

**MSK Matec Slovakia, s.r.o.**

**Financial Statements and Annual report  
for the year ended 30 September 2018  
and Independent Auditor's Report**

**December 2018**

# *Independent Auditor's Report*

To the Shareholder and Executive of MSK Matec Slovakia s.r.o.:

## *Our opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of MSK Matec Slovakia s.r.o. (the "Company") as at 30 September 2018, and its financial performance for the year then ended in accordance with the Slovak Act on Accounting No. 431/2002, as amended (the "Accounting Act").

## **What we have audited**

The Company's financial statements comprise:

- the balance sheet as at 30 September 2018;
- the income statement for the year then ended;
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

## *Basis for opinion*

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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

## **Independence**

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants issued by the International Federation of Accountants ("Code of Ethics") and other requirements of legislation that are relevant to our audit of the financial statements in the Slovak Republic. We have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

## *Reporting on other information in the annual report*

Management is responsible for the annual report prepared in accordance with the Accounting Act. The annual report comprises (a) the financial statements and (b) other information.

Our opinion on the financial statements does not cover the other information.

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The company's ID (IČO) No. 35739347.  
Tax Identification No. of PricewaterhouseCoopers Slovensko, s.r.o. (DIČ) 2020270021.  
VAT Reg. No. of PricewaterhouseCoopers Slovensko, s.r.o. (IČ DPH) SK2020270021.  
Spoločnosť je zapísaná v Obchodnom registri Okresného súdu Bratislava 1, pod vložkou č. 16611/B, oddiel: Sro.  
The company is registered in the Commercial Register of Bratislava 1 District Court, ref. No. 16611/B, Section: Sro.



In connection with our audit of the financial statements, our responsibility is to read the annual report and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

With respect to the annual report, we considered whether it includes the disclosures required by the Accounting Act.

Based on the work undertaken in the course of our audit, in our opinion:

- the information given in the annual report for the year ended 30 September 2018 is consistent with the financial statements; and
- the annual report has been prepared in accordance with the Accounting Act.

In addition, in light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the annual report. We have nothing to report in this respect.

### *Management's responsibilities for the financial statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Accounting Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### *Auditor's responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of our audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*PricewaterhouseCoopers Slovensko*

PricewaterhouseCoopers Slovensko, s.r.o.  
SKAU licence No. 161

Bratislava, 19 December 2018



*Eva Hupková*

Ing. Eva Hupková, FCCA  
SKAU licence No. 672

# Annual report 2018

(1 October 2017 – 30 September 2018)



**MSK Matec Slovakia s.r.o.**  
Kpt. Nalepku 2  
082 71 Lipany  
Slovakia



## 1.1. General information and development

General information about company MSK Matec Slovakia s.r.o.:

### Business Name and Registered Address:

- Name of the company as at 30 September 2018 : MATEC SLOVAKIA, s.r.o., Kpt. Nálepku2, 08271 Lipany
- Since 7 December 2018 company has changed name to: MSK Matec Slovakia s.r.o.

### Hlavné činnosti spoločnosti podľa výpisu z OR:

Metal working	(from: 29.06.2013)
Simple metal working	(from: 29.06.2013)
Painting, varnishing and industrial coating	(from: 29.06.2013)
Engineering and construction work in mechanical engineering	(from: 29.06.2013)
Designing in mechanical engineering	(from: 29.06.2013)
Installation, maintenance and repair of electrical equipment	(from: 29.06.2013)
Installation, maintenance and repair of special electrical equipment	(from: 29.06.2013)
Manufacture of machinery for the industry	(from: 29.06.2013)
Manufacture of plastics in primary forms	(from: 29.06.2013)
Bookkeeping	(from: 29.06.2013)
Activities of business, organizational and economic consultants	(from: 29.06.2013)
Advertising and marketing services	(from: 29.06.2013)
Administrative Services	(from: 29.06.2013)
Management and maintenance of residential and non-residential property in the scope of free trade	(from: 29.06.2013)
Agents sale, rental and purchase of property (real estate activities)	(from: 29.06.2013)
Intermediary activities – related to material purchase	(from: 29.06.2013)
Intermediary activities – related to services	(from: 29.06.2013)
Intermediary activities – related to production	(from: 29.06.2013)
Purchase of goods for sale to final consumer (retail) or other business operators (wholesale)	



**List of members of statutory bodies of the company:**

Statutory directors: - Timo Tapio Lehtioja  
Carsten Gert Prilop (until 12 November 2018)

**List of members of the Supervisory Body:**

The company has no supervisory board and the supreme body with the powers of the supervisory body is the general meeting of the shareholders.

**The structure of the shareholders**, indicating the share of the share capital, the proportion of the voting rights and the share in other equity if they differ from the share of the share capital:

In 2018, the shareholder of the company has changed. The new 100% shareholder is the Finnish company MSK Group OY.

MSK Group OY (200 000 EUR) – 100%

The shareholders' voting rights correspond to the share of their stake in the overall share capital of the company.

**Establishment of the Company:** The Company was formed on the day of registration in the Register of Companies on June 29, 2013.

**Evaluation of the company's activity and results:**

In 2018, the company posted a net loss of EUR 20,560 and profit from operations of EUR 81,493. The net turnover of the company was in amount of EUR 14.5 million. This represents an increase of 22% compared to 2017. Main reason were increased orders from customers like VOLVO CE and RAVO N.V.

Thanks to loan from mother company MSK GROUP OY, MSK Matec Slovakia s.r.o. was able to reduce average payable days from 81,3 days in 2017 to 53,9 days in 2018. Company also decreased its debts, where debt ratio is currently 73,7 % comparing to 111,5% in 2017.

Another finance ratios can be seen in table bellow.





Profitability		2018		2017	
Gross profit margin	$= \frac{\text{Gross profit}}{\text{Turnover}} = \frac{3.216.783}{14.400.605} = 22,3 \%$			$\frac{2.746.564}{11.755.135} = 23,4 \%$	
Liquidity		2018		2017	
Current ratio	$= \frac{\text{Current assets}}{\text{Current liabilities}} = \frac{5.282.736}{4.060.474} = 1,3$			$\frac{4.391.575}{2.145.812} = 2,0$	
Quick ratio	$= \frac{\text{Current assets-inventory}}{\text{Current liabilities}} = \frac{2.038.422}{4.060.474} = 0,5$			$\frac{1.752.416}{2.145.812} = 0,8$	
Activity		2018		2017	
Receivables days (DSO)	$= \frac{\text{Trade receivables}}{\text{Sales / days}} = \frac{1.649.624}{39.454} = 41,8 \text{ days}$			$\frac{1.437.020}{32.206} = 44,6 \text{ days}$	
Payables days	$= \frac{\text{Trade payables}}{\text{Cost of sales / days}} = \frac{1.652.121}{30.641} = 53,9 \text{ days}$			$\frac{2.005.436}{24.681} = 81,3 \text{ days}$	
Inventory on hand	$= \frac{\text{Inventory}}{\text{Cost of sales / days}} = \frac{3.244.314}{30.641} = 105,9 \text{ days}$			$\frac{2.639.159}{24.681} = 106,9 \text{ days}$	
Financing		2018		2017	
Debt ratio	$= \frac{\text{Total liabilities}}{\text{Total assets}} = \frac{4.064.273}{5.512.236} = 73,7 \%$			$\frac{5.137.855}{4.606.377} = 111,5 \%$	

## 1.2. Events after the end of the accounting period

At the end of the accounting period, the following significant events occurred:

- The Company increased its equity by monetary contribution from parent company MSK Group OY
- The company has repaid all the loans
- The company changed its name to MSK Matec Slovakia s.r.o.
- The company changed its accounting period. The following accounting period will be from 1.10.2018 - 31.12.2018. Subsequent accounting periods will be in the periods from 1.1. to 31.12.
- The company ended cooperation with statutory representative Mr. Carsten Gert Prilop on November 12, 2018



### 1.3. Forecast of future development

The company wants and plans to continue to operate continuously. In the following year, the company expects a slight increase of turnover to 15 M EUR and the result should be positive.

Company has optimistic forecast of orders from customers and there is no expectation of any mayor risks.

MSK Matec Slovakia s.r.o. mainly manufactures driver cabs for various machines. The main customer of the company remains VOLVO CE. In the coming year, we expect stabilized sales volumes to current customers VOLVO and RAVO and implementation of new projects. The company is actively looking for new customers.

The company employs an average of 69 employees. As at 30 September 2018 the number of employees was 76 and this number should not significantly change over the next year..

The company's activities have no negative impact on the environment and the health of employees.

### 1.4. Research & Development

In 2018, the company did only development directly related to its main activities.

### 1.5. Own shares and trading shares

In 2018, the company does not own or purchase proprietary business shares.

### 1.6. Proposal for distribution of profit or loss settlement

The settlement of the loss for 2018 will be decided by the shareholders meeting. The management of the company will propose to the shareholder a transfer to the unpaid loss of the past years

### 1.7. Specific regulations

The Company is under no obligation to provide information under special regulations other than on the basis of which it has prepared this Annual Report and has provided all the information it has the obligation to state in the Annual Report.

### 1.8. Organizational units abroad

The company has no organizational units abroad.

