenta held in CFMX for a purchase price of EUR 35,000. Also, it was agreed that CFMX will pay Componenta's claim against CFMX, amounting to EUR 98,880. Meanwhile, the shares have been sold and transferred and the amounts due have been paid.

At this time, there still remains the settlement of the cooperation agreement under which Componenta BV is entitled to a 5% commission on the turnover realized by Ferromatrix with the customers transferred by Componenta BV. The bankruptcy trustee has sent Ferromatrix an invoice.

1.2 Profit and loss

Net result:

2014: EUR -/- 16 million

2015: EUR – 14,859,000 (according to the internal annual accounts)

2016: EUR – 6,396,000 (according to the internal interim figures)

Net result (consolidated):

2014: - 16,811,740 (according to the audited annual accounts)

2015: - 14,859,000 (according to the internal annual accounts)

2016: - 6,454,000 (according to the internal interim figures)

1.3 Balance sheet total

2014: 55 million

2015: 51.6 million

2016: 52.5 million (as from 30 June 2016)

2014: 54,704,095 (according to the consolidated annual accounts)

2015: 51,641,000 (according to the internal annual accounts)

2016: 46,406,000 (according to internal interim figures)

1.4 Pending actions

There is one action that has been pending for a longer period of time, concerning a quality claim of a customer. The status thereof is being investigated.

1.5 Insurance policies

The buildings, contents, industrial injuries and product liability

insurances were organized via a corporate umbrella policy by the parent company in Finland. Due to the fact that Componenta Oyj is involved in reorganization/bankruptcy proceedings under Finnish law and, consequently, there no longer was insurance cover, the bankruptcy trustee with the permission of the supervisory judge has taken out insurance that covers buildings, contents, industrial injuries and product liability. In addition, a contractor's equipment insurance and employer's liability insurance for drivers of motor vehicles [Wegas] have been taken out.

The insurances taken out by the bankruptcy trustee have meanwhile been ended as a consequence of the sale of the assets and activities to VDL Castings Vastgoed BV, VDL Castings Weert BV and VDL Castings Heerlen BV. Since the insurances of the assets of the new VDL Castings companies could be housed within the VDL group virtually free of charge, these were not transferred, but cancelled.

1.6 Lease

Componenta leases part of the factory building in Hoensbroek to Ferromatrix NV. In this building, Ferromatrix produces products for its own account and risk.

Pursuant to the Settlement agreement CFMX, the lease agreement between Componenta and Ferromatrix NV was terminated with effect from 16 January 2017. Ferromatrix must still pay the rent due for the last two weeks.

Componenta leases two buildings from Fragilo Holding BV. Models are stored in these buildings and the core moulding workshop is located there.

The lease agreement between Componenta and Fragilo Holding BV was terminated with effect from 31 December 2016. A part of this space was subleased by Componenta to Ferromatrix NV. Pursuant to the Settlement Agreement CFMX, this sublease was terminated with effect from the same date. The spaces that Componenta leased from Fragilo Holding BV have been delivered.

Componenta leased two strips of land from the *Rijksvastgoeddienst* [central government real estate agency] under two separate lease agreements. These lease agreements were terminated after the bankruptcy. One of the two lease agreements has been taken over by VDL Castings after the sale of the assets to VDL Castings. An agreement has

meanwhile been made with *Rijksvastgoeddienst* with regard to the other lease, as far as the delivery is concerned.

The delivery of the plot leased from *Rijksvastgoeddienst* has taken place. The relevant lease agreement has been fulfilled.

1.7 Cause of the bankruptcy

According to Componenta Oyj's statement in a press release of 1 September 2016, the Componenta group's liquidity has been put under great pressure due to a decrease in turnover and results. This decrease was larger than expected. As the group was unable to raise the additional financing required as a result, Componenta Oyj was forced to file for reorganization proceedings in both Finland and Sweden in order to restructure its debt burden and decided to file for the bankruptcy of Componenta BV in the Netherlands.

After restructuring its debt burden, Componenta Oyj wishes to continue its business operations in Finland, Sweden and Turkey.

As is common in bankruptcies, the further backgrounds of Componenta's bankruptcy in the Netherlands and the policy conducted will be further investigated a later stage of the bankruptcy.

In the context of the normal investigation into the causes of the bankruptcy, conversations were conducted with the director and the former director, the management, the Works Council, the trade unions, the directors of the Finnish shareholder Componenta Oyj, the Finnish corporate lawyer and the Finnish administrator. Furthermore, the assessment of the financial and legal documentation relating to Componenta and Componenta Oyj was commenced.

The investigation into the facts and causes of the bankruptcy has not been completed yet. The bankruptcy trustee expects to be able to report on his first findings in this respect in the next bankruptcy report.

The bankruptcy trustee has completed the investigation into the facts and causes and has discussed his findings with the supervisory judge. Based on the investigation, it must be concluded that the causes presented in the own declaration of bankruptcy must be deemed plausible causes of the bankruptcy. Reference is made to what is stated in this regard in section 7.

2. Personnel

- 2.1 Number of employees at the time of the bankruptcy 336 employees (and approximately 120 temporary workers).
- 2.2 Number of employees in the year before the bankruptcy 461 employees (as from 01 January 2015)
- 2.3 Date of notice of termination
- As the bankruptcy trustee with the permission of the supervisory judge proceeded to continue the production, he did not proceed to give notice of dismissal to the entire staff at that time. In part depending on the results of the continuation period, the bankruptcy trustee will review this periodically.
- On 30 September 2016, 22 employees were given notice of dismissal.
- For now, it is assumed that the entire staff will be given notice of dismissal with effect from (no later than) 14 December 2016, which means that the employment will be terminated with effect from said date.
- Anticipating the end of the production process (in Heerlen, the production ended as from 14 December 2016 and in Weert, the production ended as from 22 December 2016), the employment contracts with the employees were terminated in October. The majority was terminated with effect from the dates mentioned above; 14 or 22 December. With regard to a number of employees who were relevant for the settlement of the logistic or administrative process, the employment contract was terminated with effect from a later date. With the exception of three employees who work for the CPV activity to be referred to below, the last employment contract will end with effect from 28 February 2017.
- Componenta has a small business unit (three employees) that engages in the assembly and inspection of pressure vessels: Componenta Pressure Vessels ("CPV"). It has been agreed with a customer (Atlas Copco BVBA) that these CPV activities will be continued up to and including 30 June 2017. The estate receives a compensation in return which is more than break-even. In addition, this has enabled the estate to fully collect the outstanding balance of accounts receivable of this customer and, moreover, to sell the stocks present at the date

of bankruptcy and intended for this customer at marketable prices. The employment contracts of the three employees will end with effect from 30 June 2017.

In the spring of 2017, Atlas Copco requested the estate to continue the CPV activities up to and including 30 September 2017, instead of the earlier agreed termination date of 30 June 2017. Since the lease agreement regarding the CPV space and the employment contract with the three CPV employees could be extended without objection and Atlas Copco pays a compensation that covers more than the costs, the bankruptcy trustee has continued the CPV activities with the permission of the supervisory judge up to and including 30 September 2017. The activities have been ended with effect from said date. The CPV space has meanwhile been delivered to VDL Castings (lessor) and the employment contracts with the three employees have ended.

Meanwhile, matters have been fully settled with Atlas Copco. Due to continuation of the CPV activities, the estate has realized (net) proceeds of approximately EUR 95,000 in the period from January up to and including September 2017. It should be noted that the bankruptcy trustee and the controller engaged by the bankruptcy trustee did have to invest some time in supervising the CPV employees. Overall, the continuation of the CPV activities has yielded a considerable benefit for the estate.

2.4 Tasks

When it appeared possible to continue the production, intensive consultations were started with the works council and the unions. Consultations with the UWV in connection with the wage guarantee scheme (takeover of salary for August). Organizing staff meetings. Intake meetings in collaboration with the UWV.

On account of the continuation of the production and the financing thereof by the customers during the continuation period, the salaries of the staff could be paid in full. In view of the large number of staff members and the social interest, there have been regular (at least every two weeks) and intensive consultations with the UWV and the trade unions. At Componenta, the rule was that the salary for a particular month was always paid out in the next month. The salaries for the month July 2016 were paid late August. The salaries for the month August 2016 should therefore normally be paid late September 2016. Due to the bankruptcy and the fact that the UWV needed some time to pay an advance under the wage

guarantee scheme, delay was about to arise in the staff payment. Also relevant in this context was that Componenta in general paid 'new employees' an advance on the wages during the first month of the employment (in Dutch: *penvoorschot*). As a result, Componenta had an offsettable claim against the majority of its employees. It is the UWV's policy to set off any claims a bankrupt employer has against its employees upon the first payment by virtue of the wage guarantee scheme. On balance, many employees received a much lower amount for the month of August due to setoff of the '*penvoorschot*'.

After the Continuation Agreement had been concluded with the major customers, the estate could pay the salary for the month of September on the normal payday. As a result, the employees in fact did not experience any delay in their salary payment, nor did the setoff of the '*pen advance*' mean that employees would be left without income for a month. In the context of the wage guarantee scheme, the UWV took over the back pay for the month of August as well as the holiday allowance and the holidays insofar as these relate to the qualifying period of one year prior to the date of the end of the employment contract. Meanwhile all employees have received a final settlement from the UWV. The UWV is still to submit its claim in that respect to the estate.

Taking into account the complex and uncertain situation at hand, from the outset, much attention was given to communicating with the staff. Information meetings were organized regularly to provide explanation about the legislation relevant for the employees and the developments regarding the bankruptcy. These were a few times also attended by employees of the UWV, the employment office and the trade unions. In addition, newsletters were issued in cooperation with the HR department.

As from the start of the bankruptcy, the bankruptcy trustee has frequently consulted with the Works Council and the trade unions. These consultations were constructive. At the stage at which there was uncertainty about the reality of restart possibilities, the Works Council and the trade unions actively cooperated in an investigation into the (legal) possibilities to take away or mitigate the restrictions imposed by the Dutch Work and Security Act (in Dutch: *WWZ*) regarding a restart. Ultimately, these options turned out to be unnecessary. The Works Council and the trade unions played an important role in the communication with the staff.

In consultation with the HR department, there has been an investigation into the outstanding leaves and the registration thereof. At Componenta, there were very considerable outstanding leaves balances (approximately 123,153 hours, including hours off in connection with the reduction in working hours scheme (in Dutch: *ADV-uren*) and time off in lieu (in Dutch: *tijd-voor-tijd uren*)). Various employees saved a large balance of leave days by way of a quasi pre-pension scheme. This is also partially made possible due to the applicable Metalektro CLA. The investigation demonstrated that there is a question of prescription or lapse of holiday entitlements in only a few cases, despite the exceptional situation regarding leave hours. The bankruptcy trustee will inform the persons in question on this.

Due to the size of Componenta's staff, it presently still takes a lot of time reply to the various questions of former employees.

Finally, in consultation with the HR department, preparations were made for the classification and archiving of the personnel records.

The UWV has filed a EUR 1,013,322.03 claim against the estate. This claim against the estate was audited and approved by Componenta's payroll accountant and by the auditor engaged by the bankruptcy trustee.

The employees filed a claim against the estate with the bankruptcy trustee in the amount of EUR 700,000 gross, including employer's contributions. These claims were also audited and approved by Componenta's payroll accountant and by the auditor.

Both the UWV's claim and the employees' claim pertain to the employees' entitlement to wages on account of unused leave days and holiday allowance. By virtue of the LISV/Wilderink qq ruling (Supreme Court 3 December 1999, NJ 2000/53), these entitlements qualify as claims against the estate. The UWV's claim against the estate concerns the back wages regarding leave days that have their origin in the one-year qualifying period prior to the date of termination by the bankruptcy trustee, included in the context of the wage guarantee scheme. The employees' claim against the estate concerns the entitlement to wages regarding unused leave days not

included in the qualifying period of the wage guarantee scheme.

