MSK Matec Slovakia s.r.o.

Financial Statements and Annual Report for the year ended 31 December 2018 and Independent Auditor´s Report

March 2019

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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 31 December 2018, and its financial performance for the three months period 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 31 December 2018;
- the income statement for the three months period 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.

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 31 December 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, s.r.o.
SKAU licence No. 161

Bratislava, 27 March 2019

Ing. Eva Hupková, FCCA
SKAU licence No. 672

Slovenská komora auditorov
SKAU
Č. licencie 161
PricewaterhouseCoopers Slovensko, s.r.o.

Our report has been prepared in Slovak and in English. In all matters of interpretation of information, views or opinions, the Slovak language version of our report takes precedence over the English language version.

UZPODv14_1

Úč POD

FINANCIAL STATEMENTS

of entrepreneurs maintaining accounts under the system of double entry bookkeeping

at 31.12.2018 (in whole euros)

Tax identification number (DIČ)	Financial statements	Accounting entity		Month	Year
2023805113	X ordinary	small	For the period from	10	2018
Identification number (IČO) 47219262	extraordinary	X large	to	12	2018
SK NACE 28.29.0	interim	(vyznačí sa x)	Preceding period from	10	2017
			to	9	2018

Attached parts of the financial statements

X Balance Sheet (Úč POD 1-01) *(in whole euros)* X Income Statement (Úč POD 2-01) *(in whole euros)* X Notes to the Financial Statements (Úč POD 3-01) *(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: 082 7

Municipality: Lipany

Designation of the Commercial Register and company registration number

Okresný Súd Prešov

Oddiel: Sro, Vložka číslo: 33558/P

Telephone: +421918750791

Fax: 0

Email: financie@mskmatec.sk

Prepared on:	Approved on:	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:
27. 3.2019	. .20	

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

Súvaha
Úč POD 1 - 01

DIČ 2023805113 IČO 47219262

Designation a	ASSETS b	Line No. c	Current accounting period 1 Gross - part 1 / Correction - part 2	Current accounting period Net 2	Preceding accounting period Net 3
	TOTAL ASSETS line 02 + line 33 + line 74	01	5988039	5508513	
			479526		5512236
A.	**Non-current assets line 03 + line 11 + line 21**	02	437360	289881	
			147479		229500
A.I.	**Non-current intangible assets total (lines 04 to 10)**	03	130290	77780	
			52510		84296
A.I.1.	Capitalized development costs (012) - /072, 091A/	04			
2.	Software (013) - /073, 091A/	05	130290	77780	
			52510		84296
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.	**Property, plant and equipment total (lines 12 to 20)**	11	307070	212101	
			94969		145204
A.II.1.	Land (031) - /092A/	12			
2.	Structures (021) - /081, 092A/	13	8200	5307	
			2893		5478
3.	Individual movable assets and sets of movable assets (022) - /082, 092A/	14	248083	156007	
			92076		129354

DIČ 2023805113 IČO 47219262

Designation a	ASSETS b	Line No. c	Current accounting period 1 Gross - part 1	Current accounting period 1 Correction - part 2	Current accounting period Net 2	Preceding accounting period 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	50787		50787	10372
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 ownership 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				

Súvaha
Úč POD 1 - 01

DIČ 2023805113 IČO 47219262

Designation a	ASSETS b	Line No. c	Current accounting period 1 Gross - part 1 / Correction - part 2	Current accounting period Net 2	Preceding accounting period 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**	5487062	5155015	
			332047		5235634
B.I.	**Inventory total (lines 35 to 40)**	**34**	3657584	3325537	
			332047		3244314
B.I.1.	Raw material (112, 119, 11X) - /191, 19X/	35	3141915	2814054	
			327861		2744619
2.	Work in progress and semi-finished products (121, 122, 12X) - /192, 193, 19X/	36	354912	350726	
			4186		278086
3.	Finished goods (123) - /194/	37	118821	118821	
					104080
4.	Animals (124) - /195/	38			
5.	Merchandise (132, 133, 13X, 139) - /196, 19X/	39			
6.	Advance payments made for inventory (314A) - /391A/	40	41936	41936	
					117529
B.II.	**Non-current receivables total (line 42 + lines 46 to 52)**	**41**			
B.II.1.	**Trade receivables total (lines 43 to 45)**	**42**			

Súvaha
Úč POD 1 - 01

DIČ 2023805113 IČO 47219262

Designation a	ASSETS b	Line No. c	Current accounting period 1 Gross - part 1	Current accounting period Correction - part 2	Current accounting period Net 2	Preceding accounting period 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**	1798350		1798350	1940518
B.III.1.	**Trade receivables total (lines 55 to 57)**	**54**	1427304		1427304	1649624
1.a.	Trade receivables from affiliated accounting entities (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	55	38178		38178	102604
1.b.	Trade receivables within participating interest, except for receivables from affiliated accounting entities (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	56				

DIČ 2023805113 IČO 47219262

Designation a	ASSETS b	Line No. c	Current accounting period 1 Gross - part 1 / Correction - part 2	Current accounting period Net 2	Preceding accounting period Net 3
1.c.	Other trade receivables (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	57	1389126	1389126	
					1547020
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	362964	362964	
					283319
8.	Receivables related to derivative transactions (373A, 376A)	64			
9.	Other receivables (335A, 33XA, 371A, 374A, 375A, 378A) - /391A/	65	8082	8082	
					7575
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			