## 2. Independent Auditor's Report on Verification of Financial Statements

It forms an integral part of the annual report as a copy of the document

## 3. Company's financial statements for the year 2018 as at 30 September 2018

It forms an integral part of the annual report as a copy of the documents



## FINANCIAL STATEMENTS

of entrepreneurs maintaining accounts under the system of double entry bookkeeping

at 30. 9. 2018 (in whole euros)

Tax identification number (DIČ)	Financial statements	Accounting entity	Month	Year
2023805113	<input checked="" type="checkbox"/> ordinary	small	from	10 2017
Identification number (IČO)	<input type="checkbox"/> extraordinary	<input checked="" type="checkbox"/> large	to	9 2018
47219262	<input type="checkbox"/> interim	(vyznačí sa x)	Preceding period	from 10 2016
SK NACE			to	9 2017
28.29.0				

## Attached parts of the financial statements

☒ Balance Sheet (Úč POD 1-01) ☒ Income Statement (Úč POD 2-01) ☒ Notes to the Financial Statements (Úč POD 3-01)  
 (in whole euros) (in whole euros) (in whole euros or eurocents)

## Legal name (designation) of the accounting entity

MSK Matec Slovakia s.r.o.

## Registered office of the accounting entity

Street

Kpt. Nálepku

Number

2

Zip code

Municipality

082 7 Lipany

Designation of the Commercial Register and company registration number

Okresný Súd Prešov

Oddiel: Sro, Vložka číslo: 33558/P

Telephone

Fax

+421918750791 0

Email

financie@mskmatec.sk

Prepared on:

30.09.2018

Approved on:

00. 1.2000

Signature of the accounting entity's statutory body or a member of the accounting entity's statutory body or the signature of a sole trader who is the accounting entity:



This form in any foreign language cannot be submitted to the Tax office and it is only for the purpose of helping.

Designation a	ASSETS b	Line No. c	Current accounting period		Preceding accounting period
			1	Net 2	
				Correction - part 2	Net 3
	<b>TOTAL ASSETS</b> line 02 + line 33 + line 74	01	5 7 5 0 5 4 0	5 5 1 2 2 3 6	
			2 3 8 3 0 4		4 6 0 6 3 7 7
A.	<b>Non-current assets</b> line 03 + line 11 + line 21	02	3 6 1 3 8 9	2 2 9 5 0 0	
			1 3 1 8 8 9		2 1 4 8 0 2
A.I.	<b>Non-current intangible assets total (lines 04 to 10)</b>	03	1 3 0 2 9 0	8 4 2 9 6	
			4 5 9 9 4		9 8 5 8 6
A.I.1.	Capitalized development costs (012) - /072, 091A/	04			
2.	Software (013) - /073, 091A/	05	1 3 0 2 9 0	8 4 2 9 6	
			4 5 9 9 4		9 8 5 8 6
3.	Valuable rights (014) - /074, 091A/	06			
4.	Goodwill (015) - /075, 091A/	07			
5.	Other non-current intangible assets (019, 01X) - /079, 07X, 091A/	08			
6.	Acquisition of non-current intangible assets (041) - /093/	09			
7.	Advance payments made for non-current intangible assets (051) - /095A/	10			
A.II.	<b>Property, plant and equipment total (lines 12 to 20)</b>	11	2 3 1 0 9 9	1 4 5 2 0 4	
			8 5 8 9 5		1 1 6 2 1 6
A.II.1.	Land (031) - /092A/	12			
2.	Structures (021) - /081, 092A/	13	8 2 0 0	5 4 7 8	
			2 7 2 2		6 1 6 2
3.	Individual movable assets and sets of movable assets (022) - /082, 092A/	14	2 1 2 5 2 7	1 2 9 3 5 4	
			8 3 1 7 3		1 0 5 6 6 9



Designation a	ASSETS b	Line No. c	Current accounting period		Preceding accounting period
			1	Gross - part 1	
				Correction - part 2	Net 3
4.	Perennial crops (025) - /085, 092A/	15			
5.	Livestock (026) - /086, 092A/	16			
6.	Other property, plant and equipment (029, 02X, 032) - /089, 08X, 092A/	17			
7.	Acquisition of property, plant and equipment (042) - /094/	18		1 0 3 7 2	1 0 3 7 2
					4 3 8 5
8.	Advance payments made for property, plant and equipment (052) - /095A/	19			
9.	Value adjustment to acquired assets (+/- 097) +/- 098	20			
A.III.	Non-current financial assets total (lines 22 to 32)	21			
A.III.1.	Shares and ownership interests in affiliated accounting entities (061A, 062A, 063A) - /096A/	22			
2.	Shares and owner- ship interests with participating interest, except for affiliated accounting entities (062A) - /096A/	23			
3.	Other available-for- sale securities and ownership interests (063A) - /096A/	24			
4.	Loans to affiliated accounting entities (066A) - /096A/	25			
5.	Loans within participating interest, except for affiliated accounting entities (066A) - /096A/	26			
6.	Other loans (067A) - /096A/	27			
7.	Debt securities and other non-current financial assets (065A, 069A, 06XA) - /096A/	28			

Designation a	ASSETS b	Line No. c	Current accounting period		Preceding accounting period
			1	Gross - part 1	
				Correction - part 2	Net 2
					Net 3
8.	Loans and other non-current financial assets with remaining maturity of up to one year (066A, 067A, 069A, 06XA) - /096A/	29			
9.	Bank accounts with notice period exceeding one year (22XA)	30			
10.	Acquisition of non-current financial assets (043) - /096A/	31			
11.	Advance payments made for non-current financial assets (053) - /095A/	32			
B.	Current assets line 34 + line 41 + line 53 + line 66 + line 71	33	5 3 4 2 0 4 9	5 2 3 5 6 3 4	
			1 0 6 4 1 5		4 3 8 0 0 1 8
B.I.	Inventory total (lines 35 to 40)	34	3 3 5 0 7 2 9	3 2 4 4 3 1 4	
			1 0 6 4 1 5		2 6 3 9 1 5 9
B.I.1.	Raw material (112, 119, 11X) - /191, 19X/	35	2 8 5 0 5 9 8	2 7 4 4 6 1 9	
			1 0 5 9 7 9		2 3 1 2 1 3 2
2.	Work in progress and semi-finished products (121, 122, 12X) - /192, 193, 19X/	36	2 7 8 5 2 2	2 7 8 0 8 6	
			4 3 6		2 2 2 3 0 3
3.	Finished goods (123) - /194/	37	1 0 4 0 8 0	1 0 4 0 8 0	
					8 8 2 4
4.	Animals (124) - /195/	38			
5.	Merchandise (132, 133, 13X, 139) - /196, 19X/	39			
6.	Advance payments made for inventory (314A) - /391A/	40	1 1 7 5 2 9	1 1 7 5 2 9	
					9 5 9 0 0
B.II.	Non-current receivables total (line 42 + lines 46 to 52)	41			
B.II.1.	Trade receivables total (lines 43 to 45)	42			

Designation a	ASSETS b	Line No. c	Current accounting period		Preceding accounting period
			1	Gross - part 1	
				Net 2	
				Correction - part 2	Net 3
1.a.	Trade receivables from affiliated accounting entities (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	43			
1.b.	Trade receivables within participating interest, except for receivables from affiliated accounting entities (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	44			
1.c.	Other trade receivables (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	45			
2.	Net value of contract (316A)	46			
3.	Other receivables from affiliated accounting entities (351A) - /391A/	47			
4.	Other receivables within participating interest, except for receivables from affiliated accounting entities (351A) - /391A/	48			
5.	Receivables from participants, members and association (354A, 355A, 358A, 35XA) - /391A/	49			
6.	Receivables related to derivative transactions (373A, 376A)	50			
7.	Other receivables (335A, 336A, 33XA, 371A, 374A, 375A, 378A) - /391A/	51			
8.	Deferred tax asset (481A)	52			
B.III.	Current receivables total (line 54 + lines 58 to 65)	53	1 9 4 0 5 1 8	1 9 4 0 5 1 8	1 7 2 8 6 2 8
B.III.1.	Trade receivables total (lines 55 to 57)	54	1 6 4 9 6 2 4	1 6 4 9 6 2 4	1 4 3 7 0 2 0
1.a.	Trade receivables from affiliated accounting entities (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	55	1 0 2 6 0 4	1 0 2 6 0 4	1 9 3 9 6
1.b.	Trade receivables within participating interest, except for receivables from affiliated accounting entities (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	56			



Designation a	ASSETS b	Line No. c	Current accounting period		Preceding accounting period
			1	Gross - part 1	
				Correction - part 2	Net 2
					Net 3
1.c.	Other trade receivables (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	57		1 5 4 7 0 2 0	1 5 4 7 0 2 0
					1 4 1 7 6 2 4
2.	Net value of contract (316A)	58			
3.	Other receivables from affiliated accounting entities (351A) - /391A/	59			
4.	Other receivables within participating interest, except for receivables from affiliated accounting entities (351A) - /391A/	60			
5.	Receivables from participants, members and association (354A, 355A, 358A, 35XA, 398A) - /391A/	61			
6.	Social security (336A) - /391A/	62			
7.	Tax assets and subsidies (341, 342, 343, 345, 346, 347) - /391A/	63		2 8 3 3 1 9	2 8 3 3 1 9
					2 8 1 4 5 3
8.	Receivables related to derivative transactions (373A, 376A)	64			
9.	Other receivables (335A, 33XA, 371A, 374A, 375A, 378A) - /391A/	65		7 5 7 5	7 5 7 5
					1 0 1 5 5
B.IV.	Current financial assets total (lines 67 to 70)	66			
B.IV.1.	Current financial assets in affiliated accounting entities (251A, 253A, 256A, 257A, 25XA) - /291A, 29XA/	67			
2.	Current financial assets, not including current financial assets in affiliated accounting entities (251A, 253A, 256A, 257A, 25XA) - /291A, 29XA/	68			
3.	Own shares and own ownership interests (252)	69			
4.	Acquisition of current financial assets (259, 314A) - /291A/	70			