The condition of the estate is such that it is currently already certain that the estate debts can be paid in full.

The De Ranitz qq/Collector ruling (Supreme Court 28 September 1990, NJ 1991/305) shows that the estate debts must be paid if the estate assets are sufficient. As the estate debts are also interest-bearing, the bankruptcy trustee – with permission from the supervisory judge – has meanwhile started paying these estate debts.

In the previous reporting period, intensive consultations took place with PME and Aegon about the settlement of the pension contribution and contribution to the WIA, ANW survivor benefit shortfall and top-up insurances to be paid by the estate over the liquidation period (from 2 September 2016 until the respective end dates of the employment contracts). The practical problem that arose in this context was that the (financial) systems of the pension fund/insurer in question (PME /MN Services) are not equipped for continuation for a longer period during the liquidation period. In the event of bankruptcy, the participation of the bankruptcy employer is terminated immediately. This problem has been solved as the estate has received its own participation number with effect from the date of bankruptcy. Subsequently, the data of all employees who were employed during the liquidation period have been reported to the pension fund and the insurer under the new participation. This administrative process proved to be laborious, in part because there appeared to be differences between the accounts kept by Componenta and the data known to PME.

PME has recently drawn up the final account for the pension contribution to be paid by the estate and charged an amount of EUR 603,932.28. This estate debt has meanwhile been paid with the permission of the supervisory judge. PME has also confirmed that the pension accrual over the liquidation period has been included in the personal (digital) pension file (mijnpensioen.nl) of each employee.

During the previous reporting period, contact was also maintained with AEGON in respect of the settlement over the liquidation period. In that context, AEGON has been requested repeatedly to file any claim regarding pension contributions over the liquidation period (from 2 September 2016 up to the

respective end dates of the employment contracts) with the bankruptcy trustee. The individual pension insurances of the participants involved have been made non-contributory in accordance with dates on which they have left the employment. AEGON has not yet filed a claim with regard to any pension contributions still due. In principle, these should not exist. To be sure, AEGON was requested to confirm this in writing.

AEGON did file a claim amounting to EUR 8,175.00 with the bankruptcy trustee regarding 'final settlement management and warranty costs'. Questions were asked to AEGON in relation to the qualification of this claim.

A final settlement occurred after termination of the employment contracts with the three CPV employees. The termination of the employment contracts of these three employees has, financially, been completely finalized.

3. Assets

Immovable properties

3.1	Description	<p>The immovable property situated in:</p> <ul style="list-style-type: none"> • Weert at Lozerweg number 90, recorded in the land register as Weert, section K, numbers 3252, 3158 and 3003 • Hoensbroek, municipality of Heerlen at De Koumen number 2, recorded in the land register as Heerlen, section U, numbers 473 and 475.
3.2	Proceeds of the sale	<p>Not yet at issue.</p> <p>As part of the restart described below, the business premises were sold to VDL Vastgoed Castings BV. The sales proceeds from the immovable property amounts to EUR 2,900,000 (Heerlen EUR 1,600,000 and Weert EUR 1,300,000) costs payable by the purchaser.</p>
3.3	Mortgage amount	<p>Componenta has no bank financing. The immovable property is not encumbered with a right of mortgage.</p>
3.4	Percentage or amount paid to the bankruptcy trustee in his	<p>Not applicable.</p>

capacity as estate
administrator for work done

3.5	Tasks	<p>Inventory and valuation assignment. Assessment environment and licensing situation. Consultation with the province of Limburg and the municipalities of Weert and Heerlen.</p> <p>In consultation with the province of Limburg, reports were drawn up by the estate with regard to the public-law situation at both production sites (concretely, the reports addressed the subjects of spatial planning and environment).</p> <p>With reference thereto, the bankruptcy trustee made agreements with the province that were applicable during the production continuation period. On the one hand, these agreements related to the not-forthcoming public-law enforcement measures, directed against the established violations. Enforcement measures were not forthcoming during the production continuation period, because the province did not want to frustrate the realization of a possible restart. In exchange for the province's willingness, the agreements on the other hand related to the estate lending its cooperation to reversing one of the violations, namely the waste disposal. This cooperation was actually given, as a waste processing company specialized in this matter, at the instructions of the bankruptcy trustee, proceeded to dispose the waste present on the date of bankruptcy, as well as the waste that remained during the production continuation period. An additional advantage was that this particularly increased the chance of a restart, which could ultimately also be realized. As a result, the bankruptcy trustee has furthermore been able to deliver both business premises "broom clean" to VDL Vastgoed Castings.</p> <p>As a result of the constructive consultations with the province, the estate remained indemnified against considerable clean-up costs/waste disposal costs, and any liability on account of the public-law situation.</p>
Operating assets		
3.6	Description	<p>Machinery and equipment and office furniture and equipment of the iron foundries in Weert and Hoensbroek. As there is no bank financing, the movable property is not encumbered with a right of pledge. An inventory report of the movable property, drawn up by Troostwijk and dated 22 September 2016, is attached to this bankruptcy report as Annex 1.</p>

3.7	Proceeds of the sale	Not yet at issue. As part of the restart described below, the operating assets of both production sites were sold to VDL Castings Heerlen BV and VDL Castings Hoensbroek BV, respectively, for a total purchase price of EUR 1,600,000.
3.8	Percentage or amount paid to the bankruptcy trustee in his capacity as estate administrator for work done	Not applicable.
3.9	Right of seizure by the tax authorities of property found on the premises	Yes.
3.10	Tasks	Inventory and valuation assignment.
Stocks / Work in progress		
3.11	Description	Stocks finished products, semi-manufactures (work in progress) and raw materials. See also par. 6.
3.12	Proceeds of the sale	Not yet at issue. See also par. 6 As will be set out below in paragraph 6, the stocks and the work in progress were sold at regular sales prices and some stocks will still be sold later. The provisional (net) sales proceeds of the stocks amounts to approximately EUR 3,700,000. As part of the asset purchase agreement, it has been agreed with VDL Castings that the (unsold) stocks of raw materials and rough castings that remain after the production has been ended will be sold to VDL Castings. The purchase price of these remaining stocks of raw materials and rough castings amounts to EUR 700,000 for the time being. This purchase price has meanwhile been charged to VDL Castings Weert BV and VDL Castings Heerlen BV. The purchase price is still to be received. The remaining stocks of castings were settled twice in the past reporting period. In the first instance, the remaining stocks of

castings for which there were no orders was sold to VDL Castings. The purchase price to be paid by VDL Castings for these remaining stocks has since been received. Next, it was attempted to sell the stocks for which there were orders. This attempt was unsuccessful for a limited portion of the stocks. This portion of the stocks was also sold to VDL Castings. The purchase price for this portion of the remaining stocks is still outstanding.

In the previous reporting period, an inventory was drawn up of all remaining stocks held by processors. These stocks were not part of the asset purchase agreement concluded with VDL Castings. An attempt was made to sell these stocks to customers, such as Siemens, Atlas Copco, Ingersoll Rand, etc., for whom these stocks have been manufactured in the past. Where sales to these parties were unsuccessful, the remainder was sold to VDL Castings. The total proceeds from the sale of the remaining castings amounts to EUR 235,621.79 excluding VAT. Of this amount, an amount of EUR 10,831.98 excluding VAT, has yet to be received. The final proceeds from the sale of raw material stocks amount to EUR 530,000.00 excluding VAT. The total proceeds from the sale of the stocks therefore amount to EUR 765,621.79 excluding VAT.

3.13 Percentage or amount paid to the bankruptcy trustee in his capacity as estate administrator for work done

Not applicable.

3.14 Tasks

Continuation of the production as a result of which semi-manufactures are made into finished products. See also par. 6.

Other assets

3.15 Description

Under investigation.

Shares in the joint-venture CFMX (see paragraph 1.1).

3.16 Proceeds of the sale

Not yet at issue.

Sale of the shares in CFMX to Van de Wiele has resulted in sales proceeds of EUR 35,000 as well as the collection of the outstanding balance of accounts receivable of CFMX in the amount of EUR 98,880 (see paragraph 1.1).

In the context of the joint venture arrangements made with

FMX, Componenta BV was entitled to a percentage of FMX's turnover. It was agreed on the sale of the shares that Componenta BV will not waive this right. A statement of FMX's turnover was recently received. The bankruptcy trustee has requested FMX to pay the agreed percentage on the turnover. FMX has not yet responded to this request.

At the request of Ferromatrix, the estate has sent an invoice regarding the commission to which Componenta BV is entitled over the fourth quarter of 2016 and the first six months of 2017. The bankruptcy trustee is still to receive a statement regarding the third quarter of 2017. Payment has not been received yet at the time of publishing of this report.

In the meantime, the bankruptcy trustee has also received a statement of the turnover of the transferred customers for the third and fourth quarters of 2017 and the commission payable by Ferromatrix in this respect has been invoiced. Ferromatrix has paid the invoices that the estate sent to it. The commission due for the 4th quarter 2016 and the full year 2017 has been paid. Ferromatrix was entitled to set off its commission debt against a counterclaim of approximately EUR 38,000. On balance, the estate received payments totalling EUR 397,205.50.

Under the cooperation agreement, the commission is due until 30 June 2018. The commission due for the first half of 2018 will be calculated as soon as the half-year figures for 2018 are ready.

In the past period, the bankruptcy trustee consulted with Ferromatrix and its lawyer on the financial settlement of the obligations under the cooperation agreement. Pursuant to the cooperation agreement, the parties were required to determine the purchase price of the furan activities that had been transferred from Componenta to Ferromatrix in the context of the proposed joint venture. The cooperation agreement stipulates that the turnover commission paid by Ferromatrix must be deducted from the purchase price to be determined. In view of the fact that the furan activities turned out to be highly loss-making, it was conceivable that no or even a negative value should be attributed to the furan activities. The parties have consulted with one another on this matter and have agreed – after the bankruptcy trustee was

authorised thereto by the supervisory judge – that the bankrupt estate will no longer claim any commission for the first half of 2018 and that Ferromatrix will not claim repayment of the commission already paid by it to the bankrupt estate in the amount of EUR 397,205.50.

3.17 Tasks

Not yet at issue.

Various correspondence with Ferromatrix regarding payment of the commission due for the 4th quarter of 2016 and the whole of 2017. Assessment of financial statements of Ferromatrix and audit calculation commission.

4. Receivables

4.1 Amount of receivables

Two Finnish banks (OP Corporate Bank and Nordea) and a Swedish bank (Ikano bank) financed Componenta's receivables. The receivables (invoices) financed by OP Corporate Bank and Ikano Bank were assigned directly to these banks (in fact factoring companies). Componenta assigned the invoices financed by Nordea to its Finnish parent company (Componenta Oyj), which parent company subsequently assigned these to Nordea. Nordea paid out 95% of the advance payment to Componenta Oyj, which company transferred this amount to Componenta. After payment by the relevant debtor, Nordea paid the remaining 5% (after deduction of a fee and costs) to Componenta Oyj, which company in turn was to transfer this remaining payment to Componenta.

Prior to the bankruptcy, OP Corporate Bank refused a number of invoices to the total amount of EUR 826,956.91. These receivables were therefore not assigned, for which reason these are part of the estate and can be collected by the estate. The estate has meanwhile collected an amount of EUR 67,731.59 of these accounts receivable.

In addition, there are receivables which were assigned and in respect of which the debtors paid directly to Componenta. These receivables, too, are therefore part of the estate and can be collected by the estate. On 2 September 2016, these receivables amounted to EUR 707,777.07. The estate has meanwhile collected an amount of EUR 123,309.36 of these accounts receivable.