Súvaha
Úč POD 1 - 01

DIČ 2023805113 IČO 47219262

Designation a	ASSETS b	Line No. c	Current accounting period 1 Gross - part 1	Current accounting period 1 Correction - part 2	Current accounting period Net 2	Preceding accounting period Net 3
B.V.	**Financial accounts line 72 + line 73**	71	31128		31128	
						50802
B.V.1.	Cash (211, 213, 21X)	72	2309		2309	
						6089
2.	Bank accounts (221A, 22X, +/- 261)	73	28819		28819	
						44713
C.	**Accruals/deferrals total (lines 75 to 78)**	74	63617		63617	
						47102
C.1.	Prepaid expenses - long-term (381A, 382A)	75				
2.	Prepaid expenses - short-term (381A, 382A)	76	63617		63617	
						47102
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	5508513	5512236
A.	**Equity line 81 + line 85 + line 86 + line 87 + line 90 + line 93 + line 97 + line 100**	80	3749606	1447963
A.I.	**Share capital total (lines 82 to 84)**	81	200000	200000
A.I.1.	Share capital (411 alebo +/- 491)	82	200000	200000
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	4603000	2150000
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**	-1119149	-881477
A.VII.1.	Retained earnings from previous years (428)	98		
2.	Accumulated losses from previous years (/-/429)	99	-1119149	-881477
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**	65755	-20560
B.	**Liabilities line 102 + line 118 + line 121 + line 122 + line 136 + line 139 + line 140**	**101**	1758907	4064273
B.I.	**Non-current liabilities total (line 103 + lines 107 to 117)**	**102**	3198	3799
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		
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	3198	3799
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**	1701612	1752720
B.IV.1.	**Trade liabilities total (lines 124 to 126)**	**123**	1596285	1652121
1.a.	Trade liabilities to affiliated accounting entities (321A, 322A, 324A, 325A, 326A, 32XA, 475A, 476A, 478A, 47XA)	124	-1830	203534
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	1598115	1448587
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	59834	58052
7.	Liabilities related to social security (336A)	132	37645	35164
8.	Tax liabilities and subsidies (341, 342, 343, 345, 346, 347, 34X)	133	7635	7180
9.	Liabilities related to derivative transactions (373A, 377A)	134		
10.	Other liabilities (372A, 379A, 474A, 475A, 479A, 47XA)	135	213	203
B.V.	**Short-term provisions line 137 + line 138**	**136**	54097	67754
B.V.1.	Legal provisions (323A, 451A)	137	45097	46110
2.	Other provisions (323A, 32X, 459A, 45XA)	138	9000	21644
B.VI.	**Current bank loans (221A, 231, 232, 23X, 461A, 46XA)**	**139**		
B.VII.	**Short-term financial assistance (241, 249, 24X, 473A, /-/255A)**	**140**		2240000
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		

Výkaz ziskov a strát
Úč POD 2 - 01

DIČ 2023805113 IČO 47219262

Designation	Text	Line No.	Actual data	
			Current accounting period	Preceding accounting period
a	b	c	1	2
*	**Net turnover (part of account class 6 according to the Act)**	01	3794740	14503592
**	**Operating income total (lines 03 to 09)**	02	3885865	14654921
I.	Revenue from the sale of merchandise (604, 607)	03		
II.	Revenue from the sale of own products (601)	04	3743584	14270030
III.	Revenue from the sale of services (602, 606)	05	22615	130575
IV.	Changes in internal inventory (+/-) (account group 61)	06	91131	151329
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	27114	90490
VII.	Other operating income (644, 645, 646, 648, 655, 657)	09	1421	12497
**	**Operating expenses total line 11 + line 12 + line 13 + line 14 + line 15 + line 20 + line 21 + line 24 + line 25 + line 26**	10	3815847	14573428
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	2958990	11183822
C.	Value adjustments to inventory (+/-) (505)	13	8521	17318
D.	Services (account group 51)	14	482190	1969302
E.	Personnel expenses total (lines 16 to 19)	15	320973	1247863
E.1.	Wages and salaries (521, 522)	16	230567	899138
2.	Remuneration of board members of company or cooperative (523)	17		
3.	Social security expenses (524, 525, 526)	18	81796	317073
4.	Social expenses (527, 528)	19	8610	31652
F.	Taxes and fees (account group 53)	20	33	517
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	15590	60021
G.1.	Amortization of non-current intangible assets and depreciation of property, plant and equipment (551)	22	15590	60021
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	22174	74881
I.	Value adjustments to receivables (+/-) (547)	25		
J.	Other operating expenses (543, 544, 545, 546, 548, 549, 555, 557)	26	7376	19704
***	**Profit/loss from operations (+/-) (line 02 - line 10)**	27	70018	81493