Designation a	ASSETS b	Line No. c	Current accounting period		Preceding accounting period
			1	Gross - part 1	
				Correction - part 2	Net 2
					Net 3
B.V.	Financial accounts line 72 + line 73	71		5 0 8 0 2	5 0 8 0 2
					1 2 2 3 1
B.V.1.	Cash (211, 213, 21X)	72		6 0 8 9	6 0 8 9
					7 3 6
2.	Bank accounts (221A, 22X, +/- 261)	73		4 4 7 1 3	4 4 7 1 3
					1 1 4 9 5
C.	Accruals/deferrals total (lines 75 to 78)	74		4 7 1 0 2	4 7 1 0 2
					1 1 5 5 7
C.1.	Prepaid expenses - long-term (381A, 382A)	75			
2.	Prepaid expenses - short-term (381A, 382A)	76		4 7 1 0 2	4 7 1 0 2
					1 1 5 5 7
3.	Accrued income - long-term (385A)	77			
4.	Accrued income - short-term (385A)	78			

Designation a	EQUITY AND LIABILITIES b	Line No. c	Current accounting period 4	Preceding accounting period 5
	TOTAL EQUITY AND LIABILITIES line 80 + line 101 + line 141	79	5 5 1 2 2 3 6	4 6 0 6 3 7 7
A.	Equity line 81 + line 85 + line 86 + line 87 + line 90 + line 93 + line 97 + line 100	80	1 4 4 7 9 6 3	- 5 3 1 4 7 8
A.I.	Share capital total (lines 82 to 84)	81	2 0 0 0 0 0	2 0 0 0 0 0
A.I.1.	Share capital (411 alebo +/- 491)	82	2 0 0 0 0 0	2 0 0 0 0 0
2.	Change in share capital +/- 419	83		
3.	Unpaid share capital (-/353)	84		
A.II.	Share premium (412)	85		
A.III.	Other capital funds (413)	86	2 1 5 0 0 0 0	1 5 0 0 0 0
A.IV.	Legal reserve funds line 88 + line 89	87		
A.IV.1.	Legal reserve fund and non-distributable fund (417A, 418, 421A, 422)	88		
2.	Reserve fund for own shares and own ownership interests (417A, 421A)	89		

Designation a	EQUITY AND LIABILITIES b	Line No. c	Current accounting period 4	Preceding accounting period 5
A.V.	Other funds created from profit line 91 + line 92	90		
A.V.1.	Statutory funds (423, 42X)	91		
2.	Other funds (427, 42X)	92		
A.VI.	Differences from revaluation total (lines 94 to 96)	93		
A.VI.1.	Differences from revaluation of assets and liabilities (+/- 414)	94		
2.	Investment revaluation reserves (+/- 415)	95		
3.	Differences from revaluation in the event of a merger, amalgamation into a separate accounting entity or demerger (+/- 416)	96		
A.VII.	Net profit/loss of previous years line 98 + line 99	97	- 8 8 1 4 7 7	- 7 8 0 0 8 8
A.VII.1.	Retained earnings from previous years (428)	98		
2.	Accumulated losses from previous years (/-429)	99	- 8 8 1 4 7 7	- 7 8 0 0 8 8
A.VIII.	Net profit/loss for the accounting period after tax +/- line 01 - (I. 81 + I. 85 + I. 86 + I. 87 + I. 90 + I. 93 + I. 97 + I. 101 + I. 141)	100	- 2 0 5 6 0	- 1 0 1 3 9 0
B.	Liabilities line 102 + line 118 + line 121 + line 122 + line 136 + line 139 + line 140	101	4 0 6 4 2 7 3	5 1 3 7 8 5 5
B.I.	Non-current liabilities total (line 103 + lines 107 to 117)	102	3 7 9 9	2 9 9 2 0 4 3
B.I.1.	Non-current trade liabilities total (lines 104 to 106)	103		
1.a.	Trade liabilities to affiliated accounting entities (321A, 475A, 476A)	104		
1.b.	Trade liabilities within participating interest, except for liabilities to affiliated accounting entities (321A, 475A, 476A)	105		
1.c.	Other trade liabilities (321A, 475A, 476A)	106		
2.	Net value of contract (316A)	107		
3.	Other liabilities to affiliated accounting entities (471A, 47XA)	108		2 9 9 0 0 0 0
4.	Other liabilities within participating interest, except for liabilities to affiliated accounting entities (471A, 47XA)	109		
5.	Other non-current liabilities (479A, 47XA)	110		
6.	Long-term advance payments received (475A)	111		
7.	Long-term bills of exchange to be paid (478A)	112		
8.	Bonds issued (473A/-255A)	113		
9.	Liabilities related to social fund (472)	114	3 7 9 9	2 0 4 3
10.	Other non-current liabilities (336A, 372A, 474A, 47XA)	115		
11.	Non-current liabilities related to derivative transactions (373A, 377A)	116		
12.	Deferred tax liability (481A)	117		



Designation a	EQUITY AND LIABILITIES b	Line No. c	Current accounting period 4	Preceding accounting period 5
B.II.	Long-term provisions line 119 + line 120	118		
B.II.1.	Legal provisions (451A)	119		
2.	Other provisions (459A, 45XA)	120		
B.III.	Long-term bank loans (461A, 46XA)	121		
B.IV.	Current liabilities total (line 123 + lines 127 to 135)	122	1 7 5 2 7 2 0	2 0 8 8 5 7 0
B.IV.1.	Trade liabilities total (lines 124 to 126)	123	1 6 5 2 1 2 1	2 0 0 5 4 3 6
1.a.	Trade liabilities to affiliated accounting entities (321A, 322A, 324A, 325A, 326A, 32XA, 475A, 476A, 478A, 47XA)	124	2 0 3 5 3 4	1 1 5 5 8 7
1.b.	Trade liabilities within participating interest, except for liabilities to affiliated accounting entities (321A, 322A, 324A, 325A, 326A, 32XA, 475A, 476A, 478A, 47XA)	125		
1.c.	Other trade liabilities (321A, 322A, 324A, 325A, 326A, 32XA, 475A, 476A, 478A, 47XA)	126	1 4 4 8 5 8 7	1 8 8 9 8 4 9
2.	Net value of contract (316A)	127		
3.	Other liabilities to affiliated accounting entities (361A, 36XA, 471A, 47XA)	128		
4.	Other liabilities within participating interest, except for liabilities to affiliated accounting entities (361A, 36XA, 471A, 47XA)	129		
5.	Liabilities to partners and association (364, 365, 366, 367, 368, 398A, 478A, 479A)	130		
6.	Liabilities to employees (331, 333, 33X, 479A)	131	5 8 0 5 2	4 4 5 3 4
7.	Liabilities related to social security (336A)	132	3 5 1 6 4	2 9 2 8 0
8.	Tax liabilities and subsidies (341, 342, 343, 345, 346, 347, 34X)	133	7 1 8 0	9 0 9 4
9.	Liabilities related to derivative transactions (373A, 377A)	134		
10.	Other liabilities (372A, 379A, 474A, 475A, 479A, 47XA)	135	2 0 3	2 2 6
B.V.	Short-term provisions line 137 + line 138	136	6 7 7 5 4	5 7 2 4 2
B.V.1.	Legal provisions (323A, 451A)	137	4 6 1 1 0	3 5 5 6 3
2.	Other provisions (323A, 32X, 459A, 45XA)	138	2 1 6 4 4	2 1 6 7 9
B.VI.	Current bank loans (221A, 231, 232, 23X, 461A, 46XA)	139		
B.VII.	Short-term financial assistance (241, 249, 24X, 473A, /-255A)	140	2 2 4 0 0 0 0	
C.	Accruals/deferrals total (lines 142 to 145)	141		
C.1.	Accrued expenses - long-term (383A)	142		
2.	Accrued expenses - short-term (383A)	143		
3.	Deferred income - long-term (384A)	144		
4.	Deferred income - short-term (384A)	145		

Designation a	Text b	Line No. c	Actual data	
			Current accounting period	Preceding accounting period
			1	2
*	Net turnover (part of account class 6 according to the Act)	01	1 4 5 0 3 5 9 2	1 1 8 6 9 2 3 5
**	Operating income total (lines 03 to 09)	02	1 4 6 5 4 9 2 1	1 1 9 4 9 0 3 8
I.	Revenue from the sale of merchandise (604, 607)	03		5 2 5 8
II.	Revenue from the sale of own products (601)	04	1 4 2 7 0 0 3 0	1 1 6 5 4 6 2 2
III.	Revenue from the sale of services (602, 606)	05	1 3 0 5 7 5	9 5 2 5 5
IV.	Changes in internal inventory (+/-) (account group 61)	06	1 5 1 3 2 9	7 9 8 0 7
V.	Own work capitalized (account group 62)	07		
VI.	Revenue from the sale of non-current intangible assets, property, plant and equipment, and raw materials (641, 642)	08	9 0 4 9 0	8 9 0 6 3
VII.	Other operating income (644, 645, 646, 648, 655, 657)	09	1 2 4 9 7	2 5 0 3 3
**	Operating expenses total line 11 + line 12 + line 13 + line 14 + line 15 + line 20 + line 21 + line 24 + line 25 + line 26	10	1 4 5 7 3 4 2 8	1 1 9 4 1 4 0 2
A.	Cost of merchandise sold (504, 507)	11		
B.	Consumed raw materials, energy consumption, and consumption of other non-inventory supplies (501, 502, 503)	12	1 1 1 8 3 8 2 2	9 0 0 8 5 7 1
C.	Value adjustments to inventory (+/-) (505)	13	1 7 3 1 8	3 3 0 3 0
D.	Services (account group 51)	14	1 9 6 9 3 0 2	1 7 9 7 1 1 1
E.	Personnel expenses total (lines 16 to 19)	15	1 2 4 7 8 6 3	9 4 4 9 7 2
E.1.	Wages and salaries (521, 522)	16	8 9 9 1 3 8	6 8 0 8 7 5
2.	Remuneration of board members of company or cooperative (523)	17		
3.	Social security expenses (524, 525, 526)	18	3 1 7 0 7 3	2 4 1 5 2 7
4.	Social expenses (527, 528)	19	3 1 6 5 2	2 2 5 7 0
F.	Taxes and fees (account group 53)	20	5 1 7	6 7 3
G.	Amortization and value adjustments to non-current intangible assets and depreciation and value adjustments to property, plant and equipment (line 22 + line 23)	21	6 0 0 2 1	4 3 7 8 9
G.1.	Amortization of non-current intangible assets and depreciation of property, plant and equipment (551)	22	6 0 0 2 1	4 3 7 8 9
2.	Value adjustments to non-current intangible assets and property, plant and equipment (+/-) (553)	23		
H.	Carrying value of non-current assets sold and raw materials sold (541, 542)	24	7 4 8 8 1	9 0 2 7 6
I.	Value adjustments to receivables (+/-) (547)	25		
J.	Other operating expenses (543, 544, 545, 546, 548, 549, 555, 557)	26	1 9 7 0 4	2 2 9 8 0
***	Profit/loss from operations (+/-) (line 02 - line 10)	27	8 1 4 9 3	7 6 3 6