On the date of bankruptcy, the total outstanding balance of accounts receivable amounted to EUR 1,544,733.98. Of this amount, a total of EUR 191,040.95 (67,731.59 + 123,309.36) has currently been collected.

Of the total outstanding balance of accounts receivable on the date of bankruptcy amounting to EUR 1,544,734.98, EUR 1,288,206.91 has meanwhile been collected. In connection with deliveries not made, established complaints and suchlike, credit invoices have been sent to the total amount of EUR 179,766.61. The remaining balance of accounts receivable amounts to EUR 66,790.46. Part thereof can presumably still be collected.

In the context of the debt collection, the estate received payment of claims against debtors which had been assigned to two Finnish factoring companies (Nordea and Ikano) before the bankruptcy. It has been agreed with both factoring companies that payments by debtors intended for the factoring companies will be paid to them and that payments that are received by the factoring companies, but which are intended for the estate, will be paid to the estate. Meanwhile, a setoff has taken place. After the setoff, the estate, on balance, had to pay an amount of EUR 744,290.12 to the factoring companies.

In the insolvency proceedings of Componenta Sweden, the District Court in Stockholm approved the composition with creditors. In the context of the composition with creditors, Componenta Sweden paid its unsecured creditors a distribution of 25% of their claim. On balance, Componenta Netherlands' claim against Componenta Sweden – after set-off against a counterclaim – amounted to EUR 187,686, so that the estate was entitled to a distribution of EUR 46,921.50. In the recent reporting period, this amount was received on the bankruptcy account.

In addition, the estate received (limited) payments from Componenta Oyj and Componenta Finland Oy during the recent reporting period. In these insolvency proceedings, too, a composition with creditors was reached. In the period from 2019 to 2023, Componenta will receive limited annual instalments. In the recent reporting period, an amount of EUR 166.66 was received from Componenta Finland Oy and an amount of EUR 1,741.94 from Componenta Oyj.

In the recent reporting period, the estate once again received

limited payments from Componenta Oyj and Componenta Finland Oy. In total, the estate has now received an amount of EUR 249.99 from Componenta Finland Oy and an amount of EUR 2,612.91 from Componenta Oyj.

In the recent reporting period, no payments were received from Componenta Oyj and Componenta Finland Oy. The following payment is expected in early November 2020.

4.2 Proceeds

As at 27 September 2016, a total amount of EUR 191,040.95 in accounts receivable has been collected.

As at 23 February 2017, a total amount of EUR 1,288,206.91 in accounts receivable has been collected.

As at 18 May 2017, a total amount of EUR 1,507,776.61 in accounts receivable has been collected.

As at 20 November 2017, a total amount of EUR 1,510,348.65 in accounts receivable has been collected. Accordingly, all accounts receivable have been collected. The estate and Nordea are still consulting as to whom a (limited) number of receivables collected by the estate accrue. The bankruptcy trustee will try to finish these consultations in the next period, so that the debt collection of the pre-bankruptcy debtors will then have been fully completed.

The consultation with the factoring companies with regard to the receivables collected by the estate has been completed. In accordance with the agreements previously concluded with the factoring companies, the collected receivables, of which it has been determined that they had been validly assigned to the factoring companies prior to the bankruptcy, have been paid by the estate.

The amounts paid will be deducted from the receivables that the factoring companies has in the bankruptcy. The same applies to the receivables collected by the factoring companies themselves (ownership of which they acquired under the factoring agreement pursuant to the assignment).

Since in this bankruptcy a distribution can be made to the unsecured creditors and the factoring companies share their remaining claim as an unsecured creditor, the other creditors have an interest in the highest possible receivables collection by the factoring companies. For this reason, the bankruptcy

trustee consulted intensively with the factoring companies about their outstanding balance of their accounts receivables and did his utmost to support the factoring companies in the collection of the outstanding accounts receivables that had been assigned to them. During the continuation period, the bankruptcy trustee built up good business relationships with various large customers, which relationships have been used to encourage the customers concerned where possible to pay the claims assigned to the factoring companies. These efforts have also led to a substantial reduction in the (remaining) claims of the factoring companies against Componenta BV.

Below a status report is set out for each factoring company:

Ikano Bank

Ikano Bank received a remittance of EUR 7,828.80 in January 2018. The payment of EUR 7,828.80 will be deducted from the amount that Ikano Bank owed Componenta BC under the factoring agreement. On balance, Ikano Bank currently still has a claim against Componenta BV of EUR 53,980.64, which claim has been placed on the list of provisionally allowed unsecured creditors. Ikano's claim will not be modified.

Nordea

Nordea received a remittance of EUR 462,046.91 in February 2017 and a second remittance of EUR 47,285.90 in December 2017. A total of EUR 509,332.80 has therefore been paid to Nordea. Nordea has confirmed that its claim has now been paid in full and that it has no further claim against Componenta BV.

OP Bank

OP Bank received a remittance of EUR 262,243.21 in February 2017 and a remittance of EUR 22,684.83 in March 2018. OP has now been able to collect a total of EUR 1,969,577.80 from the receivables assigned to it. OP's claim, which at the start of the bankruptcy still amounted to EUR 2,511,399.52, has therefore decreased by this amount, so that its remaining claim still amounts to EUR 541,821.70.

Support in the collection of the assigned claims has further reduced OP's claim. OP's claim currently amounts to EUR 446,767.27 and as such has been placed on the list of provisionally allowed unsecured creditors.

OP's last, still collectible outstanding invoices have meanwhile been collected on behalf of OP and have been paid to OP.

Accordingly, OP's claim has further decreased to EUR 430,215.67. In view of the fact that there are no remaining collectible claims, OP's claim will no longer be subject to change and, at the request of OP, has currently been entered on the list of provisionally recognised unsecured creditors.

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| 4.3 | Percentage or amount paid to the bankruptcy trustee in his capacity as estate administrator for work done | Not applicable. |
| 4.4 | Tasks | <p>Continuation of receivables collection activities; coordination with the factoring companies and various debtors.</p> <p>Consultation/correspondence with administrator of Componenta Sweden in connection with distribution by virtue of the composition with creditors approved by the District Court. Control of distributions of Componenta Oyj and Componenta Finland Oy.</p> |

5. Bank / Security

- | | | |
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| 5.1 | Bank receivables | <p>Apart from the receivables financing, there is no question of bank financing. Componenta participated in a cash pool agreement with Componenta Oyj. There exist various intra-group current account balances. There are, however, no property-law security interests on the movable and immovable property.</p> <p>Prior to the bankruptcy, Deutsche Bank had issued two bank guarantees totalling EUR 41,000 to the State of the Netherlands on behalf of Componenta, in connection with Componenta's fulfilment of obligations under a European Regulation relating to transboundary shipment of waste. To this end, Componenta had provided a counter-guarantee to Deutsche Bank and, as security in that respect, had provided a right of pledge on part of its claim against Deutsche Bank (part of the credit balance of the bank account Componenta held at Deutsche Bank). The State of the Netherlands has meanwhile confirmed that Componenta no longer has obligations under the European Regulation. It returned the bank guarantees to Deutsche Bank, upon which Deutsche Bank released the part</p> |
|-----|------------------|--|

of the credit balance amounting to EUR 41,000.

Until 1 November 2017, the estate used the bank account of Deutsche Bank for payment transactions (receipts from debtors and payment of bankruptcy costs). As of that date, the bank account at Deutsche Bank was closed and the remaining balance was transferred to the liquidation account.

5.2 Lease contracts

In the past reporting period, it has become clear to the bankruptcy trustee that Componenta has concluded various hire (purchase) agreements and lease agreements (whether operational or financial) with regard to various goods. The agreements vary in terms of nature, duration and invoice amount. The agreements which proved necessary for the production process have meanwhile been continued by the bankruptcy trustee or will be continued in the short term. The agreements which were not necessary for the continuation of Componenta have been terminated, or will be terminated in the shortest possible term.

Until this day, 22 creditors indicated to have concluded a rental, conditional sale or lease agreement with Componenta. It turned out that it concerns mainly common rental, conditional sale or lease agreements. It concerns mainly agreements that relate to the rent/lease of waste bins (for the benefit of waste processing), cars, operating assets (mainly machinery), computer equipment, company clothing, storage spaces, printers and the like.

19 agreements have meanwhile been assessed by the bankruptcy trustee. 3 agreements are still the subject of investigation. A large part of the agreements that were necessary for the continuation of the business (mainly operating assets, computers, printers and storage spaces) were continued by the bankruptcy trustee. The claims following from this are for the account of the operation and have been paid (or will be paid in the very near future). A number of agreements have meanwhile been taken over by VDL Castings since these agreements turned out to be necessary for the restart.

All lease cars have meanwhile been returned to the lease company, or been taken into use by VDL Castings. The lease agreements in respect of the lease cars had formally already been terminated by the lease company.

Consultations are still taking place with two leasing companies

about their remaining claims, which they have submitted for verification. The bankruptcy trustee is of the opinion that they must partially adjust their claim downwards because their claim for compensation must be reduced by the sales proceeds realised.

5.3	Description of security interests	Apart from the fact that in the context of advance financing, accounts receivable have been assigned to factoring companies, there is no bank financing and no bank security.
5.4	Secured creditor position	There is no bank with a position as a secured creditor.
5.5	Percentage or amount paid to the bankruptcy trustee in his capacity as estate administrator for work done	Not applicable.
5.6	Retention of title	<p>In the past reporting period, 75 creditors have come forward invoking an alleged retention of title. The bankruptcy trustee has used the past weeks to assess the retentions of title. The creditors which have invoked a retention of title will be receive further details from the bankruptcy trustee in the short term.</p> <p>In the last reporting period, 11 extra creditors have come forward invoking a retention of title. This means that, to date, a total of 86 creditors have invoked an alleged retention of title. The submitted retentions of title were listed by the bankruptcy trustee and have meanwhile been settled for the larger part.</p> <p>Immediately after the bankruptcy was declared, the bankruptcy trustee had a stocktaking inventory drawn up of the stock still present. This stocktaking was used for the first selection of the creditors; it was established that, on the date of bankruptcy, 29 of the creditors had no stock remaining at Componenta. The bankruptcy trustee has meanwhile informed these creditors accordingly. Furthermore, the bankruptcy trustee has substantively assessed the retentions of title during the most recent reporting period. In total, 14 claims to a retention of title were rejected. These creditors have meanwhile also been informed accordingly.</p> <p>The remaining claims to a retention of title were recognized by the bankruptcy trustee. The bankruptcy trustee has also</p>

informed these creditors hereof and has also indicated that the stock present on the date of the bankruptcy could possibly be used/consumed in the context of the continuation of the company. Another stocktaking took place after the production had been ended and all cast products had undergone final processing. The stock that was used in the production process has meanwhile been paid to the suppliers in question. The suppliers/creditors were also informed of the stock still present but yet unpaid. In respect of this stock, it was indicated that VDL Castings Weert BV and VDL Castings Heerlen BV are possibly interested in the acquisition of these stocks. The suppliers (11 suppliers in total) and both VDL Castings companies are currently engaged in talks on this.

The management board of the VDL Castings companies has told the bankruptcy trustee that arrangements on the settlement of the retentions of title have been made with virtually all creditors. There is only one creditor with whom no arrangement has yet been made. Supposedly, this creditor has not yet responded to VDL Castings to date. The bankruptcy trustee has requested the management board to indicate how the retentions of title have been settled, which is important in the context of establishing the debt burden. The statement requested has not been received yet.

One more creditor recently reported to the bankruptcy trustee, whose retention of title has not been settled yet. This retention of title will be assessed and settled.