Výkaz ziskov a strát Úč POD 2 - 01 | DIČ 2023805113 | IČO 47219262

Designation	Text	Line No.	Actual data	
			Current accounting period	Preceding accounting period
a	b	c	1	2
*	**Added value (line 03 + line 04 + line 05 + line 06 + line 07) - (line 11 + line 12 + line 13 + line 14)**	28	407629	1381492
**	**Income from financial activities - total line 30 + line 31 + line 35 + line 39 + line 42 + line 43 + line 44**	29	111	568
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		
XI.1.	Interest income from affiliated accounting entities (662A)	40		
2.	Other interest income (662A)	41		
XII.	Exchange rate gains (663)	42	105	568
XIII.	Gains on revaluation of securities and income from derivative transactions (664, 667)	43		
XIV.	Other income from financial activities (668)	44	6	
**	**Expenses related to financial activities - total line 46 + line 47 + line 48 + line 49 + line 52 + line 53 + line 54**	45	1494	102621
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	-47	95083
N.1.	Interest expenses related to affiliated accounting entities (562A)	50	-47	95083
2.	Other interest expenses (562A)	51		
O.	Exchange rate losses (563)	52	332	2480
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	1209	5058

Výkaz ziskov a strát
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Designation a	Text b	Line No. c	Actual data: Current accounting period 1	Actual data: Preceding accounting period 2
***	**Profit/loss from financial activities (+/-) (line 29 - line 45)**	55	- 1 3 8 3	- 1 0 2 0 5 3
****	**Profit/loss for the accounting period before tax (+/-) (line 27 + line 55)**	56	6 8 6 3 5	- 2 0 5 6 0
R.	Income tax (line 58 + line 59)	57	2 8 8 0	
R.1.	Income tax - current (591, 595)	58	2 8 8 0	
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	6 5 7 5 5	- 2 0 5 6 0

Notes to financial statements
Prepared at 31 December 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 19 December 2018.

4. Legal reason for preparing the financial statements

The financial statements of the Company at 31 December 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 2018 to 31 December 2018.

5. The consolidated group

The consolidated financial statements for the group MSK Group OY of which the Company is a subsidiary, are 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 are available upon request at the seat of the above stated company.

6. Number of staff

Item	31.12.2018	30.09.2018
Average number of staff	75	69
Number of staff at balance sheet date of which:	76	76
Management	*1*	*1*

7. Date of approval of the Company's auditor

On 19 December 2018, the General Meeting approved PricewaterhouseCoopers Slovensko, s.r.o. as auditor of the Company's financial statements for period of 3 months of the year ended 31 December 2018.

8. The Company's bodies and shareholders

The Company's shareholders

The structure of the Company's shareholder at 31 December 2018 and at 30 September 2018:

Shareholder	Share of the registered capital Absolute	In %	Percentage of voting rights	Other share in equity items other than registered capital %	Amount of contribution to Capital reserves funds from contributions
MSK GROUP OY	200,000	1	1	100	0
Spolu	**200,000**	**1**	**1**	**100**	**0**

Since 30 September 2018 there was no change of shareholder.

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.

Due to the change of financial year to calendar year accounting period since 1 January 2019, we applied shortened accounting period since 1 October 2018 until 31 Decermber 2018, what is marked in these notes as 10-12 / 2018. Previous period (from 1 October 2017 until 30 September 2018) is marked 2018 or year 2018.

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.

Company changed calculation of obsolete stock value at 1.10.2018. Difference was booked into losses of previous periods.

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	
Machinery and equipment	4-6	linear	16 - 25
Vehicles	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, unusued holidays.

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 period of 10-12 / 2018, 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								
1.10.2018	**0**	**130,290**	**0**	**0**	**0**	**0**	**0**	**130,290**
Additions	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0	0
31,12.2018	**0**	**130,290**	**0**	**0**	**0**	**0**	**0**	**130,290**
Accumulated depreciation								
1.10.2018	**0**	**45,994**	**0**	**0**	**0**	**0**	**0**	**45,994**
Additions	0	6,516	0	0	0	0	0	6,516
Disposals	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0	0
31.12.2018	**0**	**52,510**	**0**	**0**	**0**	**0**	**0**	**52,510**
Valuation allowances								
1.10.2018	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Additions	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0	0
31.12.2018	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Net book value								
1.10.2018	**0**	**84,296**	**0**	**0**	**0**	**0**	**0**	**84,296**
31.12.2018	**0**	**77,780**	**0**	**0**	**0**	**0**	**0**	**77,780**

Interests amounting to EUR 0 were capitalised as part of the valuation during the accounting period 10-12 / 2018 (30 September 2018: EUR 0).

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								
1.10.2017	**0**	**119,226**	**0**	**0**	**0**	**0**	**0**	**119,226**
Additions	0	0	0	0	0	11,064	0	11,064
Disposals	0	0	0	0	0	0	0	0
Transfers	0	11,064	0	0	0	-11,064	0	0
30.09.2018	**0**	**130,290**	**0**	**0**	**0**	**0**	**0**	**130,290**
Accumulated depreciation								
1.10.2017	**0**	**20,640**	**0**	**0**	**0**	**0**	**0**	**20,640**
Additions	0	25,354	0	0	0	0	0	25,354
Disposals	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0	0
30.09.2018	**0**	**45,994**	**0**	**0**	**0**	**0**	**0**	**45,994**
Valuation allowances								
1.10.2017	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Additions	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0	0
30.09.2018	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Net book value								
1.10.2017	**0**	**98,586**	**0**	**0**	**0**	**0**	**0**	**98,586**
30.09.2018	**0**	**84,296**	**0**	**0**	**0**	**0**	**0**	**84,296**