Designation a	Text b	Line No. c	Actual data	
			Current accounting period	Preceding accounting period
			1	2
*	Added value (line 03 + line 04 + line 05 + line 06 + line 07) - (line 11 + line 12 + line 13 + line 14)	28	1 3 8 1 4 9 2	9 9 6 2 3 0
**	Income from financial activities - total line 30 + line 31 + line 35 + line 39 + line 42 + line 43 + line 44	29	5 6 8	7 3 5
VIII.	Revenue from the sale of securities and shares (661)	30		
IX.	Income from non-current financial assets total (lines 32 to 34)	31		
IX.1.	Income from securities and ownership interests in affiliated accounting entities (665A)	32		
2.	Income from securities and ownership interests within participating interest, except for income of affiliated accounting entities (665A)	33		
3.	Other income from securities and ownership interests (665A)	34		
X.	Income from current financial assets total (lines 36 to 38)	35		
X.1.	Income from current financial assets in affiliated accounting entities (666A)	36		
2.	Income from current financial assets within participating interest, except for income of affiliated accounting entities (666A)	37		
3.	Other income from current financial assets (666A)	38		
XI.	Interest income (line 40 + line 41)	39		4
XI.1.	Interest income from affiliated accounting entities (662A)	40		4
2.	Other interest income (662A)	41		
XII.	Exchange rate gains (663)	42	5 6 8	7 3 1
XIII.	Gains on revaluation of securities and income from derivative transactions (664, 667)	43		
XIV.	Other income from financial activities (668)	44		
**	Expenses related to financial activities - total line 46 + line 47 + line 48 + line 49 + line 52 + line 53 + line 54	45	1 0 2 6 2 1	1 0 6 8 8 0
K.	Securities and shares sold (561)	46		
L.	Expenses related to current financial assets (566)	47		
M.	Value adjustments to financial assets (+/-) (565)	48		
N.	Interest expense (line 50 + line 51)	49	9 5 0 8 3	1 0 2 1 0 0
N.1.	Interest expenses related to affiliated accounting entities (562A)	50	9 5 0 8 3	1 0 2 1 0 0
2.	Other interest expenses (562A)	51		
O.	Exchange rate losses (563)	52	2 4 8 0	1 5 8 5
P.	Loss on revaluation of securities and expenses related to derivative transactions (564, 567)	53		
Q.	Other expenses related to financial activities (568, 569)	54	5 0 5 8	3 1 9 5



Designation a	Text b	Line No. c	Actual data	
			Current accounting period	Preceding accounting period
			1	2
***	Profit/loss from financial activities (+/-) (line 29 - line 45)	55	- 1 0 2 0 5 3	- 1 0 6 1 4 5
****	Profit/loss for the accounting period before tax (+/-) (line 27 + line 55)	56	- 2 0 5 6 0	- 9 8 5 0 9
R.	Income tax (line 58 + line 59)	57		2 8 8 1
R.1.	Income tax - current (591, 595)	58		2 8 8 1
2.	Income tax - deferred (+/-) (592)	59		
S.	Transfer of net profit/net loss shares to partners (+/- 596)	60		
****	Profit/loss for the accounting period after tax (+/-) (line 56 - line 57 - line 60)	61	- 2 0 5 6 0	- 1 0 1 3 9 0

## Notes to financial statements Prepared at 30 September 2018

### I. GENERAL

#### 1. Name and seat

MSK Matec Slovakia s.r.o.  
Kpt. Nálepku 2  
082 71 Lipany

The company MSK Matec Slovakia s.r.o. (the „Company“, until 7 December 2018 named MATEC SLOVAKIA, s.r.o. (see note V.)) was established on 23. June 2013 and incorporated in the Commercial Register on 29. June 2013.(Commercial Register of the District Court in Prešov Section Sro, Insert No.:33558/P).

#### *Core business activities of the Company*

Main activity of company is production of cabins for drivers of different vehicles. Except of that company produces parts for cabins and spare parts. Company also provides engineering related to cabins production.

#### 2. Unlimited liability

The Company is not a shareholder with unlimited liability in other legal entities.

#### 3. Date of approval of the financial statements for the previous accounting period

The General Meeting approved the Company's financial statements for the previous accounting period on 17 August 2018.

#### 4. Legal reason for preparing the financial statements

The financial statements of the Company at 30 September 2018 have been prepared as ordinary financial statements in accordance with § 17 Sec. 6 of Act No. 431/2002 Coll. on Accounting as amended („Accounting Act“) for the accounting period from 1 October 2017 to 30. September 2018.

#### 5. The consolidated group

The consolidated financial statements for the group of which the Company was a subsidiary, was prepared until 30 September 2018 by MATEC GmbH, with its seat at Industriestraße 1, 04720 Döbeln, Germany. A copy of the consolidated financial statements will be made available upon request at the seat of the above stated company.

On 29 September 2018, there was a change in shareholder structure (see note I. 8 bellow).

The consolidated financial statements for the group MSK Group OY of which the Company is a subsidiary, will be prepared as at 31 December 2018 by MSK Group OY with its seat at Pohjanmaanväylä 1720, Ylihärmä 623 75, Finland. A copy of the consolidated financial statements will be made available upon request at the seat of the above stated company.

#### 6. Number of staff

Item	30.09.2018	30.09.2017
Average number of staff	69	48
Number of staff at balance sheet date of which:	76	56
<i>Management</i>	1	1

## 7. Date of approval of the Company's auditor

On 17 August 2018, the General Meeting approved PricewaterhouseCoopers Slovensko, s.r.o. as auditor of the Company's financial statements for the year ended 30 September 2018.

## 8. The Company's bodies and shareholders

The structure of the Company's shareholders at 30 September 2018:

Shareholder	Share of the registered capital		Percentage of voting rights	Other share in equity items other than registered capital %
	Absolute	In %		
MSK GROUP OY	200,000	100%	100%	100
<b>Total</b>	<b>200,000</b>	<b>100%</b>	<b>100%</b>	<b>100</b>

Changes in the structure of shareholders during 2018:

Shareholders before and by the date of change in shareholder structure		Share of the registered capital		Percentage of voting rights	Other share in equity items other than registered capital %
Shareholder	Date of change	Absolute	In %		
Matec GMBH	29 September 2018	200,000	100%	100%	100
<b>Total</b>	<b>x</b>	<b>0</b>	<b>100%</b>	<b>100%</b>	<b>100</b>

## II. ACCOUNTING METHODS APPLIED

### a) Basis of preparation

The Company's financial statements have been prepared in accordance with the Slovak Accounting Act and related accounting procedures, on a going concern basis.

The Company keeps its books on the accrual basis of accounting which means that all revenues and costs are recognized when generated or incurred (and not when cash is received or paid), and they are recorded in the books and reported in the financial statements of the periods to which they relate.

All monetary amounts in the financial statements are stated in whole euros, unless stated otherwise.

The Company consistently applied the accounting methods and the general accounting principles.

### b) Non-current intangible and tangible assets

Acquired non-current assets are stated at cost, which includes the acquisition price and the related acquisition costs (such as customs duty, transport, assembly, and insurance).

The value of acquired non-current tangible assets in use is reduced by a valuation allowance to reflect their wear-and-tear.

The depreciation plan for non-current intangible assets has been prepared on the basis of their expected economic useful lives relating to the recovery of future economic benefits from these assets. Depreciation begins as of the first day of the month following the month in which the asset was first put into use. Non-current intangible assets with an acquisition cost (or their own cost) not exceeding EUR 2,400 are not recorded on the balance sheet and are expensed immediately when put into use.

The expected economic useful life, the depreciation method and the annual depreciation rate for non-current intangible assets are presented in the following table:

	Expected economic useful life in years	Depreciation method	Annual depreciation rate in %
Software	5	linear	20

The depreciation plan for non-current tangible assets has been prepared on the basis of their expected economic useful lives relating to the recovery of future economic benefits from these assets. Depreciation begins as of the first day of the month following the month in which the asset was first put into use. Non-current tangible assets with an acquisition cost (or their own cost) not exceeding EUR 1,700 are not recorded on the balance sheet and are expensed immediately when put into use.