Settlement of models and core boxes:

In addition, it turned out in the last reporting period that Componenta held a large number of models. These models were used for the production of various iron castings. One day after the bankruptcy was declared, various customers of Componenta applied to the bankruptcy trustee with the request to return to it the models with which castings were cast for the company in question. The bankruptcy trustee looked into these claims and adopted the position that all models held by Componenta are the property of the customers in question. This mainly related to the fact that the costs for the production of the model in question were paid by the customer. In addition, in the past, Componenta repeatedly communicated with the customers in question that the model was the property of the customer. The bankruptcy trustee did not find any indications that could result in the conclusion that the models in question were the property of Componenta.

The bankruptcy trustee subsequently made an inventory of the models and the accompanying core boxes (with which, briefly put, the "hollow spaces" are created in a casting). It turned out that Componenta held more than 1,400 models in respect of which (on average) there were 3.5 core boxes per model. The "marketable" models (models that were used in the last two years for the production process of Componenta) were stored in the factories in Weert and Heerlen. The "unmarketable" models were stored externally. The majority of the models turned out to be stored externally. The bankruptcy trustee contacted the owners of the unmarketable models and requested them to pick up the models. The marketable models could be kept at the factories in Weert and Heerlen in view of the continuation of the production.

A large part of the unmarketable models has been picked up by now. With regard to the handling hereof (collecting the models and making them ready for dispatch), the estate claimed a handling fee of EUR 150 per model to cover the costs involved. The handling fee in question was charged to the various customers and former customers. However, for the time being it is the question to what extent these claims turn out to be collectable.

In addition, a number of customers has indicated with reference to the letter sent by the bankruptcy trustee, that their models that were qualified as unmarketable were instead still marketable. These models were relocated (or will be relocated in the near future) to the factories in Weert and Heerlen. The models that were not picked up and have not been relocated will be scrapped in the near future.

The return of models to the relevant customers has been mostly completed. There are still a number of customers who have not responded to a request to pick up their models. One final letter has recently been sent to these customers. If they fail to respond once again, the models in question will be scrapped.

Further consultations are still ongoing with Caterpillar regarding the return of a large number of models stored at a storage company.

All models have meanwhile been returned to customers. To the extent that customers have not picked up the models/tooling after repeated requests to this end, these have

been scrapped.

Some models of Caterpillar have been stored at VDL Castings in consultation with Caterpillar.

Around the summer, a dispute arose between the estate and the previous warehouse where the models were stored. The warehouse owner relied on the existence of an oral agreement with Componenta under which a minimum purchase of storage and a notice period of one year had allegedly been agreed and invoked a right of retention at one point in time. He ultimately (largely) revised/abandoned his positions and the estate reached an amicable settlement with the permission of the supervisory judge.

5.7 Rights of retention

Componenta has a Machining department which arranges for the processing of the castings from the own foundries by third parties. For example, the drilling of holes, the setting and painting of castings. The companies that perform these activities are based throughout Europe. A large number of these parties is located in Belgium. Some parties have exercised a right of retention with regard to the castings offered for processing. The assessment of the rights of retention exercised, mostly under foreign law, was no simple matter. In consultation with the supervisory judge, it was decided to try to have the castings released, so that they can be sold to the final customers. Agreements have ultimately been made with a large number of these parties regarding the release of the castings. The basic assumption in this context was that the proceeds of the sale to the final customer should bring in more than the costs paid to the processor.

The dedicated transporter of Componenta (Van Giersbergen Transport BV) claimed a possessory pledge in respect of a part of the stock that was located at the site of Van Giersbergen Transport BV and/or on semi-trailers. Van Giersbergen Transport BV had a very considerable claim on Componenta BV of approximately EUR 500,000. This stock was sold by the bankruptcy trustee on the basis of Article 3:251(2) of the Dutch Civil Code, whereby the estate received a percentage or amount paid to the bankruptcy trustee in his capacity as estate administrator for work done and the additional revenues were paid to Van Giersbergen Transport BV. The claim has been reduced accordingly.

Furthermore, Van Giersbergen Transport BV claimed a right of retention on the movable property of Componenta BV that was

located in the business premises leased by Componenta BV from Fragilo Holding BV (a group company of Van Giersbergen Logistics BV). This right of retention was not accepted by the bankruptcy trustee.

In the previous reporting period, a model maker took the position that it could exercise a right of retention with regard to a model that had been offered for repair to the relevant model maker prior to the date of bankruptcy. In view of the fact that VDL Castings had an interest in being able to use the model, VDL Castings paid part of the outstanding account after which the model was delivered. The model maker's claim has been reduced by the amount it has received.

5.8 Rights of recovery

In the past reporting period, 4 creditors have come forward invoking an alleged right of recovery. The bankruptcy trustee will provide further details to these creditors regarding their claim in the short term.

The rights of recovery have since been settled. The stocks present on the bankruptcy date but used at a later date have been settled with three creditors. It became apparent that no stocks of the fourth creditor had been present on the bankruptcy date.

5.9 Tasks

Settlement retention of title. Consultation with the lease companies' lawyers about the size of their remaining claim.

**6. Continuation /
Restart**

Continuation

6.1 Exploitation/security rights

Componenta has large international customers (manufacturers of, inter alia, heavy trucks, earthmoving machines and road construction machines). The nature and complexity of the production process entails that these customers cannot simply and in the short term transfer the production which they have placed with Componenta to a different supplier. The balancing of the production process (including the test and certification phase) and the development of moulds with which the products for these customers are cast usually requires months of preparation and collaboration with a customer. Stagnation of the production process of the iron foundry means that the own production process of the relevant customer is also

seriously impeded, which can result in substantial damage and/or loss (often consisting of contractual penalties).

In view of the dependence and the interest of the customers in the continuation of the production, the bankruptcy trustee and his team, in consultation with Componenta's management team, has investigated whether it is possible to continue the production for a period of three months. Awaiting this investigation, the bankruptcy trustee at the time did not proceed to terminate the employment contracts.

Based on this investigation, the bankruptcy trustee in the second week following the bankruptcy came to the conclusion that it is possible to continue the production for – in principle – three months subject to strict conditions, and that this is in the interest of the joint creditors, the employees and the customers. Agreements have been made to this end with the seven largest customers, i.e. the Preferred Customers. These customers wish to limit their loss and for this are willing to fully bear the costs of the production (by advance payment of the delivery placed by them) and to cover the loss the estate could suffer according to a conservative scenario. As accordingly customers can be retained for now, this also retains or increases the chance of a restart. This therefore also retains or increases the chance to preserve jobs.

On 14 September 2016, the bankruptcy trustee, with the permission of the supervisory judge, reached agreement with the seven Preferred Customers of Componenta regarding the terms of the continuation of the production. This agreement has been laid down in a Continuation Agreement. This agreement provides, inter alia, that customers undertake to (i) purchase a minimum amount of products, (ii) against advance payment of the monthly minimum purchase, and (iii) against advance payment of a loss guarantee. Consequently, the estate is given the possibility to pay the costs involved in the continuation of the production, including the wages of the employees. The Continuation Agreement furthermore provides that the agreement can be terminated early if circumstances render the continuation of the production impossible. In that case, the customers will be offered the possibility to provide additional financing.

The loss estimated by the bankruptcy trustee in advance for the period that the production was continued amounts to EUR 2,700,000. The Preferred Customers paid this amount in the

context of the Continuation Agreement as a loss guarantee on the trust account of the bankruptcy trustee's firm.

Pursuant to the Continuation Agreement, the Preferred Customers undertook to purchase products from Componenta and to consequently guarantee 65% of the production capacity of Componenta.

In addition to the loss financing of EUR 2,700,000 mentioned above, the Preferred Customers have, through advance payment, paid the minimum of products to be purchased by them in three monthly instalments amounting to a total of EUR 2,500,000 per month.

It is part of the Continuation Agreement that 35% of the production capacity would be kept available for the Common Customers and that the Common Customers would be asked to pay a contribution to the loss by applying a price increase of 20%.

After the realization of the Continuation Agreement and receiving the financing by the customers, the production could resume (under the estate's supervision) with effect from 19 September 2016. Purchases could be effected and the salaries for the month September could be paid.

Partially thanks to the great efforts of the personnel, the production process was continued quickly and smoothly, especially given the difficult and uncertain situation of the bankruptcy. Despite some technical failures, the production process proceeded in conformity with the planning and to great satisfaction all the way to the end of the Continuation Period. To meet the demand of the customers, the production at the foundry in Weert was even extended by another week. The production in Heerlen ended on 14 December 2016 and the production in Weert ended on 22 December.

The customers have received virtually all the products that they had ordered. The volume and the quality of the production was even higher than in the period prior to the bankruptcy. This has everything to do with the commitment of the personnel that was great until the end. This resulted in trust on the part of the customers and formed the basis for the restart that was ultimately realized.

During the period of continuation, the salary of the complete personnel, including all emoluments, payroll tax and social

security contributions (as part of the production costs) were paid until the end of the employment contract. With this, a claim against the bankrupt company of approximately EUR 2,400,000 was saved.

Pursuant to the wage guarantee scheme (Article 66 *et seq.* of the Dutch Unemployment Insurance Act (in Dutch: *WW*), the UWV usually takes over the obligation to pay the personnel's salary during the notice period. The UWV then subrogates the right of claim of the employees by operation of law. The UWV submits this claim to the bankruptcy trustee as preferred claim against the bankrupt company. In this case, the UWV proved willing to make deviating arrangements that were required in the context of the Continuation Agreement.

In order to continue the production, the estate furthermore had to pay various essential suppliers (suppliers of services and goods) and production costs. In addition, the estate had to pay the costs for the supervision of the production process by the bankruptcy trustee's team and Troostwijk. Pursuant to the Continuation Agreement, these costs were paid from the operation as part of the production costs. This also achieved a substantial saving on bankruptcy costs.

6.2 Financial reporting

The continuation of the production and the related operation will be closely monitored both operationally (by Troostwijk) and financially (by a hired registered accountant). The costs and benefits will be accounted for in a statement of income and expenditure. The Preferred Customers can also inspect this. The direct bankruptcy costs related to the continuation (salary of the bankruptcy trustee and the costs of Troostwijk) are paid at the expense of the loss guarantee.

The bankruptcy trustee is in the process of settling the operation. Various suppliers and customers must still be paid. For one of the Preferred Customers (Caterpillar), another substantial part of the rough castings must still be processed. These products are still in the supply chain. As soon as these products have been delivered and paid, the operations account can be drawn up. The next bankruptcy report will submit the operations account.

A final settlement has since taken place with four of the seven preferred customers. Final settlement has not yet been possible with three preferred customers. This is related to the checking of products delivered and packaging to be returned.

Moreover, some products that are still in the supply chain for processing must still be delivered to the customer Caterpillar. The final settlement with Caterpillar can be drawn up as soon as all products have been processed and delivered to Caterpillar. Only then can the final operations account be drawn up.

The 'emptying' of the supply chain for Caterpillar has still not been fully completed. The processing of castings takes place at various processing companies abroad and depends on the demand from Caterpillar China and Caterpillar USA as well as on the capacity of the processing companies. This process is taking longer than planned. The current expectation is that the processing and subsequent delivery cannot be completed until spring 2018. After that, the final profit and loss account can be drawn up.

The (provisional) profit and loss account has been included in the interim financial report and was filed on 17 July 2017. An updated interim financial report will again be filed together with this follow-up report.

In the preceding reporting period, consultations took place with the Tax and Customs Administration on the turnover tax return for the liquidation period. The bankruptcy trustee has filed the turnover tax return and the Tax and Customs Administration has already announced that it will accept this return. The reclaimable turnover tax has not yet been received in full.