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									
1.10.2018	**0**	**8,200**	**212,527**	**0**	**0**	**0**	**10,372**	**0**	**231,099**
Additions	0	0	0	0	0	0	75,971	0	75,971
Disposals	0	0	0	0	0	0	0	0	0
Transfers	0	0	35,556	0	0	0	-35,556	0	0
31.12.2018	**0**	**8,200**	**248,083**	**0**	**0**	**0**	**50,787**	**0**	**307,070**
Accumulated depreciation									
1.10.2018	**0**	**2,722**	**83,173**	**0**	**0**	**0**	**0**	**0**	**85,895**
Additions	0	171	8,903	0	0	0	0	0	9,074
Disposals	0	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0	0	0
31.12.2018	**0**	**2,893**	**92,076**	**0**	**0**	**0**	**0**	**0**	**94,969**
Valuation allowances									
1.10.2018	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Additions	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0	0	0
31.12.2018	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Net book value									
1.10.2018	**0**	**5,478**	**129,354**	**0**	**0**	**0**	**10,372**	**0**	**145,204**
31.12.2018	**0**	**5,307**	**156,007**	**0**	**0**	**0**	**50,787**	**0**	**212,101**

Interests amounting to EUR 0 EUR were capitalised during the accounting period 10-12 / 2018 (30 September 2018: EUR 0).

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									
1.10.2017	**0**	**8,200**	**154,859**	**0**	**0**	**0**	**4,385**	**0**	**167,444**
Additions	0	0	0	0	0	0	63,654	0	63,654
Disposals	0	0	0	0	0	0	0	0	0
Transfers	0	0	57,668	0	0	0	-57,668	0	0
30.09.2018	**0**	**8,200**	**212,527**	**0**	**0**	**0**	**10,372**	**0**	**231,099**
Accumulated depreciation									
1.10.2017	**0**	**2,038**	**49,190**	**0**	**0**	**0**	**0**	**0**	**51,228**
Additions	0	684	33,983	0	0	0	0	0	34,667
Disposals	0	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0	0	0
30.09.2018	**0**	**2,722**	**83,173**	**0**	**0**	**0**	**0**	**0**	**85,895**
Valuation allowances									
1.10.2017	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Additions	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0	0	0
30.09.2018	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Net book value									
1.10.2017	**0**	**6,162**	**105,669**	**0**	**0**	**0**	**4,385**	**0**	**116,216**
30.09.2018	**0**	**5,478**	**129,354**	**0**	**0**	**0**	**10,372**	**0**	**145,204**

3. Inventories

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

Inventories	1.10.2018	Set-up of VA	Release of VA due to extinction of title	Release of VA due to de-recognition of assets	31.12.2018
Material	105,979	221,882	0	0	**327,861**
Work in progress and semi-finished products	436	3,750	0	0	**4,186**
Finished goods	0	0	0	0	**0**
Animals	0	0	0	0	**0**
Merchandise	0	0	0	0	**0**
Real estate for sale	0	0	0	0	**0**
Advances provided for inventories	0	0	0	0	**0**
Total inventories	**106,415**	**225,632**	**0**	**0**	**332,047**

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 and change of obsolete stock calculation.

Prior period information 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	0	0	**105,979**
Work in progress and semi-finished products	146	290	0	0	**436**
Finished goods	0	0	0	0	**0**
Animals	0	0	0	0	**0**
Merchandise	0	0	0	0	**0**
Real estate for sale	0	0	0	0	**0**
Advances provided for inventories	0	0	0	0	**0**
Total inventories	**89,097**	**17,318**	**0**	**0**	**106,415**

4. Receivables

Long-term receivables of the Company are within the due period. The ageing structure of receivables of the Company at 31 December 2018 is presented in the following table:

Item	Within due period	Overdue	Total receivables
Current trade receivables, of which:	**1,226,528**	**200,776**	**1,427,304**
Trade receivables from affiliated undertakings	38,178	0	38,178
Trade receivables from participating interests, except forreceivables from affiliates	0	0	0
Other trade receivables	1,188,350	200,776	1,389,126
Other current receivables, of which:	**371,046**	**0**	**371,046**
Net value of a contract	0	0	0
Other receivables from affiliated undertakings	0	0	0
Other receivables from participating interests, except for receivables from affiliates	0	0	0
Receivables from partners, members, and the association	0	0	0
Social security	0	0	0
Tax assets and subsidies	362,964	0	362,964
Receivables from derivative transactions	0	0	0
Other receivables	8,082	0	8,082
Current receivables total	**1,597,574**	**200,776**	**1,798,350**

Prior period information is presented in the following table:

Item	Within due period	Overdue	Total receivables
Current trade receivables, of which:	**1,339,266**	**310,358**	**1,649,624**
Trade receivables from affiliated undertakings	102,604	0	102,604
Trade receivables from participating interests, except forreceivables from affiliates	0	0	0
Other trade receivables	1,236,662	310,358	1,547,020
Other current receivables, of which:	**290,894**	**0**	**290,894**
Net value of a contract	0	0	0
Other receivables from affiliated undertakings	0	0	0
Other receivables from participating interests, except for receivables from affiliates	0	0	0
Receivables from partners, members, and the association	0	0	0
Social security	0	0	0
Tax assets and subsidies	283,319	0	283,319
Receivables from derivative transactions	0	0	0
Other receivables	7,575	0	7,575
Current receivables total	**1,630,160**	**310,358**	**1,940,518**