The expected economic useful life, the depreciation method and the annual depreciation rate for non-current tangible assets are presented in the following table:

	Expected economic useful life in years	Depreciation method	Annual depreciation rate in %
Buildings, halls, and structures	20	linear	5
Separate movable assets		linear	
<i>Machinery and equipment</i>	4-6	linear	16 - 25
<i>Vehicles</i>	4	linear	25

If, during a stock-count, temporary decrease in value-in-use of a non-current asset was identified that is significantly lower than its carrying amount (after deducting the accumulated depreciation), a valuation allowance is set up to reflect the asset's lower value-in-use

### c) Inventories

Acquired inventories are stated at cost, which includes the acquisition price and the related acquisition costs (such as customs duty, transport, insurance and commission) less discounts. A discount granted to inventories already sold or used is accounted for as the reduction of costs of inventories sold or used. The Company used method A for the accounting treatment of inventories. For stock withdrawal, the FIFO-method is used.

Work in progress, semi-finished and finished goods are stated at fixed cost calculated from production cost. This cost includes direct costs (direct material, direct wages and other direct costs) and the part of indirect costs closely related to the production of inventories internally (factory overhead expenses). Factory overhead expenses are included in the production cost, depending on the extent to which these inventories are finished.

If the acquisition or production cost of inventories is higher than their net realizable value at the balance sheet date, a valuation allowance for inventories is set up in the amount of the difference between their book value and their net realizable value. Net realizable value is the estimated sales price of inventories less the estimated costs for their completion and costs related to their sale.

### d) Receivables

When initially recognized, receivables are stated at their nominal value. A valuation allowance is set up for bad and doubtful debts, for which a default risk exists.

If the remaining period to maturity of a receivable is longer than one year, a valuation allowance representing the difference between its nominal and present value is set up. The present value of a receivable is calculated as the sum of future discounted cash receipts

### e) Financial accounts

Financial accounts consist of cash and bank account balances, where the risk of changes in the value of these assets is negligibly low.



**f) Prepaid expenses and accrued income**

Prepaid expenses and accrued income are recognized at an amount reflecting the accrual principle (matching income and expense in the same accounting period).

**g) Valuation allowances**

Valuation allowances are recorded based on the accounting principle of prudence if it can be justifiably assumed that the value of an asset has been impaired when compared to its value in the books. A valuation allowance is recognized in the amount of a justified assumption for an impairment of an asset when compared to its value in the books.

**h) Provisions**

Provisions are liabilities representing the Company's present obligation resulting from past events, if it is probable that its settlement will reduce the Company's resources in the future. Provisions are liabilities of uncertain timing or amount, and are stated at the expected amount of the existing liability at the balance-sheet date.

The set-up of a provision is posted to the respective expense account or asset account to which the liability relates. The use of a provision is debited to the respective provision account, with a corresponding credit to the respective liability account. The release of an unnecessary provision, or a part thereof, is accounted for using an accounting entry inverse to the recognition of the set-up of the provision.

The Company set up provisions for year end audit, not invoiced interest and others.

**i) Liabilities**

When initially recognized, liabilities are stated at their nominal value. Assumed liabilities are stated at cost. If reconciliation procedures reveal that the actual amount of liabilities differs from the amount stated in the books, these liabilities are stated in the books and financial statements at this actual amount.

**j) Employee benefits**

Wages, salaries, contributions to the Slovak state pension and social insurance plans, paid annual leave and paid sick leave, bonuses and other non-monetary benefits (such as medical care) are recognized in the accounting period when incurred.

**k) Income tax due**

Corporate income tax is expensed in the period when the tax liability arises. In the accompanying income statement, the tax expense is calculated on the basis of the profit/(loss) before taxes adjusted for tax-deductible and tax non-deductible items due to permanent and temporary adjustments to the tax base and any tax losses carried forward. The tax liability is stated net of corporate income tax advances that the Company paid during the year. If corporate income tax advances paid during the year exceed the tax liability for the period, the Company records an income tax receivable.

**l) Deferred income tax**

Deferred income tax arises from:

- a) temporary differences between the carrying amount of assets and liabilities presented in the balance sheet and their tax base;
- b) the possibility to carry forward a tax loss to future periods, i.e. the possibility to deduct the tax loss from the tax base in the future; and
- c) the possibility to transfer unused tax deductions and other tax claims to future periods.

Deferred tax is not applied on goodwill or negative goodwill on initial recognition. Deferred tax is applied to temporary differences related to goodwill or negative goodwill when the differences arise after its initial recognition (e.g. due to different tax and book depreciation charges) if no temporary differences arose on the initial recognition of goodwill or negative goodwill.

Deferred tax assets and deferred tax liabilities are not recognized for deductible temporary differences and taxable temporary differences related to an asset or liability on initial recognition if the transaction is not a business combination, and affects neither accounting profit nor taxable profit. In subsequent accounting periods, deferred tax assets and deferred tax liabilities are also not recognized for these deductible temporary differences and taxable temporary differences.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

To determine deferred income tax, tax rates expected to apply at the date on which the deferred tax is settled are used.

**m) Deferred revenues and accrued expenses**

Deferred revenues and accrued expenses are stated at their nominal value and are stated at an amount reflecting the accrual principle (matching income and expenses in the same accounting period).

**n) Financial lease (Entity is the lessee)**

***Operating lease (Entity is the lessee)***

The lease costs of assets under operating lease contracts are expensed as incurred over the period of the lease.

**o) Foreign currency**

Assets and liabilities in foreign currency (with the exception of prepayments received and granted) are converted to euros using the reference exchange rate set and published by the European Central Bank or the National Bank of Slovakia on the day preceding the day of the accounting event, or on the balance-sheet date. The resulting foreign exchange differences are recorded to the income statement.

**p) Revenue recognition**

Revenues from the sale of goods are recognized upon transferring risks and rewards of ownership of the goods, usually when the goods are delivered. If the Company agrees to transport goods to a specific location, revenue is recognized when the goods are passed to the customer at the destination point.

Revenues from the sale of services are recognized in the accounting period in which the services are rendered, taking into account the extent to which the given transaction is completed. This extent is assessed based on the actual services provided as a proportion of the total services agreed.

Sales revenues are stated net of VAT, discounts and deductions (such as rebates, bonuses and credit notes).

The Company's revenues primarily include revenues from the sale of products (cabins of drivers)

**q) Correction of prior period errors**

If the Company identifies a significant error in the current period relating to previous accounting periods, it posts the relevant adjustments to accumulated retained earnings and accumulated loss carried forward, i.e. without affecting the profit or loss of the current year. Adjustments of insignificant errors from prior periods are posted to the relevant cost or revenue account in the current period.

In 20188, the Company did not account for the correction of prior period errors

### III. INFORMATION TO SUPPORT BALANCE SHEET ITEMS

#### ASSETS

#### 1. Non-current assets

An overview of changes in non-current intangible assets for the current and prior periods is presented in the table below:

Non-current intangible assets	Capitalised development costs	Software	Valuable rights	Goodwill	Other non-current intangible assets	Non-current assets in the process of acquisition	Advances paid for non-current intangible assets	Total
Acquisition cost								
1.10.2017	-	119,226	-	-	-	-	-	119,226
Additions	-	-	-	-	-	11,064	-	11,064
Disposals	-	-	-	-	-	-	-	-
Transfers	-	11,064	-	-	-	(11,064)	-	-
30.09.2018	-	130,290	-	-	-	-	-	130,290
Accumulated depreciation								
1.10.2017	-	20,640	-	-	-	-	-	20,640
Additions	-	25,354	-	-	-	-	-	25,354
Disposals	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
30.09.2018	-	45,994	-	-	-	-	-	45,994
Valuation allowances								
1.10.2017	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
30.09.2018	-	-	-	-	-	-	-	-
Net book value								
1.10.2017	-	98,586	-	-	-	-	-	98,586
30.09.2018	-	84,296	-	-	-	-	-	84,296

Interests amounting to EUR 0 (2017: EUR 0) were capitalised as part of the valuation during the accounting period

Prior period information is presented in the following table:

	Non-current intangible assets	Capitalised development costs	Software	Valuable rights	Goodwill	Other non-current intangible assets	Non-current assets in the process of acquisition	Advances paid for non-current intangible assets	Total
Acquisition cost									
<b>1.10.2016</b>	-	-	-	-	-	-	<b>56,356</b>	-	<b>56,356</b>
Additions	-	-	-	-	-	-	62,872	-	62,872
Disposals	-	-	-	-	-	-	-	-	-
Transfers	-	119,226	-	-	-	-	(119,226)	-	-
<b>30.09.2017</b>	-	<b>119,226</b>	-	-	-	-	-	-	<b>119,226</b>
Accumulated depreciation									
<b>1.10.2016</b>	-	-	-	-	-	-	-	-	-
Additions	-	20,640	-	-	-	-	-	-	20,640
Disposals	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
<b>30.09.2017</b>	-	<b>20,640</b>	-	-	-	-	-	-	<b>20,640</b>
Valuation allowances									
<b>1.10.2016</b>	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
<b>30.09.2017</b>	-	-	-	-	-	-	-	-	-
Net book value									
<b>1.10.2016</b>	-	-	-	-	-	-	<b>56,356</b>	-	<b>56,356</b>
<b>30.09.2017</b>	-	<b>98,586</b>	-	-	-	-	-	-	<b>98,586</b>



## 2. Non-current tangible assets

An overview of changes in non-current tangible assets for current period is presented in the table below:

Non-current tangible assets	Land	Buildings	Individual movable assets and sets of movable items	Perennial crops	Breeding & draught animals	Other non-current tangible assets	Assets under construction	Advances paid for non-current tangible assets	Total
Acquisition cost									
1.10.2017	-	8,200	154,859	-	-	-	4,385	-	167,444
Additions	-	-	-	-	-	-	63,654	-	63,654
Disposals	-	-	-	-	-	-	-	-	-
Transfers	-	-	57,668	-	-	-	(57,668)	-	-
30.09.2018	-	8,200	212,527	-	-	-	10,372	-	231,099
Accumulated depreciation									
1.10.2017	-	2,038	49,190	-	-	-	-	-	51,228
Additions	-	684	33,983	-	-	-	-	-	34,667
Disposals	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
30.09.2018	-	2,722	83,173	-	-	-	-	-	85,895
Valuation allowances									
1.10.2017	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
30.09.2018	-	-	-	-	-	-	-	-	-
Net book value									
1.10.2017	-	6,162	105,669	-	-	-	4,385	-	116,216
30.09.2018	-	5,478	129,354	-	-	-	10,372	-	145,204

Interests amounting to EUR 0 EUR (2016: EUR 0) were capitalised during the accounting period.