Delays in the delivery of a product required for processing have delayed the processing of Caterpillar's rough castings. This processing has now taken place and the processed products have been delivered and invoiced to Caterpillar. Caterpillar has confirmed that it – after an administrative check – will ensure the outstanding invoices are paid. At present, Caterpillar's outstanding balance amounts to a total of EUR 94,007.

As soon as the outstanding invoices have been paid, the profit and loss account of the continuation for the preferred customers can be finalised. The final operating results will then also be incorporated in the standard financial report.

In the past period, intensive consultations have taken place to receive payment from Caterpillar for the outstanding invoices.

Related contacts took place with two Caterpillar factories in China and the financial administration based in Singapore. In September 2018, the last outstanding invoices were paid and Caterpillar met all its payment obligations under the continuation agreement. Caterpillar eventually purchased and paid an amount of EUR 1,792,199 for products produced by the bankrupt estate. In addition, it also purchased and paid an amount of EUR 1,898,291 for old stock (which had been produced before the liquidation). Finally, Caterpillar paid the claims outstanding (and not invoiced) as at the date of bankruptcy totalling an amount of EUR 162,915.

The final payments received from Caterpillar have been incorporated in the final version of the profit and loss account. This shows that the proceeds over the continuation period amount to EUR 13,631,000 and the costs to EUR 16,222,000. In the context of the profit and loss account, the loss cover of EUR 2,700,000 paid by the preferred customers should be regarded as income for the bankrupt estate. Taking this into account, the operating result shows a positive result of EUR 109,000.

In accordance with the agreements made with the preferred customers, this amount must be paid to them pro rata to the percentage in which the preferred customers have contributed to the loss cover. The distribution of the amount of EUR 109,000 among the preferred customers has since been settled with six of the seven preferred customers. Settlement with the seventh preferred customer will soon take place.

Meanwhile, matters have been settled with Caterpillar, being the last of the preferred customers. In that context, Caterpillar has voluntarily waived its claim to the result of the continuation. Accordingly, the amount of EUR 16,000 that accrued to Caterpillar is released to the estate. Furthermore, Caterpillar has paid the last claims assigned to OP, so that this matter has been definitively settled as well.

6.3 Tasks

The bankruptcy trustee and his team have intensively investigated the possibilities to continue the production and the related operation. After this turned out to be possible, consultations have been conducted with the most important customers, agreement has been reached regarding the terms of the continuation and all of this has been laid down in a Continuation Agreement. Preparations have been made with regard to the continuation of the production as from 15 September 2016. The production of both iron foundries has been restarted with effect from 19 September 2016.

In the period from 19 September up to and including 22 December 2016, the production process was closely supervised and managed by the bankruptcy trustee and his employees in cooperation with the management of Componenta. The purchase, sale and development of the production value and updates of the stock and the work in progress were monitored at the instruction of the bankruptcy trustee by an employee of Troostwijk (operational) and an external controller (financial) appointed by the bankruptcy trustee.

Drafting of settlements with the preferred customers and substantive coordination thereof. Collection of estate receivables. Continuation of deliveries from the supply chain. Checking and processing the final settlements of suppliers. Financial reporting.

Continuation of processing and delivery of products for Caterpillar. Continuation and completion of CPV activities. Financial reporting.

Discussion/consultation with owner of warehouse, including the recording of an amicable settlement. Coordinating the relocation of models to VDL Castings and coordination with Caterpillar and VDL Castings. Consulting with the Tax and Customs Administration regarding the turnover tax return.

Completion of processing and delivery of rough castings for Caterpillar. Invoicing to Caterpillar. Agree with Caterpillar on the collection and settlement of outstanding invoices.

Settlement of outstanding invoices to Caterpillar.
Settlement of the profit and loss account continuation period and settlement with the preferred customers.

Settlement of collection of outstanding invoices Caterpillar.

Settlement of profit and loss account continuation period and settlement with the preferred customers. Settlement of factoring OP.

Restart

6.4 Description

The bankruptcy trustee has set up a digital data room in which relevant company information has been uploaded. Serious interested parties may be granted access to the data room after they have signed a non-disclosure agreement (NDA). Meanwhile, various interested parties from in and outside the Netherlands have made themselves known to the bankruptcy trustee and have expressed their interest in Componenta's business. In the first exploratory phase of this bankruptcy (the first four weeks) the bankruptcy trustee focused almost exclusively on whether the production and operation could be continued. As this turned out to be possible, the next phase will – in addition to the organization of the production process and the operation – be focused mostly on the possibilities of a restart.

By continuing the production, the possibility of a restart was retained and ultimately optimized. The major customers committed themselves for a period of three months. This fact gave the bankruptcy trustee the possibility to use the month of October to thoroughly explore the market. In total, 13 parties signed an NDA and were granted access to the digital data room. This ultimately resulted in two seriously interested parties, which whom the possibility of a restart was discussed: a Dutch investment group and VDL Group in Eindhoven.

The talks with the investment group ultimately did not result in an unconditional offer. The conditions set by the investment group for a restart proved unfeasible.

After the VDL Group had ceased to be an interested party by mid-September, it again became interested in a restart in mid-October – after the production had been fully resumed and proceeded successfully again. The VDL Group was the only party that remained interested in a restart. Intensive takeover negotiations were subsequently conducted with the VDL Group.

An important part of these negotiations was the fact that the bankruptcy trustee, by virtue of the Continuation Agreement, was to continue production up to and including December 2016. On the one hand, the Continuation Agreement formed

the basis for maintaining the business and retaining the customers. On the other hand, the Continuation Agreement entailed a limitation in the sense that it offered the customers the opportunity to bridge time to place the production with a competing iron foundry or to build up a buffer stock.

In the negotiations, the bankruptcy trustee started from the assumption and set as a condition that the estate should be able to complete the Continuation Agreement and that the takeover by the VDL Group would only take place thereafter. Indeed, it had been agreed with the Preferred Customers that they would receive a repayment of (part of) the advances paid, to the extent that no products would be delivered in return. The bankruptcy trustee therefore had an interest in completing the Continuation Agreement. The completion of the Continuation Agreement furthermore enabled the estate to collect a considerable portion of the pre-bankruptcy receivables and to sell the stocks at marketable prices.

Early November, the bankruptcy trustee and VDL Group reached agreement on the main issues. The agreement reached was subsequently detailed in an asset purchase agreement.

Although according to the Amsterdam Court of Appeal (Enterprise Division) 26 May 2016, JOR 2016/286 (DA), the Works Council has no right to prior consultation in case of sale of a company in bankruptcy by a bankruptcy trustee, the right of participation also applies during the bankruptcy. Given also the fact that the time pressure at issue in the DA case was less onerous in the present case (on account of the continuation), the Works Council was able to fully exercise its right to prior consultation and made a positive recommendation in writing on 24 November 2016 with regard to the proposed takeover by the VDL Group.

With the permission of the supervisory judge, the bankruptcy trustee, on the one hand, and the VDL companies VDL Vastgoed Castings Vastgoed BV, VDL Castings Heerlen BV and VDL Castings Weert BV (hereinafter jointly "VDL Castings"), on the other hand, entered into an asset purchase agreement on 21 December 2016. This asset purchase agreement was entered into on the condition precedent that the Dutch and German competition authorities would approve. The agreement became final after the Dutch authority had confirmed that there was no impediment to the takeover and the German competition authority had, on 29 December 2016,

granted approval for the takeover by VDL Castings.

By virtue of the asset purchase agreement, VDL Castings purchased the following assets from the bankruptcy trustee at the following purchase prices:

• Business premises Weert	EUR 1,300,000
• Business premises Heerlen	EUR 1,600,000
• Inventories	EUR 1,600,000
• Remaining stock of raw materials and rough castings	<u>EUR 700,000*</u>
Total	EUR 5,200,000

* This amount is to be increased with the rough castings remaining at the production sites in Weert or Heerlen after 1 March. A compensation of EUR 0.22 per kg has been agreed for this, which amount will be increased with EUR 0.28 per kg if VDL Castings sells to third parties before 1 April 2017.

The remaining stocks of raw castings located at the business locations in Heerlen and Weert have since been settled with VDL Castings Heerlen and VDL Castings Weert, too. In addition to the aforementioned amount of EUR 700,000, the estate will receive a further amount of EUR 46,776. This will be paid in early June.

The payment of the purchase sum for the raw castings taken over by VDL Castings has been received. After this settlement, there have been consultations with VDL Castings on the takeover of surplus castings intended for customers, but which ultimately have not been purchased by customers. These castings were partly located in the VDL Castings factories in Weert and Heerlen, and partly with processors abroad. To the extent that it was worthwhile to relocate the castings to VDL Castings (read: where the transport costs were less than the proceeds), these were relocated and settled with VDL Castings. The proceeds from this sale amounts to EUR 235,621.79 excluding VAT.

6.5 Explanation

Not yet at issue.

VDL was the only concrete takeover candidate. For the reasons stated below, the sale of the assets to VDL Castings has yielded the best possible result for the estate:

- As a result, the estate was able to complete the Continuation Agreement and meet the obligation to pay the staff's salary for the full notice period from the production yields. Accordingly, an estate debt to the

- UUV of approximately EUR 2,400,000 has been saved.
- If no restart had been realized, the estate would have been confronted with substantial environmental clean-up costs. In that case, costly measures would have been required at the sites in both Heerlen and Weert, in connection with the condition of the soil, groundwater and the presence of asbestos at the premises. Although Componenta complied with the environmental permit, these kinds of measures are simply inherent to the termination of a production process such as the one in question (heavy metal industry).
- If no restart had been realized, the assets would have to be sold by way of an auction. The auction, and making assets such as these ready for auction, would involve substantial costs.
- Through the completion of the Continuation Agreement, the estate was able to realize surplus proceeds by collecting receivables and selling stocks at marketable prices, which surplus proceeds at this time are assessed at, at least, EUR 2,000,000.
- Finally, on account of the restart, the jobs of a large number of employees have been retained. VDL has undertaken to employ a considerable part of Componenta's staff on the basis of conditions in line with the market.

6.6	Proceeds	Not yet at issue. See 6.4 and 6.5.
6.7	Percentage or amount paid to the bankruptcy trustee in his capacity as estate administrator for work done	Not applicable. The proceeds, if any, will fully accrue to the estate.
6.8	Tasks	Setting up the data room; having exploratory meetings with parties interested in a takeover. Initially, the bankruptcy trustee collected all relevant data related to the business of Componenta and the assets. These data were placed in a digital data room. Parties interested in a takeover were granted access to the data room after signing a non-disclosure agreement. Subsequently, the market was actively explored. Parties interested in a takeover were approached and talked to. Extensive negotiations were conducted with VDL after the

latter had remained as the only (concrete) takeover candidate, which resulted in the conclusion of an asset purchase agreement on 21 December 2016.

Parallel to this, the Dutch and German competition authorities were requested to grant approval for the proposed transaction.

The agreement became final after this approval had been obtained. The transfer of the assets and activities to VDL Castings subsequently took place on 16 January 2017.

The stocks and the like will be settled in February/March 2017.

Settlement with the preferred customers, Atlas Copco and VDL Castings.

Inventory of surplus castings at processors. Sale to customers and settlement with VDL Castings to the extent that other customers did no longer wish to receive the castings. Settlement of Atlas Copco, which meanwhile has taken place. See 2.3 above.

7. Legal validity

One of the duties of the bankruptcy trustee is to carry out a legal validity investigation. As is common for every bankruptcy, a legal validity investigation will also be part of this bankruptcy investigation. This investigation will be carried out in a later phase of the bankruptcy. Relevant details are, however, already being collected. The bankruptcy trustee for now focuses primarily on the continuation of the production and operation and on investigating the options of a restart. Consequently, no conclusions whatsoever can be drawn from the information below.

In the period the bankruptcy trustee performed the investigation into the facts and causes.