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	31.12.2018	30.09.2018
Deferred expenses - long-term of which:	**0**	**0**
Deferred expenses - short-term of which:	**63,617**	**47,102**
Other	2,357	1,118
ERP licenses	4,605	7,098
Insurance fees	1,355	4,411
New projects costs – following year revenue	55,300	34,475
Accrued income - long-term of which:	**0**	**0**
Accrued income - short-term of which:	**0**	**0**
Total	**63,617**	**47,102**

EQUITY AND LIABILITIES

1. Equity

Movements in equity and other additional information about equity is shown in the Notes, Part VII 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	10-12 / 2018	2018
Opening balance	**3,799**	**2,043**
Appropriations charged to costs	1,138	4,614
Appropriations from profit	0	0
Other set-up	0	0
Total social fund set-up	**1,138**	**4,614**
Use	**1,739**	**2,857**
Closing balance	**3,198**	**3,799**

3. Liabilities

Structure of liabilities by remaining time to maturity at 31 December 2018:

Item	More than five years	Liabilities From one to five years	Due within one year	Overdue liabilities	Total liabilities
Non-current trade liabilities, of which:	**0**	**0**	**0**	**0**	**0**
Trade liabilities to affiliated undertakings	0	0	0	0	0
Trade liabilities to participating interests, except for liabilities to affiliates	0	0	0	0	0
Other trade liabilities	0	0	0	0	0
Other non-current liabilities, of which:	**0**	**3,198**	**0**	**0**	**3,198**
Net value of a contract	0	0	0	0	0
Liabilities to affiliated undertakings	0	0	0	0	0
Trade liabilities to participating interests, except for liabilities to affiliatesngs	0	0	0	0	0
Other liabilities	0	0	0	0	0
Long-term advance payments received	0	0	0	0	0
Long-term bills of exchange to be paid	0	0	0	0	0
Bonds issued	0	0	0	0	0
Social fund payables	0	3,198	0	0	3,198
Other non-current liabilities	0	0	0	0	0
Non-current liabilities from derivative transactions	0	0	0	0	0
Deferred tax liability	0	0	0	0	0
Non-current liabilities - total	**0**	**3,198**	**0**	**0**	**3,198**
Current trade liabilities of which:	**0**	**0**	**1,299,425**	**296,860**	**1,596,285**
Trade liabilities to affiliated undertakings	0	0	-1,830	0	-1,830
Trade liabilities to undertakings in which the company has a participating interest, except for liabilities to affiliated undertakings	0	0	0	0	0
Other trade liabilities	0	0	1,301,255	296,860	1,598,115
Other current liabilities of which:	**0**	**0**	**105,327**	**0**	**105,327**
Net value of a contract	0	0	0	0	0
Other liabilities to affiliated undertakings	0	0	0	0	0
Trade liabilities to participating interests, except for liabilities to affiliated undertakings	0	0	0	0	0
Liabilities to partners and the association	0	0	0	0	0
Liabilities to employees	0	0	59,834	0	59,834
Liabilities from social insurance	0	0	37,645	0	37,645
Tax liabilities and subsidies	0	0	7,635	0	7,635
Liabilities from derivative transactions	0	0	0	0	0
Other liabilities	0	0	213	0	213
Current liabilities - total	**0**	**0**	**1,404,752**	**296,860**	**1,701,612**

Prior period information is presented in the following table:

Item	More than five years	Liabilities From one to five years	Due within one year	Overdue liabilities	Total liabilities
Non-current trade liabilities, of which:	**0**	**0**	**0**	**0**	**0**
Trade liabilities to affiliated undertakings	0	0	0	0	0
Trade liabilities to participating interests, except for liabilities to affiliates	0	0	0	0	0
Other trade liabilities	0	0	0	0	0
Other non-current liabilities, of which:	**0**	**3,799**	**0**	**0**	**3,799**
Net value of a contract	0	0	0	0	0
Liabilities to affiliated undertakings	0	0	0	0	0
Trade liabilities to participating interests, except for liabilities to affiliatesngs	0	0	0	0	0
Other liabilities	0	0	0	0	0
Long-term advance payments received	0	0	0	0	0
Long-term bills of exchange to be paid	0	0	0	0	0
Bonds issued	0	0	0	0	0
Social fund payables	0	3,799	0	0	3,799
Other non-current liabilities	0	0	0	0	0
Non-current liabilities from derivative transactions	0	0	0	0	0
Deferred tax liability	0	0	0	0	0
Non-current liabilities - total	**0**	**3,799**	**0**	**0**	**3,799**
Current trade liabilities of which:	**0**	**0**	**1,195,574**	**456,547**	**1,652,121**
Trade liabilities to affiliated undertakings	0	0	7,527	196,007	203,534
Trade liabilities to undertakings in which the company has a participating interest, except for liabilities to affiliated undertakings	0	0	0	0	0
Other trade liabilities	0	0	1,188,047	260,540	1,448,587
Other current liabilities of which:	**0**	**0**	**100,599**	**0**	**100,599**
Net value of a contract	0	0	0	0	0
Other liabilities to affiliated undertakings	0	0	0	0	0
Trade liabilities to participating interests, except for liabilities to affiliated undertakings	0	0	0	0	0
Liabilities to partners and the association	0	0	0	0	0
Liabilities to employees	0	0	58,052	0	58,052
Liabilities from social insurance	0	0	35,164	0	35,164
Tax liabilities and subsidies	0	0	7,180	0	7,180
Liabilities from derivative transactions	0	0	0	0	0
Other liabilities	0	0	203	0	203
Current liabilities - total	**0**	**0**	**1,296,173**	**456,547**	**1,752,720**