Prior period information is presented in the following table:

Non-current tangible assets	Land	Buildings	Individual movable assets and sets of movable items	Perennial crops	Breeding & draught animals	Other non-current tangible assets	Assets under construction	Advances paid for non-current tangible assets	Total
Acquisition cost									
1.10.2016	-	8,200	85,048	-	-	-	13,668	-	106,916
Additions	-	-	-	-	-	-	105,529	-	105,529
Disposals	-	-	-	-	-	-	(45,001)	-	(45,001)
Transfers	-	-	69,811	-	-	-	(69,811)	-	-
30.09.2017	-	8,2-00	154,859	-	-	-	4,385	-	167,444
Accumulated depreciation									
1.10.2016	-	1,354	26,725	-	-	-	-	-	28,079
Additions	-	684	22,465	-	-	-	-	-	23,149
Disposals	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
30.09.2017	-	2,038	49,190	-	-	-	-	-	51,228
Valuation allowances									
1.10.2016	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
30.09.2017	-	-	-	-	-	-	-	-	-
Net book value									
1.10.2016	-	6,846	58,323	-	-	-	13,668	-	78,837
30.09.2017	-	6,162	105,669	-	-	-	4,385	-	116,216

### 3. Inventories

Movements in the valuation allowance for inventories during the current accounting period is presented in the table below:

Inventories	1.10.2017	Set-up of VA	Release of VA due to extinction of title	Release of VA due to de-recognition of assets	30.09.2018
Material	88,951	17,028	-	-	105,979
Work in progress and semi-finished products	146	290	-	-	436
Finished goods	-	-	-	-	-
Animals	-	-	-	-	-
Merchandise	-	-	-	-	-
Real estate for sale	-	-	-	-	-
Advances provided for inventories	-	-	-	-	-
<b>Total inventories</b>	<b>89,097</b>	<b>17,318</b>	<b>-</b>	<b>-</b>	<b>106,415</b>

A valuation allowance was set up to reflect a decrease in the net realisable value of inventories. The net realisable value of inventories was impaired mainly as a result of excessive inventories on stock.

Prior period information is presented in the table below:

Inventories	1.10.2016	Set-up of VA	Release of VA due to extinction of title	Release of VA due to de-recognition of assets	30.09.2017
Material	55,922	33,030	-	-	88,951
Work in progress and semi-finished products	4,718	-	4,572	-	146
Finished goods	-	-	-	-	-
Animals	-	-	-	-	-
Merchandise	-	-	-	-	-
Real estate for sale	-	-	-	-	-
Advances provided for inventories	-	-	-	-	-
<b>Total inventories</b>	<b>60,640</b>	<b>33,030</b>	<b>4,572</b>	<b>-</b>	<b>89,097</b>

#### 4. Receivables

Company did not account for allowances for receivables during the accounting period.

Long-term receivables of the Company are within the due period. The ageing structure of receivables of the Company at 30 September 2018 is presented in the following table:

Item	Within due period	Overdue	Total receivables
<b>Trade receivables of which:</b>	<b>1,339,266</b>	<b>310,358</b>	<b>1,649,624</b>
Trade receivables from affiliated undertakings	102,604	-	102,604
Trade receivables from participating interests, except for receivables from affiliates	-	-	-
Other trade receivables	1,236,662	310,358	1,547,020
<b>Other non-current receivables, of which:</b>	<b>290,894</b>	<b>-</b>	<b>290,894</b>
Net value of a contract	-	-	-
Other receivables from affiliated undertakings	-	-	-
Other receivables from participating interests, except for receivables from affiliates	-	-	-
Receivables from partners, members, and the association	-	-	-
Social security	-	-	-
Tax assets and subsidies	283,319	-	283,319
Receivables from derivative transactions	-	-	-
Other receivables	7,575	-	7,575
<b>Current receivables total</b>	<b>1,630,160</b>	<b>310,358</b>	<b>1,940,518</b>

Prior period information is presented in the following table:

Item	Within due period	Overdue	Total receivables
<b>Trade receivables of which:</b>	<b>1,128,493</b>	<b>308,527</b>	<b>1,437,020</b>
Trade receivables from affiliated undertakings	19,396	-	19,396
Trade receivables from participating interests, except for receivables from affiliates	-	-	-
Other trade receivables	1,109,097	308,527	1,417,624
<b>Other non-current receivables, of which:</b>	<b>291,608</b>	<b>-</b>	<b>291,608</b>
Net value of a contract	-	-	-
Other receivables from affiliated undertakings	-	-	-
Other receivables from participating interests, except for receivables from affiliates	-	-	-
Receivables from partners, members, and the association	-	-	-
Social security	-	-	-
Tax assets and subsidies	281,453	-	281,453
Receivables from derivative transactions	-	-	-
Other receivables	10,155	-	10,155
<b>Current receivables total</b>	<b>1,420,101</b>	<b>308,527</b>	<b>1,728,628</b>

#### 5. Deferred tax asset

Information about deferred tax asset calculation and other additional information relating to deferred tax asset is presented in the Notes, Part IV section 7 on page 18.

#### 6. Financial accounts

Financial accounts are available for the Company's use in full.



## 7. Prepaid expenses and accrued income

The structure of prepaid expenses and accrued income is presented in the following table:

Item	30.09.2018	30.09.2017
<b>Deferred expenses - long-term of which:</b>	-	-
<b>Deferred expenses - short-term of which:</b>	<b>47,102</b>	<b>11,557</b>
Other	1,118	11,557
ERP licences	7,098	-
Insurance	4,411	-
New projects costs – revenues in following period	34,475	-
<b>Accrued income - long-term of which:</b>	-	-
<b>Accrued income - short-term of which:</b>	-	-
<b>Total</b>	<b>47,102</b>	<b>11,557</b>

## EQUITY AND LIABILITIES

### 1. Equity

Movements in equity and other additional information about equity is shown in the Notes, Part VIII on page 20.

### 2. Social fund

The set up and use of the social fund during the accounting period are shown in the following table:

Item	2018	2017
<b>Opening balance</b>	<b>2,043</b>	<b>1,468</b>
Appropriations charged to costs	4,614	3,511
Appropriations from profit	-	-
Other set-up	-	-
<b>Total social fund set-up</b>	<b>4,614</b>	<b>3,511</b>
<b>Use</b>	<b>2,857</b>	<b>2,936</b>
<b>Closing balance</b>	<b>3,799</b>	<b>2,043</b>

### 3. Liabilities

Structure of liabilities by remaining time to maturity at 30 September 2018:

Item	More than five years	Liabilities From one to five years	Due within one year	Overdue liabilities	Total liabilities
<b>Non-current liabilities</b>	-	-	-	-	-
Trade liabilities to affiliated undertakings	-	-	-	-	-
Trade liabilities to participating interests, except for liabilities to affiliates	-	-	-	-	-
Other trade liabilities	-	-	-	-	-
<b>Other liabilities, of which:</b>	-	3,799	-	-	3,799
Net value of a contract	-	-	-	-	-
Liabilities to affiliated undertakings	-	-	-	-	-
Trade liabilities to participating interests, except for liabilities to affiliates	-	-	-	-	-
Other liabilities	-	-	-	-	-
Long-term advance payments received	-	-	-	-	-
Long-term bills of exchange to be paid	-	-	-	-	-
Bonds issued	-	-	-	-	-
Social fund payables	-	3,799	-	-	3,799
Other non-current liabilities	-	-	-	-	-
Non-current liabilities from derivative transactions	-	-	-	-	-
Deferred tax liability	-	-	-	-	-
<b>Non-current liabilities - total</b>	-	3,799	-	-	3,799
<b>Current trade liabilities of which:</b>	-	-	1,195,574	456,547	1,652,121
Trade liabilities to affiliated undertakings	-	-	7,527	196,007	203,534
Trade liabilities to undertakings in which the company has a participating interest, except for liabilities to affiliated undertakings	-	-	-	-	-
Other trade liabilities	-	-	1,188,047	260,540	1,448,587
<b>Other current liabilities of which:</b>	-	-	100,599	-	100,599
Net value of a contract	-	-	-	-	-
Other liabilities to affiliated undertakings	-	-	-	-	-
Trade liabilities to participating interests, except for liabilities to affiliated undertakings	-	-	-	-	-
Liabilities to partners and the association	-	-	-	-	-
Liabilities to employees	-	-	58,052	-	58,052
Liabilities from social insurance	-	-	35,164	-	35,164
Tax liabilities and subsidies	-	-	7,180	-	7,180
Liabilities from derivative transactions	-	-	-	-	-
Other liabilities	-	-	203	-	203
<b>Current liabilities - total</b>	-	-	1,296,173	456,547	1,752,720