The bankruptcy trustee has completed the investigation into the facts and causes and has discussed his findings with the supervisory judge. Based on the investigation, it must be concluded that the causes presented in the own declaration of bankruptcy must be deemed plausible causes of the bankruptcy. No specific circumstances have emerged from which it follows that the board is responsible for the occurrence of the causes of the bankruptcy. [Appendix 2](#) to this bankruptcy report comprises a memo containing a summary of the bankruptcy trustee's findings further to the investigation into the facts and causes that was instituted.

7.1 Accounting obligation

Under investigation.

Unchanged.

The bankruptcy trustee has investigated whether Componenta's board has met its accounting obligation within the meaning of Article 2:10 of the Dutch Civil Code. It has become apparent that the accounts were such that Componenta could quickly gain insight into its accounts receivable and accounts payable balance. It also became clear that the accounts relatively easily provided adequate insight into the liquidity position and financial position of Componenta. Componenta accounts are therefore in line with what may be expected pursuant to the nature of the company. The board has met the obligation under Article 2:10 of the Dutch Civil Code.

7.2 Filing of annual accounts

Financial year 2014
Date of filing 31/07/2015
Date of adoption of the annual report and accounts
14/07/2015

Financial year 2013
Date of filing 08/05/2014
Date of adoption of the annual report and accounts
06/05/2014

Financial year 2012
Date of filing 27/05/2013
Date of adoption of the annual report and accounts
09/04/2013

The data above shows that the annual accounts were filed within the term for filing prescribed by law of 13 months. The annual accounts for 2015 do/did not need to be filed yet. At first sight, the filing obligation seems to have been complied with. This will however be investigated in more detail at a later stage.

On the basis of the investigation into the facts and causes, the bankruptcy trustee has established that Componenta's annual accounts were filed in good time during the reference period of three years prior to the bankruptcy. The board has therefore met the obligation under Article 2:394 of the Dutch Civil Code.

- 7.3 Unqualified audit opinion At a later stage, it will be investigated whether the statutory requirements have been complied with.
- On the basis of the investigation into the facts and causes, the bankruptcy trustee has established that the audit performed meets the statutory requirements. Reference is made to what has been noted in this regard in the memo attached as Appendix 2.
- 7.4 Share payment obligation At a later stage, it will be investigated whether the statutory requirements have been complied with.
- Unchanged.
- In view of the date of incorporation of Componenta BV, the claim for full payment of the shares has meanwhile prescribed. Further investigation into the payment obligation is therefore considered inopportune.
- 7.5 Mismanagement As in any bankruptcy, this will be investigated.
- Unchanged.
- As explained in the memo attached as Appendix 2, no specific circumstances have emerged from which it follows that the board is responsible for the occurrence of the causes of the bankruptcy.
- 7.6 Fraudulent acts As in any bankruptcy, this will be investigated.
- Unchanged.
- For the time being, the bankruptcy trustee has no evidence of any fraudulent acts in respect of creditors.
- In the context of the verification of debt claims, an investigation is carried out into a claim arising from an agreement concluded shortly before bankruptcy. In the provisional opinion of the bankruptcy trustee, the conditions of Article 42 of the Bankruptcy Act have been met with regard to this claim. Consultations are still taking place with the other party concerned.
- Consultation with the other party has not led to a solution. The bankruptcy trustee maintains his position with regard to this other party and will dispute this other party's claim at the

verification meeting.

7.7 Tasks

In the context of the normal investigation into the causes of the bankruptcy, talks were conducted with the director and the former director, the management, the Works Council, the trade unions, the directors of the Finnish shareholder Componenta Oyj, the Finnish corporate lawyer and the Finnish administrator. Furthermore, the assessment of the financial and legal documentation relating to Componenta and Componenta Oyj was commenced. The bankruptcy trustee expects to be able to report on his first findings in this respect in the next bankruptcy report. The investigation into the facts and causes of the bankruptcy has not been completed yet.

The investigation into the facts and causes of the bankruptcy is in an advanced stage, but has not been completed yet. The bankruptcy trustee expects to be able to report his interim findings in the next bankruptcy report.

As explained in the memo attached as Appendix 2, no facts and circumstances have emerged that give reason to initiate further liability investigations and/or legal validity investigations. In principle, the investigation into the facts and causes of the bankruptcy has been completed.¹

As noted by the bankruptcy trustee in the previous bankruptcy report, no facts and circumstances have emerged that give reason to initiate further investigations into liability and/or legitimacy of claims.

This comment only relates to the investigation that the bankruptcy trustee has conducted into possible liability on the part of directors and supervisory directors.

This is without prejudice to the assessment of claims submitted for verification. In this context, the legitimacy of certain claims submitted for verification is currently being investigated. The investigation carried out showed that there are grounds for contesting a number of these claims at the first meeting of creditors.

¹ Should any new facts or circumstances emerge at a later stage, or should new documents come to the attention of the bankruptcy trustee, this may lead to different conclusions. The bankruptcy trustee therefore explicitly reserves the right to, in such case, change or supplement his conclusions.

8. Creditors

8.1 Claims against the bankrupt estate

In the context of the continuation of the production and operation, the salary for the month September has been paid by the estate.

Any claims against the bankrupt company will be identified and recorded by the bankruptcy trustee. The next bankruptcy report will state the estate debts known at that time.

Except for the three employees employed at CPV, all employees will have left employment by 28 February 2017. The salary, holidays and holiday allowance, insofar as accrued from 1 September 2016 up to and including the date of the end of the employment contract, have meanwhile been paid.

The UWV is still to submit its claims against the bankrupt company relating to the payment of the holidays accrued but not taken in the qualifying period of the wage guarantee scheme. The amount of this claim is assessed at EUR 700,000.

In addition, employees have a claim against the bankrupt company relating to holidays/time off in lieu [*tijd voor tijd*]/reduction in working hours (adv days) accrued in the past but not taken, which fall outside of the qualifying period of the wage guarantee scheme. The amount of this claim is still being investigated. For now, the amount of this claim is also assessed at approximately EUR 700,000.

As stated above, the UWV's claim against the estate amounts to EUR 1,013,322.03 and has since been paid.

Other estate debts: EUR 69,421.26

As stated above, the employees' claim against the estate amounts to EUR 700,000 gross, including social security contributions, and has since been mostly paid. In some cases, payment will be made in the next period. The same is true for the payroll tax due.

The pension fund PME and the pension insurer Aegon still have to charge the estate the pension contribution due for the liquidation period. The bankruptcy trustee is awaiting these final settlements and will pay these after receipt and approval.

During the past reporting period (no. 4), the remaining claims against the bankrupt estate of the employees have been paid. These claims mainly pertained to leave days that had not been paid by Componenta at the bankruptcy date and which had not been paid by the Employee Insurance Agency (UWV) at a later date under the wage guarantee scheme. In that context, the employees were paid an amount of EUR 751,418.20 (mainly in May and June 2017).

The statutory payroll tax owed in this context was paid to the Tax and Customs Administration.

There is still a difference of opinion with one employee regarding his/her remaining claim against the bankrupt estate. The financial interest thereof is limited.

A total of EUR 2,428.32 in claims against the bankrupt estate is still under discussion.

Unchanged.

Consultations have taken place with BSGW regarding the status of the property tax assessment, water authority levy and sewerage charges and the like of both business premises for 2017. An amount of approximately EUR 65,000 is owed for both business premises jointly. The reference date for the chargeability of these taxes and/or levies is the first of January of any year. As the ownership of both premises has been transferred to VDL in the context of the asset transaction with VDL in the course of January 2017 (and thus after 1 January), the relevant assessment will be imposed on Componenta. Older case law and legal literature² already assumed that property tax and water authority tax and the like levied after the bankruptcy date must be considered non-verifiable. However, this question was never explicitly put to the Supreme Court. It follows from, among other things, the recent ruling in *Credit Suisse Jongepier q.q.*³ that verification of claims arising after the bankruptcy date is possible only if and insofar they were already implied in the legal position of the creditor as it was at the time the bankruptcy occurred.

² Ik verwijs naar Rb Groningen van 12 december 2000 (JOR 2000/100) waarin werd geoordeeld dat waterschapsbelasting die na faillissement verschuldigd geen boedelschuld doch een niet verifieerbare schuld vormt en de annotatie van mr. Boekraad bij deze uitspraak.

³ HR 23 maart 2018, JOR 2018/254 (Credit Suisse/Jongepier q.q.)

³ HR 23 maart 2018, JOR 2018/254 (Credit Suisse/Jongepier q.q.)

There also is no estate debt on the basis of the law or as a result of active acts – or omissions – on the part of the bankruptcy trustee. BSGW has confirmed that it subscribes to this view of the bankruptcy trustee and has withdrawn the previously filed claim against the bankrupt estate. BSGW does have a claim predating the bankruptcy with regard to 2016. This claim – which is partly unsecured and partly preferential – was placed on the list of provisionally recognised creditors after an administrative check.

Unaltered.

8.2 Preferential claims
of the tax authorities

EUR 9,458

EUR 1,290,433 (provisionally allowed).

This concerns a claim submitted by the tax authorities pursuant to Article 29(2) of the Dutch Turnover Tax Act 1968 (in Dutch: *Wet op de omzetbelasting*), concerning the VAT on the unpaid invoices of creditors that Componenta had deducted as input tax. This claim must still be corrected as various suppliers have, in the context of the estate's operation of the business, received payment of part of their claim on account of use of goods delivered subject to retention of title. The relevant creditors must credit the estate in this respect. The VAT claim pursuant to Article 29(2) of the Dutch Turnover Tax Act 1968 must then be corrected accordingly. According to the bankruptcy trustee's estimate, this claim must be reduced to an amount less than EUR 1,000,000.

Currently, the extent of the Tax and Customs Administration's VAT claim pursuant to Article 29(2) of the Dutch Turnover Tax Act 1968 is EUR 1,249,515. This claim will decline further as a result of the settlement of the retentions of title by the VDL Castings companies and the payment of the creditors in that context (see 5.6 above) As soon as the bankruptcy trustee receives the statement from the management board of the VDL Castings companies on the manner in which the retentions of title are settled, he will engage in renewed negotiations with the Tax and Customs Administration with regard to the VAT claim pursuant to Article 29(2) of the Dutch Turnover Tax Act 1968.

Consultations have taken place with the Tax and Customs Administration in the context of the determination of the turnover tax that can be reclaimed by the estate. In this

regard, it was agreed that further consultations will take place after the first creditors' meeting on the determination of the amount of the claim of the Tax and Customs Administration pursuant to Article 29(7) of the Dutch Turnover Tax Act 1968 (*Wet op de Omzetbelasting*). It is established that these must be further adjusted downwards. This will certainly be the case if a payment can be made to unsecured creditors; which is currently very likely.

To date EUR 1,234,654. As noted in the previous report, it has been agreed with the Tax and Customs Administration that further consultation will take place after the first meeting of creditors to determine the scope of the Tax and Customs Administration's claim pursuant to Section 29(7) of the Dutch Turnover Tax Act of 1968. It has been established that these must be further adjusted downwards. This will certainly be the case if a payment can be made to unsecured creditors; which is currently very likely.

Unchanged.

Negotiations have meanwhile been held with the Tax and Customs Administration. The claim pursuant to Article 29(7) of the Turnover Tax Act has been decreased by an amount of EUR 339,902. The total claim of the Tax and Customs Administration at this time amounts to EUR 894,752.

8.3 Preferential claims
of the UWV

The obligation to pay wages and everything related to it that existed prior to the bankruptcy, which will be taken over by the UWV. The amount thereof is not yet known.

The UWV has yet to submit its claim acquired by virtue of subrogation under the wage guarantee scheme of Article 66 *et seq.* of the Dutch Unemployment Insurance Act.