4. Provisions

An overview of changes in provisions for 10-12 / 2018 is shown in the following table:

Item	1.10.2018	Set-up	Use	Release	31.12.2018
Long-term provisions of which:	**0**	**0**	**0**	**0**	**0**
Legal long-term provisions of which:	*0*	*0*	*0*	*0*	*0*
Other long-term provisions of which:	*0*	*0*	*0*	*0*	*0*
Short-term provisions of which:	**67,754**	**9,000**	**22,657**	**0**	**54,097**
Legal short-term provisions of which:	*46,110*	*0*	*1,013*	*0*	*45,097*
Unused holiday	46,110	0	1,013	0	45,097
Other short-term provisions of which:	*21,644*	*9,000*	*21,644*	*0*	*9,000*
Audit of financial statements	15,000	9,000	15,000	0	9,000
Interests	6,644	0	6,644	0	0
Total provisions	**67,754**	**9,000**	**22,657**	**0**	**54,097**

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

Item	1.10.2017	Set-up	Use	Release	30.09.2018
Long-term provisions of which:	**0**	**0**	**0**	**0**	**0**
Legal long-term provisions of which:	*0*	*0*	*0*	*0*	*0*
Other long-term provisions of which:	*0*	*0*	*0*	*0*	*0*
Short-term provisions of which:	**57,243**	**58,234**	**47,723**	**0**	**67,754**
Legal short-term provisions of which:	*35,563*	*36,590*	*26,043*	*0*	*46,110*
Unused holiday	35,562	36,590	26,043	0	46,110
Other short-term provisions of which:	*21,680*	*21,644*	*21,680*	*0*	*21,644*
Audit of financial statements	12,000	15,000	12,000	0	15,000
Other	9,680	0	9,680	0	0
Interests	0	6,644	0	0	6,644
Total provisions	**57,243**	**58,234**	**47,723**	**0**	**67,754**

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	
				31.12.2018	30.9.2018	31.12.2018	30.09.2018
Short-term borrowings of which:						**0**	**0**
Matec GMBH	EUR	4	31.3.2019	0	2,240,000	0	2,240,000
Total						**0**	**2,240,000**

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	10-12 / 2018	2018
Sale of own work and goods of which:	**3,766,199**	**14,400,605**
Sale of own products	3,743,584	14,270,030
Sale of services	22,615	130,575
Sale of goods	0	0
Revenues from construction contracts	0	0
Revenues from real estate	0	0
Other income relating to ordinary activities	28,541	102,987
Total net turnover	**3,794,740**	**14,503,592**

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:

	Supporting services		*Cabins and cabine parts*		*Other revenues*		Total	
Country	**10-12/2018**	**2018**	**10-12/2018**	**2018**	**12-12/2018**	**2018**	**10-12/2018**	**2018**
Slovakia	0	0	0	22,721	22,920	84,694	22,920	107,415
EU	22,615	130,575	3,743,584	14,247,309	194	5,796	3,766,393	14,383,680
Total	**22,615**	**130,575**	**3,743,584**	**14,270,030**	**23,114**	**90,490**	**3,789,313**	**14,491,095**

3. Changes in work in progress

Changes in work in progress shown in the income statement represent increase of EUR 91 131. Based on balance sheet items increase amounts to EUR 91 131, as stated in the table below:

				Change	
	31.12.2018	**30.09.2018**	**1.10.2017**	**10-12 / 2018**	**2018**
Work in progress and semi-finished products	350,726	278,086	222,449	72,640	55,783
Finished goods	118,821	104,080	8,824	14,741	95,256
Animals	0	0	0	0	0
Total	**469,547**	**382,166**	**231,273**	**87,381**	**151,039**
Shortages and damages	x	x	x	0	0
Representation costs	x	x	x	0	0
Gifts	x	x	x	0	0
Other	x	x	x	3,750	290
Change in the income statement	**x**	**x**	**x**	**91,131**	**151,329**

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	10-12 / 2018	2018
Capitalisation of costs – material items of which:	**0**	**0**
Other material items of other operating income of which:	**28,535**	**102,987**
Sale of material	27,114	90,490
Other	1,421	12,497
Financial income of which:	**111**	**568**
Foreign exchange gains of which:	105	568
Foreign exchange gains at balance sheet date		568
Other material financial income of which:	*6*	*0*