Prior period information is presented in the following table:

Item	Liabilities				Total liabilities
	More than five years	From one to five years	Due within one year	Overdue liabilities	
<b>Non-current liabilities</b>	-	-	-	-	-
Trade liabilities to affiliated undertakings	-	-	-	-	-
Trade liabilities to participating interests, except for liabilities to affiliates	-	-	-	-	-
Other trade liabilities	-	-	-	-	-
<b>Other liabilities, of which:</b>	-	<b>2,992,043</b>	-	-	<b>2,992,043</b>
Net value of a contract	-	-	-	-	-
Liabilities to affiliated undertakings	-	2,990,000	-	-	2,990,000
Trade liabilities to participating interests, except for liabilities to affiliates	-	-	-	-	-
Other liabilities	-	-	-	-	-
Long-term advance payments received	-	-	-	-	-
Long-term bills of exchange to be paid	-	-	-	-	-
Bonds issued	-	-	-	-	-
Social fund payables	-	2,043	-	-	2,043
Other non-current liabilities	-	-	-	-	-
-Non-current liabilities from derivative transactions	-	-	-	-	-
Deferred tax liability	-	-	-	-	-
<b>Non-current liabilities - total</b>	-	<b>2,992,043</b>	-	-	<b>2,992,043</b>
<b>Current trade liabilities of which:</b>	-	-	<b>1,190,591</b>	<b>814,845</b>	<b>2,005,436</b>
Trade liabilities to affiliated undertakings	-	-	-	115,587	115,587
Trade liabilities to undertakings in which the company has a participating interest, except for liabilities to affiliated undertakings	-	-	-	-	-
Other trade liabilities	-	-	1,190,591	699,258	1,889,849
<b>Other current liabilities of which:</b>	-	-	-	<b>83,134</b>	<b>83,134</b>
Net value of a contract	-	-	-	-	-
Other liabilities to affiliated undertakings	-	-	-	-	-
Trade liabilities to participating interests, except for liabilities to affiliated undertakings	-	-	-	-	-
Liabilities to partners and the association	-	-	-	-	-
Liabilities to employees	-	-	-	44,534	44,534
Liabilities from social insurance	-	-	-	29,280	29,280
Tax liabilities and subsidies	-	-	-	9,094	9,094
Liabilities from derivative transactions	-	-	-	-	-
Other liabilities	-	-	-	226	226
<b>Current liabilities - total</b>	-	-	<b>1,190,591</b>	<b>897,979</b>	<b>2,088,570</b>

#### 4. Provisions

An overview of changes in provisions for 2017 is shown in the following table:

Item	1.10.2017	Set-up	Use	Release	30.09.2018
<b>Long-term provisions of which:</b>	-	-	-	-	-
<i>Legal long-term provisions of which:</i>	-	-	-	-	-
<i>Other long-term provisions of which:</i>	-	-	-	-	-
<b>Short-term provisions of which:</b>	<b>57,243</b>	<b>58,234</b>	<b>47,723</b>	-	<b>67,754</b>
<i>Legal short-term provisions of which:</i>	35,563	36,590	26,043	-	46,110
Unused holiday	35,562	36,590	26,043	-	46,110
<i>Other short-term provisions of which:</i>	21,680	21,644	21,680	-	21,644
Audit of financial statements	12,000	15,000	12,000	-	15,000
Other	9,680	-	9,680	-	-
Interests	-	6,644	-	-	6,644
<b>Total provisions</b>	<b>57,243</b>	<b>58,234</b>	<b>47,723</b>	-	<b>67,754</b>

Information for the prior accounting period is shown in the following table:

Item	1.10.2016	Set-up	Use	Release	30.09.2017
<b>Long-term provisions of which:</b>	-	-	-	-	-
<i>Legal long-term provisions of which:</i>	-	-	-	-	-
<i>Other long-term provisions of which:</i>	-	-	-	-	-
<b>Short-term provisions of which:</b>	<b>55,682</b>	<b>57,242</b>	<b>55,682</b>	-	<b>57,242</b>
<i>Legal short-term provisions of which:</i>	37,355	35,562	37,355	-	35,563
Audit of financial statements	13,430	-	13,430	-	-
Unused holidays	23,925	35,562	23,925	-	35,562
<i>Other short-term provisions of which:</i>	18,327	21,680	18,327	-	21,679
Audit of financial statements	-	12,000	-	-	12,000
Other	18,327	9,680	18,327	-	9,680
<b>Total provisions</b>	<b>55,682</b>	<b>57,242</b>	<b>55,682</b>	-	<b>57,242</b>

#### 5. Loans received

An overview of loans received is presented in the following table:

Item	Currency	Annual interest rate in %	Maturity date	Principal in currency		Principal in EUR	
				30.09.2018	30.09.2017	30.09.2018	30.09.2017
<b>Long-term borrowings of which:</b>						-	<b>2,990,000</b>
Matec GMBH	EUR	4	31.3.2019	-	2,990,000	-	2,990,000
<b>Short-term borrowings of which:</b>						<b>2,240,000</b>	-
Matec GMBH	EUR	4	31.3.2019	2,240,000	-	2,240,000	-
<b>Total</b>						<b>2,240,000</b>	<b>2,990,000</b>



#### IV. INFORMATION SUPPORTING THE INCOME STATEMENT ITEMS

##### 1. Net turnover

Information about the structure of net turnover of the Company is presented in the table below:

Item	2018	2017
<b>Sale of own work and goods of which:</b>	<b>14,400,605</b>	<b>11,755,135</b>
Sale of own products	14,270,030	11,654,622
Sale of services	130,575	95,255
Sale of goods	-	5,258
Revenues from construction contracts	-	-
Revenues from real estate	-	-
<b>Other income relating to ordinary activities</b>	<b>102,987</b>	<b>114,100</b>
<b>Total net turnover</b>	<b>14,503,592</b>	<b>11,869,235</b>

#### REVENUES

##### 2. Revenues from the sale of own work and goods

Revenues from the sale of own work and goods by segments, ie. by type of good, product, service, other activities and by geographic territories are presented in the following table:

Country	Supporting services		Cabins & cabine parts		Material		Other revenues		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Slovakia	-	828	22,721	-	-	5,258	84,694	80,859	107,415	86,945
EU	130,575	94,427	14,247,309	11,654,622	-	-	5,796	33,237	14,383,680	11,782,286
<b>Total</b>	<b>130,575</b>	<b>95,255</b>	<b>14,270,030</b>	<b>11,654,622</b>	<b>-</b>	<b>5,258</b>	<b>90,490</b>	<b>114,096</b>	<b>14,491,095</b>	<b>11,869,231</b>

##### 3. Changes in work in progress

Changes in work in progress shown in the income statement represent increase of EUR 151,329. Based on balance sheet items increase amounts to EUR 151,039, as stated in the table below:

	30.09.2018	30.09.2017	1.10.2016	Change 2018	Change 2017
Work in progress and semi-finished products	278,086	222,449	289,274	55,783	(66,825)
Finished goods	104,080	8,824	1,052	95,256	7,772
Animals	-	-	-	-	-
<b>Total</b>	<b>382,166</b>	<b>231,273</b>	<b>290,326</b>	<b>151,039</b>	<b>(59,053)</b>
Shortages and damages	x	x	x	-	-
Representation costs	x	x	x	-	-
Gifts	x	x	x	-	-
Other	x	x	x	290	138,860
<b>Change in the income statement</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>151,329</b>	<b>79,807</b>

#### 4. Other income from operating activities

Information about income from the capitalisation of costs and income from operating and financing activities is presented in the table below:

Item	2018	2017
<b>Capitalisation of costs – material items of which:</b>	-	-
<b>Other material items of other operating income of which:</b>	<b>102,987</b>	<b>114,096</b>
Sale of material	90,490	89,062
Other	12,497	25,035
<b>Financial income of which:</b>	<b>568</b>	<b>735</b>
<i>Foreign exchange gains of which:</i>	568	731
Foreign exchange gains at balance sheet date	568	731

### EXPENSES

#### 5. Costs of operating and financial activities

An overview of costs of operating and financial activities, except for personnel costs is presented in the table below:

Item	2018	2017
<b>Costs of services received of which:</b>	<b>1,969,302</b>	<b>1,797,111</b>
<i>From an Auditor or audit firm of which:</i>	15,000	15,794
Audit of the financial statements	15,000	15,794
Other assurance services	-	-
Related audit services	-	-
Tax consultancy	-	-
Other non-audit services	-	-
<i>Other material items of costs of services received of which:</i>	1,954,302	1,781,317
Transport	353,494	267,682
Rental fee	219,133	170,219
Legal, economic and other consulting	127,685	96,935
Telecommunication costs	5,309	6,495
Maintenance	3,750	3,816
Travel cost	8,071	1,968
Representation cost	3,978	4,028
Cooperation	688,653	673,637
Contractor cost	412,199	381,342
Shared services	28,992	62,862
Other	103,038	112,333
<b>Other material items of income from operations of which:</b>	<b>94,585</b>	<b>113,256</b>
Sale of material	74,881	90,276
Shortages and damages	-	-
Net book value of non-current tangible and intangible assets sold	-	-
Receivables written off	-	-
Set-up and use/release of valuation allowance for receivables	-	-
Insurance	11,712	11,030
Other	7,992	11,950
<b>Financing costs of which:</b>	<b>102,621</b>	<b>106,880</b>
<i>Foreign exchange losses of which:</i>	2,480	1,585
Foreign exchange losses at balance sheet date	2,480	1,585
<i>Other material items of financial expenses of which:</i>	100,141	105,295
Interest	95,083	102,100
Bank fees	3,908	3,195
Other	1,150	-