The UWV has since submitted its claim in the amount of EUR 1,265,890.31 under the wage guarantee scheme of Article 66 *et seq.* of the Dutch Unemployment Insurance Act.

EUR 1,265,890.31

Unchanged.

8.4 Other preferential
Creditors

EUR 189,571.13

EUR 188,801.84 (provisionally allowed)
2 disputed creditors EUR 145,845.

An amount of EUR 213,414.51 in provisionally allowed preferential claims has been submitted and an amount of EUR 428,379.63 (three creditors) is disputed.

An amount of EUR 205,866 in provisionally allowed preferential claims has been submitted and an amount of EUR 517,417.27 is disputed.

As at 22 May, the provisionally allowed other preferential claims amounted to EUR 280,216.78 and the provisionally contested other preferential claims to EUR 145,845.00.

Unchanged.

As per 17 May 2019, the provisionally recognised other preferential claims amount to EUR 283,301.91 and the provisionally disputed other preferential claims amount to EUR 145,845.

Unchanged.

As at 29 September 2020, the provisionally recognised other preferential claims amount to EUR 229,525.81 and the provisionally contested other preferential claims amount to EUR 200,415.

8.5 Number of unsecured
creditors

303

396 (provisionally allowed) + 1 disputed creditor

So far, 406 creditors have submitted a claim, of which 403 are provisionally allowed and 3 are provisionally disputed.

So far, 411 creditors have submitted a claim, of which 407 are provisionally allowed and 4 are provisionally disputed.

As at 22 May 2018, 375 creditors have submitted a claim, of which 370 are provisionally allowed and 5 are provisionally disputed.

As of 20 November 2018, 374 creditors have submitted a claim, 369 of which have been provisionally allowed and 5 of which have been provisionally disputed.

As per 17 May, 374 creditors have submitted a claim, of which

370 are provisionally recognised and 4 are provisionally disputed.

As from 20 November 2019, 376 creditors filed a claim, 372 of which were provisionally recognised and 4 are provisionally disputed.

As at 19 May 2020, 375 creditors have submitted a claim, of which 371 have been provisionally recognised and 4 are provisionally disputed.

As at 29 September 2020, 367 creditors have submitted a claim, of which 364 have been provisionally recognised and 3 are provisionally disputed.

8.6 Amount unsecured creditors EUR 20,961,346.64

Per 22 February 2017: EUR 46,285,502.82 (provisionally allowed) + EUR 9,567 (disputed)

The amount of submitted and provisionally allowed unsecured claims, as from 8 May 2017, is EUR 14,859,957.90. In addition, the claims of the parent company and the Turkish sister company at an amount of EUR 31,190,174.75 are provisionally disputed. With respect to the Finnish parent company's claim, negotiations are ongoing with the administrator in which context the mutual waiver of the claims is considered.

The amount of submitted and provisionally allowed unsecured claims, as of 22 November, is EUR 14,887,895.02 and an amount of EUR 10,902,546.29 is disputed.

The bankruptcy trustee has consulted and negotiated with the Finnish sister company, Componenta Finland Oy, about the size of the claim it submitted. With the permission of the supervisory judge, an amicable arrangement has been made whereby Componenta Finland Oy will halve its original submitted claim of EUR 1,233,662.25 to an amount of EUR 616,831.13. The latter amount will be allowed by the bankruptcy trustee and will be placed on the list of provisionally allowed unsecured creditors.

As at 22 May 2018, the submitted and provisionally allowed unsecured claims amounted to EUR 15,641,258.55 and the

provisionally disputed unsecured claims to EUR 9,765,529.56.

As at 20 November 2018, the submitted and provisionally allowed unsecured claims amount to EUR 15,475,744.50 and the provisionally disputed unsecured claims amount to EUR 9,765,529.56.

As per 17 May 2019, the submitted and provisionally recognised unsecured claims amount to EUR 15,509,128.17 and the provisionally disputed unsecured claims amount to EUR 10,290,099.16.

As from 20 November 2019, the submitted and provisionally recognised unsecured claims amount to EUR 15,641,628.17 and the provisionally disputed unsecured claims amount to EUR 10,222,752.12.

During the recent reporting period, negotiations were conducted with various creditors about the size of the claims submitted for verification and amicable settlements were made with the approval of the supervisory judge.

Mijnwater BV

Mijnwater BV has submitted a claim for verification in the amount of EUR 265,034.28 in connection with the violation of a perpetual clause and a related contractual penalty, which was forfeited as a result of the transfer of the plot of land in Hoensbroek to VDL. Pursuant to the agreement between Componenta and Mijnwater, Mijnwater can claim the forfeited contractual penalty.

In the Aukema q.q./Uni-Invest judgment, the Supreme Court held that a claim under a contractual damages clause qualifies for verification under Article 37a Bankruptcy Act. This opinion was reconfirmed in the Credit Suisse/Jongepier q.q. judgment.

In essence, the arguments put forward by the bankruptcy trustee against Mijnwater's claim, essentially entails a claim for mitigation of the damages claimed. The bar for the success of these arguments is therefore high. This is all the more true because in this case there is a contractual penalty clause, which must be regarded as fixing the loss. As a result, there is (even) less room to discuss the extent of the alleged loss. This is in line with a reliance on the restrictive effect of reasonableness and fairness, of which it is also clear that the bar is high for this as well.

The negotiations with Mijwater resulted in an amicable settlement entailing that (i) the bankruptcy trustee will provisionally acknowledge the claim submitted by Mijwater for verification for an amount of EUR 132,500 and (ii) Mijwater waives its claim against Componenta for the exceeding part, except to the extent that its claim is disputed by another creditor during the meeting of creditors, in which case the full amount of the claim will be addressed in claim validation proceedings between the parties.

Grenke Finance BV and BNP Paribas BV

This concerns two lease companies that have submitted a claim under the lease agreement concluded with Componenta, which was terminated prematurely as a result of the bankruptcy. The same problem applies to both lease companies, so that they are dealt with here together.

The claims submitted for verification relate to the lease instalments still to fall due from the date of the bankruptcy up to the agreed end of the lease agreements. The general terms and conditions of both creditors contain a clause that justifies the termination of the agreement as a result of a bankruptcy and that entitles the lessor to the lease instalments still to fall due by way of damages. There is therefore a contractual damages clause. In the Aukema q.q./Uni-Invest judgment, the Supreme Court held that a claim under a contractual compensation clause qualifies for verification under Article 37a Bankruptcy Act. This opinion was reconfirmed in the Credit Suisse/Jongepier q.q. judgment.

During the continuation period, the lease objects were used in consultation with both lease companies and the corresponding lease instalments were paid. After submitting the claims, both creditors confirmed that the claims should be decreased by these instalments. As a result, they adjusted their submitted claim downwards to an amount of EUR 96,430.40 and EUR 32,919.23 respectively.

After the expiry of the continuation period, both creditors sold the lease objects, or part thereof, and transferred them to the restarter VDL Castings. They received a purchase price of EUR 42,500 (Grenke Finance) and EUR 17.500 (BNP), respectively, for this. The bankruptcy trustee adopted the position that, in view of Article 6:100 DCC, the claims for damages submitted must be decreased by the purchase prices received from VDL

Castings. On the other hand, both creditors can argue that if the lease agreements had been "served out" by Componenta, the lease objects would have had a residual value that would have accrued to them. This residual value is now included in the purchase prices received from VDL Castings. In addition, under the Credit Suisse v Jongepier judgment, they can claim reimbursement of costs incurred in connection with the bankruptcy (it has already been pointed out in the literature that these costs qualify for verification and may increase significantly) and any costs to be incurred in connection with verification and claim validation.

Following consultation, an amicable settlement was reached with both creditors. Grenke Finance limits the claim submitted for verification to an amount of EUR 75,180.40. BNP Paribas limits its claim submitted for verification to an amount of EUR 24,169.23. Both creditors waive their claim on Componenta for the exceeding part, except in so far as its claim is disputed by another creditor during the meeting of creditors, in which case the full amount of the claim will still be addressed in claim validation proceedings between the parties.

Atlas Weyhausen

The bankruptcy trustee has reached an amicable settlement with Atlas Weyhausen on the basis of which it has withdrawn the claim submitted for verification in the amount of EUR 67,347.04 (see below under 9.1).

As at 19 May 2020, the provisionally recognised unsecured claims amount to EUR 15,666,723.17 and the provisionally disputed unsecured claims amount to EUR 10,222,752.12.

As at 29 September 2020, the submitted and provisionally recognised unsecured claims amount to EUR 15,635,682.92 and the provisionally disputed unsecured claims amount to EUR 10,243,786.85.

8.7 Expected way of settlement Not yet known.

By the looks of it now, the estate will be able to fully pay both the estate debts and the preferential pre-bankruptcy debts, after which a partial payment can still be made to the unsecured pre-bankruptcy creditors. Whether, and if so, in what amount, can only be determined definitively at a later

stage.

The bankruptcy trustee still assumes that the unsecured creditors can be paid part of their claim. The extent of the percentage to be paid is not yet certain, however, and can only be determined at a later stage.

At the time of the previous bankruptcy report, the bankruptcy trustee still assumed that the first meeting of creditors could perhaps be placed on the agenda in the first half of 2018. It appears that this is not feasible. According to current estimates, the first meeting of creditors could take place in the second half of 2018. This delay is due to the fact that a number of substantial creditor claims may still change and cannot be identified at this stage. With regard to these claims, the bankruptcy trustee expects that a change of facts will take place in the short term, which may lead to a decrease in the size of the claims. In order to avoid unnecessary claim validation proceedings, these developments are currently awaited before requesting the supervisory judge to put a first meeting of creditors on the agenda.

Unchanged. See further 10.2

The investigation into the various claims submitted by creditors for verification is coming to an end. During the recent reporting period, arrangements were made with various creditors. See 8.6. At the present time, an investigation and discussions are still ongoing with regard to the claim of Componenta Turkey. As soon as this discussion has taken a definite form, the bankruptcy trustee will ask the supervisory judge to schedule a meeting of creditors. The current expectation is that the meeting of creditors can be scheduled in the spring of 2020.

The bankruptcy trustee informed the supervisory judge in March 2020 that he wished to proceed with a verification meeting. Due to the Coronavirus pandemic and the restrictive measures put in place also at the courts, however, it is not possible to schedule a verification meeting at this time. The bankruptcy registry will inform the bankruptcy trustee as soon as possible of a possible date for the verification meeting. The creditors will be notified as soon as the date for the verification meeting is known.

It is now known that the verification meeting will be held on 7 October 2020 at the District Court of Limburg,

Roermond location. The creditors have been notified of this and have been requested to approve the claim already submitted by them, or to submit the claim to the bankruptcy trustee for verification (no later than on 21 September 2020).

The bankruptcy trustee will take into consideration that a number of disputed creditors will initiate claim validation proceedings. It already seems that a payment can be made to the unsecured creditors in the bankruptcy. After the verification has taken place and it has become clear which claim validation proceedings will be conducted, the bankruptcy trustee will consult with the supervisory judge about the possibility of an interim distribution.

8.8 Tasks

To identify and list the debt burden and to send a notice to known creditors. To record the claims filed by creditors and the rights they invoke.

Further investigation into the various estate debts and preferential pre-bankruptcy debts; recording unsecured pre-bankruptcy debts; settling retentions of title and ensuring that the creditors make credit entries; consulting with the UWV and the tax authorities.

Negotiations with the Finnish administrator, various creditors and the UWV.

Detailed examination of the creditors' claims submitted in preparation for a first creditors' meeting to be put on the agenda. Consultation with (the lawyers of various) creditors. Examination of group financing and into the financial relations within the group.