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	10-12 / 2018	2018
Costs of services received of which:	**482,190**	**1,969,302**
From an Auditor or audit firm of which:	*9,000*	*15,000*
Audit of the financial statements	9,000	15,000
Other assurance services	0	0
Related audit services	0	0
Tax consultancy	0	0
Other non-audit services	0	0
Other material items of costs of services received of which:	*473,190*	*1,954,302*
Transport	73,898	353,494
Rent	63,453	219,133
Legal, economical and other profesional services	33,055	127,685
Telecomunications cost	1,253	5,309
Maintenance	1,554	3,750
Travel cost	911	8,071
Representation cost	1,231	3,978
Cooperations	170,502	688,653
Contractors	99,587	412,199
Shared services	5,429	28,992
Others	22,317	103,038
Other material items of income from operations of which:	**29,550**	**94,585**
Material sold	22,174	74,881
Other losses	1,000	0
Insurance	3,056	11,712
Others	3,320	7,992
Financing costs of which:	**1,494**	**102,621**
Foreign exchange losses of which:	332	2,480
Foreign exchange losses at balance sheet date	332	2,480
Other material items of financial expenses of which:	*1,162*	*100,141*
Interest	-47	95,083
Bank fees	1,209	3,908
others	0	1,150

6. Personnel costs

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

Item	10-12 / 2018	2018
Personnel costs of which:	**320,973**	**1,247,863**
Salaries	230,567	899,138
Wages and salaries	0	0
Social insurance	57,787	226,130
Health insurance	23,357	88,134
Social security	8,610	31,652
Other social insurance	652	2,808

7. Taxes

Information about temporary differences and the calculation of deferred tax:

Item	30.09.2018	Recognised in equity	Recorded as expense of income	31.12.2018
Non-current assets	0	0	0	0
Invetories	105,979	213,361	8,521	327,861
Recievables	0	0	0	0
Provisions	21,644	0	-12,644	9,000
Tax loss carried forward	226,831	0	-157,016	69,815
Unused tax deductions	0	0	0	0
Other	0	0	0	0
Total	**354,454**	**213,361**	**-161,139**	**406,676**
Tax rate (in %)	21%	21%	21%	21%
Deferred tax asset (+)/Deferred tax liability (-) calculated	**74,435**	**44,806**	**-33,839**	**85,402**
Effect of change in deferred tax rate				
Total deferred tax asset (+)/deferred tax liability (-) after change in deferred tax rate	**74,435**	**44,806**	**-33,839**	**85,402**
Deferred tax asset recognized	**0**		**0**	**0**
Deferred tax liability	**0**		**0**	**0**

Company did not booked about deffered tax in 2018 and 10-12/2018.

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

	10-12 / 2018			2018		
Item	**Tax base**	**Tax**	**Tax in %**	**Tax base**	**Tax**	**Tax in %**
Profit/(loss) before taxes of which:	**68,635**			**-20,560**		
Expected tax		14,413	21%		-4,318	21%
Tax non-deductible expenses	5,208	1,094		17,101	3,591	
Non-taxable income	0	0		0	0	
Impact of unrecognised deferred tax asset	-19,151	-4,022		45,385	9,531	
Tax loss carried forward	-54,692	-11,485		-41,927	-8,805	
Change in tax rate	0	0		0	0	
Other	0	0		0	0	
Total		**-0**	- 0%		**-0**	**0,00%**
Current income tax		2,880	4%		0	
Deferred income tax		0			0	
Total income tax		**2,880**	4%		**0**	

V. POST BALANCE SHEET EVENTS

After 31. December 2018 until the balance sheet date no events occurred that would require recognition or disclosure in the 10-12 / 2018 financial statements.

VI. RELATED PARTY TRANSACTIONS

1. Transactions between the Company and its related parties

Transaction	Related party	10-12/2018	2018
Purchase of inventories	Associates	4,124	17,233
Sale of inventories	Associates	67,946	434,733
Purchase of services	Associates	141	93,069
Sale of services	Associates	19,938	0
Licences	Associates	0	20,616
Interests	Parent company	6,597	0
Interests	Associates	0	95,083

	Related party	31.12.2018	30.09.2018
Trade liabilities	Associates	0	203,534
Trade receivables	Associates	40,008	102,604
Loans received	Associates	0	2,240,000

VII. 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	1.10.2018	Additions	Disposals	Transfers	31.12.2018
Share capital	200,000	0	0	0	200,000
Changes in share capital	0	0	0	0	0
Receivables from subscribed equity	0	0	0	0	0
Share premium	0	0	0	0	0
Other capital reserves	2,150,000	2,453,000	0	0	4,603,000
Capital reserves funds created from contributions	0	0	0	0	0
Legal reserve fund and non-distributable reserve	0	0	0	0	0
Reserve for own shares and ownership interests	0	0	0	0	0
Statutory reserves	0	0	0	0	0
Other reserves	0	0	0	0	0
Valuation adjustments from revaluation of assets and liabilities	0	0	0	0	0
Valuation adjustments from equity investments	0	0	0	0	0
Valuation adjustments from revaluation in case of mergers, fusions or demergers	0	0	0	0	0
Retained earnings	0	0	0	0	0
Loss carried forward	-881,477	-217,112	0	-20,560	-1,119,149
Profit/loss for current accounting period	-20,560	65,755	0	20,560	65,755
Total equity	**1,447,963**	**2,301,643**	**0**	**0**	**3,749,606**