## 6. Personnel costs

An overview of personnel costs is presented in the following table:

Item	2018	2017
<b>Personnel costs of which:</b>	<b>1,247,863</b>	<b>944,972</b>
Salaries	899,138	680,875
Wages and salaries	-	-
Social insurance	226,130	174,035
Health insurance	88,134	64,824
Social security	31,652	22,570
Other social insurance	2,808	2,668

## 7. Taxes

Information about temporary differences and the calculation of deferred tax:

Item	30.09.2017	Recognised in equity	Recorded as expense of income	30.09.2018
Non-current assets	-	-	-	-
Inventories	88,951	-	-	105,979
Receivables	-	-	-	-
Provisions	21,680	-	-	21,644
Tax loss carried forward	405,492	-	-	226,831
Unused tax deductions	-	-	-	-
Others	-	-	-	-
<b>Total</b>	<b>516,123</b>	<b>-</b>	<b>-</b>	<b>354,454</b>
Tax rate (in %)	21%	21%	21%	21%
<b>Deferred tax asset (+)/Deferred tax liability (-) calculated</b>	<b>108,386</b>	<b>-</b>	<b>-</b>	<b>74,435</b>
<b>Effect of change in deferred tax rate</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total deferred tax asset (+)/deferred tax liability (-) after change in deferred tax rate</b>	<b>108,386</b>	<b>-</b>	<b>-</b>	<b>74,435</b>
<b>Deferred tax asset recognized</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred tax liability</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The Company did not recognize deferred tax asset in 2018 and 2017.

There was a change in tax law at the end of year 2016. Based on which, a corporate income tax will change from 22% to 21% with effective date from 1 January 2017.

Reconciliation of income tax due and deferred tax, and profit/loss before tax is presented in the following table:

Item	Tax base	2018 Tax	Tax in %	Tax base	2017 Tax	Tax in %
<b>Profit/(loss) before taxes of which:</b>	<b>(20,560)</b>			<b>(98,509)</b>		
Expected tax		(4,318)	21%		(21,672)	22%
Tax non-deductible expenses	17,101	3,591		58,392	12,846	
Non-taxable income	-	-		-	-	
Impact of unrecognised de- ferred tax asset	45,386	9,531		10,149	2,233	
Tax loss carried forward	(41,927)	(8,805)		-	-	
Change in tax rate	-	-		-	3,713	
Other	-	-		-	2,880	
<b>Total</b>		-	0%		0	0%
Current income tax		-	0%		2,881	2,92%
Deferred income tax		-	0%		-	
<b>Total income tax</b>		-	0%		<b>2,881</b>	<b>2,92%</b>

## V. POST BALANCE SHEET EVENTS

After September 30, 2018 until the balance sheet date the following events occurred that would require recognition or disclosure in the 2018 financial statements.

Parent company increased other capital funds by monetary contribution by 2,453M EUR  
Company paid all loans and as at October 30, 2018 did not have any unpaid loans.

Company changed its business name to MSK Matec Slovakia s r o on December 7, 2018.

The company has changed its accounting period. The following accounting period will be from 1 October .2018 to 31 December 2018. Subsequent accounting periods will be in the periods from 1 January to 31 December.

On November 14, 2018 Carsten Gert Prilop was revoked from executive position within company. The Company has currently only one executive – Timo Tapio Lehtioja.

## VI. RELATED PARTY TRANSACTIONS

### 1. Transactions between the Company and its related parties

Transaction	Related party	2018	2017
Purchase of inventories	Parent company	17,233	251,971
Sale of inventories	Parent company	434,733	738,642
Purchase of services	Parent company	-	2,344
Sale of services	Parent company	93,069	-
Licences	Parent company	20,616	22,811
Interests	Parent company	95,083	102,100
	Related party	30 09 2018	30 09 2017
Trade liabilities	Parent company	-	554
Trade liabilities	Associates	203,534	-
	Parent company	-	115,033
Trade receivables	Parent company	-	19,396
Trade receivables	Associates	102,604	-
Loans received	Parent company	-	2,990,000
Loans received	Associates	2,240,000	-

## VII. OTHER INFORMATION

The Company was not granted an exclusive right or a special right to provide services of public interest.

The provisions of § 23d paragraph 6 of the Accounting Act do not apply to the Company.

## VIII. OVERVIEW OF MOVEMENTS IN EQUITY

### 1. Equity

An overview of movements in equity during the current accounting period is presented in the following tables:

Item	1.1.2017	Additions	Disposals	Transfers	31.12.2017
Share capital	200,000	-	-	-	200,000
Changes in share capital	-	-	-	-	-
Receivables from subscribed equity	-	-	-	-	-
Share premium	-	-	-	-	-
Other capital reserves	150,000	2,000,000	-	-	2,150,000
Legal reserve fund and non-distributable reserve	-	-	-	-	-
Reserve for own shares and ownership interests	-	-	-	-	-
Statutory reserves	-	-	-	-	-
Other reserves	-	-	-	-	-
Valuation adjustments from revaluation of assets and liabilities	-	-	-	-	-
Valuation adjustments from equity investments	-	-	-	-	-
Valuation adjustments from revaluation in case of mergers, fusions or demergers	-	-	-	-	-
Retained earnings	-	-	-	-	-
Loss carried forward	(780,088)	-	-	(101,390)	(881,477)
Profit/loss for current accounting period	(101,390)	(20,560)	-	101,390	(20,560)
<b>Total equity</b>	<b>(531,478)</b>	<b>1,979,440</b>	<b>-</b>	<b>-</b>	<b>1,447,963</b>

Item	1.10.2016	Additions	Disposals	Transfers	30.09.2017
Share capital	200,000	-	-	-	200,000
Changes in share capital	-	-	-	-	-
Receivables from subscribed equity	-	-	-	-	-
Share premium	-	-	-	-	-
Other capital reserves	150,000	-	-	-	150,000
Legal reserve fund and non-distributable reserve	-	-	-	-	-
Reserve for own shares and ownership interests	-	-	-	-	-
Statutory reserves	-	-	-	-	-
Other reserves	-	-	-	-	-
Valuation adjustments from revaluation of assets and liabilities	-	-	-	-	-
Valuation adjustments from equity investments	-	-	-	-	-
Valuation adjustments from revaluation in case of mergers, fusions or demergers	-	-	-	-	-
Retained earnings	-	-	-	-	-
Loss carried forward	(594,021)	-	-	(186,067)	(780,088)
Profit/loss for current accounting period	(186,067)	(101,390)	-	186,067	(101,390)
<b>Total equity</b>	<b>(430,088)</b>	<b>(101,390)</b>	<b>-</b>	<b>-</b>	<b>(531,478)</b>

The share capital amounts to EUR 200,000 EUR.



**2. Settlement of loss for the preceding year of 2017**

The accounting loss for the 2017 accounting period amounting to EUR -101,390 was settled as follows:  
Booked as loss carried forward.

**3. Settlement of loss for the current year of 2018**

The settlement of the loss for 2018 will be decided at the shareholders meeting. The management of the company will propose to the shareholder a transfer to the account of Accumulated losses from previous years.

## IX. CASH FLOWS STATEMENT

The following expressions have the following meanings as regards information in the cash flow statement:

- a) Cash: cash, cash equivalents, cash in bank or branches of foreign banks, bank overdrafts and cash in transit relating to a transfer between a current account and cash on hand or between two current accounts,
- b) Cash equivalents: cash equivalents, financial assets exchangeable for a fixed amount of cash where, at the balance sheet date, there is no risk of a significant change in value in the next three months, i.e. term bank deposits with a notice period not exceeding three months, liquid securities designated for trading, priority shares acquired by the accounting entity and payable within three months of the balance sheet date.

The Company applied the indirect method when creating the cash flow statement:

Item	2018	2017
<b>Net result before tax</b>	<b>(20,560)</b>	<b>(98,509)</b>
<i>Adjustments for non-cash transactions:</i>		
Depreciation of non-current assets	60,021	43,789
Change in provision for inventories	17,318	28,457
Change in provisions	10,512	1,560
Net Interest expense	95,083	-
<b>Profit from operating activities before changes in working capital</b>	<b>162,374</b>	<b>(24,703)</b>
<i>Changes in working capital:</i>		
Decrease (increase) of trade and other receivables and prepayments	(247,435)	(698,348)
Decrease (increase) of inventories	(622,473)	(498,258)
(Decrease) increase of payables and accruals	(426,297)	283,036
Other	0	(7,029)
<b>Operating cash flows</b>	<b>(1,133,831)</b>	<b>(945,302)</b>
<b>Cash flows from operating activities</b>		
Operating cash flows	(1,133,831)	(945,302)
Corporate income tax paid	(2,880)	(2,881)
Dividends paid	1	-
<b>Net cash from operating activities</b>	<b>(1,136,710)</b>	<b>(948,183)</b>
<b>Cash flows from investing activities</b>		
Purchase of non-current assets	(74,719)	(123,398)
<b>Net cash from investing activities</b>	<b>(74,719)</b>	<b>(123,398)</b>
<b>Cash flows from financing activities</b>		
Receipts / repayments of bank loans	-	4
Receipts / repayments of borrowings from Group companies	1,250,000	1,050,000
<b>Net cash from financing activities</b>	<b>1,250,000</b>	<b>1,050,004</b>
Foreign exchange differences of cash and cash equivalents	-	-
<b>Increase (decrease) of cash and cash equivalents</b>	<b>38,571</b>	<b>(21,577)</b>
Cash and cash equivalents at the beginning of the accounting period	12,231	33,808
<b>Cash and cash equivalents at the end of the accounting period</b>	<b>50,802</b>	<b>12,231</b>