Extensive study of submitted creditor claims in preparation for scheduling of a verification meeting. Consultation with (the lawyers of various) creditors. Investigation into group financing and financial relations within the group.

Extensive investigation into creditors' claims submitted in preparation of a verification meeting to be put on the agenda. Consultation with creditors, or the lawyers of various creditors. Investigation into the group financing and the financial relations within the group.

Investigation into various creditors' claims and the conduct of negotiations with various creditors and their lawyers. Drafting settlement agreements with various creditors.

Investigate the various claims from creditors and negotiate with the various creditors and their lawyers.

Investigate the various claims from creditors and negotiate with the various creditors and their lawyers. Notify creditors about the verification meeting. Process responses and various written and telephone contact with creditors. Further analyse the financial report in connection with the assessment of the ultimate payments that can be made to the creditors and the impact there are on the claim under Article 29(7) Turnover Tax Act 1968

9. Legal proceedings

9.1 Names counterparties

For the time being, no proceedings have been instituted by the bankruptcy trustee.

Proceedings before the *Arbeitsgericht* Mönchengladbach

An employee of Componenta GMBH took the position that, in addition to having an employment contract with Componenta GMBH, he also had an employment contract with Componenta BV, and claimed the payment of wages. The bankruptcy trustee disputed the existence of an employment contract and, to the extent that there nevertheless existed an employment contract with Componenta BV, terminated the employment contract with the permission of the supervisory judge.

The employee took the position that the termination was not legally valid, claimed continued payment of wages, holiday allowance and compensation for holidays not taken, and claimed a contractual severance payment of EUR 268,000. The employee summoned the bankruptcy trustee and Componenta to appear before the *Arbeitsgericht* in Mönchengladbach and in this context requested the court to establish that there exists an employment contract with Componenta BV and that this employment contract was not ended through the termination by the bankruptcy trustee. A defence was advanced in these proceedings on behalf of the bankruptcy trustee.

In a judgment dated 24 January 2017, the *Arbeitsgericht* rejected the employee's claims. An appeal against the

judgment may be submitted to the *Landesgericht* in Düsseldorf. The appeal period is one month, calculated from the day on which the judgment was served on the employee by the *Arbeitsgericht*.

It has since been established that the employee has not appealed against the judgment of the *Arbeitsgericht*, allowing this judgment to acquire force of *res judicata*. The claims submitted by the employee in question have been placed on the list of disputed creditors.

Componenta – Atlas Weyhausen proceedings

In 2009, Componenta was summoned by its customer Atlas Weyhausen GmbH, whereby Atlas Weyhausen, briefly put, demanded that Componenta be ordered to compensate the damage suffered by it because of an attributable failure to perform. In a judgment dated 22 May 2013, the Limburg District Court ordered Componenta, among other things, to pay damages in the amount of EUR 335,684.25 in principal. Further to this provisionally enforceable judgment, Componenta paid the amount of EUR 335,684.25 due in principal to Atlas Weyhausen.

Componenta subsequently appealed against this judgment and, in a ruling dated 19 April 2016, the Den Bosch Court of Appeal set aside the judgment of the district court and, in a new judgment, ordered Componenta to pay damages to be determined in follow-up proceedings. By the bankruptcy date, the ruling had already acquired the force of *res judicata*.

Atlas Weyhausen has not initiated any follow-up proceedings for the determination of the damages to date. If it is established in such follow-up proceedings that the damage suffered by Atlas Weyhausen is less than the amount paid by Componenta, this may result in a claim on the part of Componenta against Atlas Weyhausen based on undue payment. The Componenta employee who handled this case in-house believes that the damage suffered by Atlas Weyhausen is less than the amount paid by Componenta. This position and the facts and legal aspects underlying these proceedings are currently being investigated.

Meanwhile, a meeting has taken place with Atlas Weyhausen's lawyer, in which it was pointed out that the Atlas Weyhausen's loss exceeds the amount already paid by Componenta further the judgment in the first instance. At the request of the

bankruptcy trustee, the information supporting the loss allegedly suffered by Atlas Weyhausen has been forwarded. These documents are currently being assessed and will be discussed with some former employees of Componenta. The bankruptcy trustee assumes that he will gain clarity in the next reporting period as to whether Atlas Weyhausen's claim must be acknowledged or should be disputed in full or in part.

The documents received from Atlas Weyhausen were studied and discussed with the (former) Componenta employee responsible for the file in question. It was found that the information provided by Atlas Weyhausen does not fully substantiate the alleged damage. Atlas Weyhausen was subsequently asked to provide full technical substantiation. The bankruptcy trustee recently received additional documents from Atlas Weyhausen. This concerns detailed/ voluminous documents which will now be assessed.

The documents received from Atlas Weyhausen have given cause for further questions. Consultations between the parties are scheduled for June, to exchange views and to see whether there are possibilities of an amicable settlement.

Componenta is involved in proceedings in which the 's-Hertogenbosch Court of Appeal has delivered a judgment to the effect that the other party, Atlas Weyhausen, is required to initiate follow-up proceedings for the assessment of damages in order to determine the damage it has suffered. These follow-up proceedings for the assessment of damages had not yet been initiated when Componenta was declared bankrupt.

In the recent reporting period, the bankruptcy trustee conducted further consultations and negotiations with Atlas Weyhausen and its lawyers. These negotiations resulted in an amicable settlement – reached with the supervisory judge's permission – that is laid down in a settlement agreement. In that agreement, it was agreed that (i) Atlas Weyhausen has nothing left to claim from the estate and has withdrawn its claim previously submitted for verification and (ii) Atlas Weyhausen will pay the estate an amount of EUR 40,000, giving each other full and final discharge. The amount of EUR 40.000,- has been received on the bankruptcy account so that this matter has been settled. This prevented lengthy claim validation proceedings that would have been costly for the estate (in view of the technical details involved).

9.2	Nature of the legal proceedings	See above under 9.
9.3	Status of the legal proceedings	See above under 9.
9.4	Tasks	<p>Advancing a defence in the proceedings before the <i>Arbeitsgericht</i>.</p> <p>Studying the case file of the proceedings between Componenta and Atlas Weyhausen. Corresponding and consulting with Atlas Weyhausen's lawyer.</p> <p>In the last reporting period, documentary evidence was received from Atlas Weyhausen in support of their damage claim. The content of these documents should be discussed (in more detail) with a number of former Componenta employees. The bankruptcy trustee will assess how the damage claimed relates to the payments made by Componenta to Atlas Weyhausen on the basis of the judgment given in the first instance.</p>
10. Other		
10.1	Term for the settlement of the bankruptcy	<p>Not yet known.</p> <p>Unchanged.</p>
10.2	Plan of approach	<p>In the coming reporting period, the production and the operation will be continued and will be monitored from the estate. In addition, the possibilities of a restart will be investigated and meetings will be conducted with parties interested in a takeover.</p> <p>In the period from March to June 2017, the following activities will furthermore be undertaken:</p> <ol style="list-style-type: none"> 1. settlement with VDL Castings regarding the last remaining stock; 2. largely "emptying" the supply chain and delivering the products to Caterpillar; 3. drawing up the operations account and – to the extent possible – drawing up the final account with the Preferred Customers; 4. finalizing the debt collection; 5. settling the claims concerning retentions of title; 6. settling the return of models/tooling to the customers;

7. continuing the CPV activities;
8. continuing the factual investigation into the causes of the bankruptcy;
9. consulting with Componenta Oyj;
10. liquidating Componenta Netherlands.

In the next bankruptcy reporting period (June to November 2017), the following activities will be undertaken:

1. continuing efforts to “empty” the supply chain and deliver the products to Caterpillar;
2. continuing and completing CPV production for Atlas Copco;
3. completing the debt collection;
4. settling the return of the last models/tooling to the customers;
5. completing the financial reports regarding the continuation period.
6. including the results of the continuation period in a standard financial report (*standaard financieel verslag*, or SFV);
7. continuing the investigation into the facts and causes of the bankruptcy;
8. assessing submitted claims predating the bankruptcy;
9. remaining payments of estate debts.

In the next bankruptcy reporting period (November 2017 - May 2018), the following activities will be undertaken:

1. continuing efforts to “empty” the supply chain and deliver the products to Caterpillar;
2. completing the financial reports regarding the continuation period;
3. remaining payments of estate debts;
4. completing submitted claims predating the bankruptcy;
5. having the supervisory judge convene a first creditors' meeting;
6. finalizing the investigation into group financing;
7. investigation into the alleged loss suffered by Atlas Weyhausen.

In the next bankruptcy reporting period (May 2018 - November 2018), the following activities will be undertaken:

1. settlement with Caterpillar;
2. finalisation of the financial reports regarding the continuation period;
3. further assessment of the claims submitted predating the bankruptcy;

4. completion of the investigation into group financing;
5. completion of the investigation with regard to Atlas Weyhausen;
6. as soon as the investigations have been completed, have the first meeting of creditors put on the agenda by the supervisory judge.

Assessment of the various large creditor claims has not yet been completed. Consultations are still taking place with the (lawyers of the) parties concerned, or further information has been requested in order to be able to assess the claims on their merits. As a result, it has not yet proved possible to set a date for the verification meeting. As soon as the bankruptcy trustee considers the time to be ripe, he will determine, in consultation with the supervisory judge, when a request will be made to schedule the verification meeting. The creditors will of course be informed accordingly.

In the next bankruptcy report period (November 2018 - May 2019) the following activities will be undertaken:

1. finalisation of settlement of continuation period
2. further assessment of pre-insolvency claims
3. continuation/finalisation of group financing study; continuation/finalisation of claim Componenta Turkey study
4. continuation/finalisation of claim Atlas Weyhausen study.
5. As soon as investigations are completed: have a verification meeting scheduled by the supervisory judge.

The assessment of the various extensive creditors' claims has not yet been completed. Consultations are still ongoing with the relevant parties and/or their lawyers and further information has been requested to assess the claims on the proper merits. As a result, it has not yet been possible to determine a date for the verification meeting. As soon as the bankruptcy trustee sees fit, he will in consultation with the supervisory judge determine at what time it will be requested to have the verification meeting set. Of course, the creditors will be informed thereof.

In the next reporting period (May 2019 - November 2019), the following activities will be undertaken:

1. further assessment of claims predating the bankruptcy. Consultation with various creditors and their lawyers.
2. continuation/completion of investigation into group financing; continuation/completion of investigation into claim Componenta Turkey.
3. continuation/completion of investigation into claim Atlas Weyhausen and consultation with lawyers Atlas Weyhausen.
4. As soon as the investigations have been completed: have the verification meeting put on the agenda by the supervisory judge.

During the following reporting period (November 2019-May 2020), the activities will mainly consist of the continuation of the consultations with Componenta Turkey and the investigation into its claim. As soon as this investigation has been completed, the bankruptcy trustee will ask the supervisory judge to put the meeting of creditors on the agenda.

The bankruptcy trustee has informed the supervisory judge that he wishes to have a verification meeting scheduled. Due to the Coronavirus pandemic, restrictive measures have been put in place at the courts, and it is not possible to hold the verification meeting. The bankruptcy registry will inform the bankruptcy trustee as soon as possible once the verification meeting can be held. The creditors will be notified as soon as the date for the verification meeting is known.

Bankruptcy report 10: After the verification has taken place and it has become clear which claim validation proceedings will be conducted, the bankruptcy trustee will consult with the supervisory judge about the possibility of an interim distribution.

10.3	Next report	30 December 2016
		28 May 2017
		28 November 2017
		23 May 2018
		23 November 2018
		21 May 2019

21 November 2019

21 May 2020

20 November 2020

1 April 2021

10.4 Tasks

See 10.2

Place

Venlo

Date

30 September 2020

Bankruptcy trustee

meester P.M.C. Brouns