Item	1.10.2017	Additions	Disposals	Transfers	30.09.2018
Share capital	200,000	0	0	0	200,000
Changes in share capital	0	0	0	0	0
Receivables from subscribed equity	0	0	0	0	0
Share premium	0	0	0	0	0
Other capital reserves	150,000	2,000,000	0	0	2,150,000
Capital reserves funds created from contributions	0	0	0	0	0
Legal reserve fund and non-distributable reserve	0	0	0	0	0
Reserve for own shares and ownership interests	0	0	0	0	0
Statutory reserves	0	0	0	0	0
Other reserves	0	0	0	0	0
Valuation adjustments from revaluation of assets and liabilities	0	0	0	0	0
Valuation adjustments from equity investments	0	0	0	0	0
Valuation adjustments from revaluation in case of mergers, fusions or demergers	0	0	0	0	0
Retained earnings	0	0	0	0	0
Loss carried forward	-780,088	0	0	-101,390	-881,477
Profit/loss for current accounting period	-101,390	-20,560	0	101,390	-20,560
Total equity	**-531,478**	**1,979,440**	**0**	**0**	**1,447,963**

2. An overview of gains and losses directly posted to equity

At 1.10.2018 company posted on account of equity loss of EUR 217,111 because of change of calculation of obsolete stock provision.

3. Settlement of loss for the preceding year of 2018

The accounting loss for the 2018 accounting period amounting to EUR -20 560 was settled as follows: Booked as loss carried forward

4. Distribution of profit of the current year of 10-12 / 2018

At the balance sheet date, the statutory body of the Company had not presented a proposal for distribution of 2018 profit.

VIII. 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	10-12/2018	2018
Net result before tax	**68,635**	**-20,560**
Adjustments for non-cash transactions:		
Depreciation of non-current assets	15,590	60,021
Inventories write-off	1,000	0
Change in provision for inventories	8,520	17,318
Change in provisions	-13,657	10,512
Net Interest expense	-47	95,083
Profit from operating activities before changes in working capital	**80,041**	**162,374**
Changes in working capital:		
Decrease (increase) of trade and other receivables and prepayments	125,653	-247,435
Decrease (increase) of inventories	-307,855	-622,473
(Decrease) increase of payables and accruals	-51,709	-426,297
Operating cash flows	**-153 870**	**-1,133,831**

Item	10-12/2018	2018
Cash flows from operating activities		
Operating cash flows	**153,870**	**-1,133,831**
Interest paid	47	0
Corporate income tax paid	-2,880	-2,880
Net cash from operating activities	**-156 703**	**-1,136,710**
Cash flows from investing activities		
Purchase of non-current assets	-75,971	-74,719
Net cash from investing activities	**-75,971**	**-74,719**
Cash flows from financing activities		
Receipts from the increase of share capital and other capital reserves	2,453,000	0
Receipts / repayments of borrowings from Group companies	-2,240,000	1,250,000
Net cash from financing activities	**213,000**	**1,250,000**
Foreign exchange differences of cash and cash equivalents	0	0
Increase (decrease) of cash and cash equivalents	**-19 674**	**38,571**
Cash and cash equivalents at the beginning of the accounting period	50,802	12,231
Cash and cash equivalents at the end of the accounting period	**31 128**	**50,802**

MSK Matec

Annual report 10-12 / 2018

(1 October 2018 – 31 December 2018)

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

MSK Matec

1.1. General information and development

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

Business Name and Registered Address:

- Since 7 December 2018 company has changed name to: MSK Matec Slovakia s.r.o. (from former name MATEC Slovakia s.r.o.).

Main activities of the company according to commercial register:

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)	

MSK Matec

List of members of statutory bodies of the company:

Statutary directors: - Timo Tapio Lehtioja

Carsten Gert Prilop (until 14 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:

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 profit of EUR 65,755 and profit from operations of EUR 70,018. The net turnover of the company was in amount of EUR 3.885 million.

Thanks to monetary contribution to other capital funds from mother company MSK GROUP OY, MSK Matec Slovakia s.r.o. was able to increase its liquidity and cash situation. Current likvidity increased from 1.3 to 3.

Debt ratio decreased from 73.7% to 31.9%.

Other finance ratios are visible in table below:

MSK Matec

Profitability	10-12 / 2018				2018		
Gross profit margin	= Gross profit / Turnover	= 807.209 / 3.766.199	=	21,4 %	3.216.783 / 14.400.605	=	22,3 %
Liquidity	**10-12 / 2018**				**2018**		
Current ratio	= Current assets / Current liabilities	= 5.218.632 / 1.755.709	=	3,0	5.282.736 / 4.060.474	=	1,3
Quick ratio	= Current assets-inventory / Current liabilities	= 1.893.095 / 1.755.709	=	1,1	2.038.422 / 4.060.474	=	0,5
Activity	**10-12 / 2018**				**2018**		
Receivables days (DSO)	= Trade receivables / Sales / days	= 1.427.304 / 41.387	=	34,5 days	1.649.624 / 39.454	=	41,8 days
Payables days	= Trade payables / Cost of sales / days	= 1.596.285 / 32.516	=	49,1 days	1.652.121 / 30.641	=	53,9 days
Inventory on hand	= Inventory / Cost of sales / days	= 3.325.537 / 32.516	=	102,3 days	3.244.314 / 30.641	=	105,9 days
Financing	**10-12 / 2018**				**2018**		
Debt ratio	= Total liabilities / Total assets	= 1.758.907 / 5.508.513	=	31,9 %	4.064.273 / 5.512.236	=	73,7 %

1.2. Events after the end of the accounting period

At the end of the accounting period, no significant events occurred.

MSK Matec

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 major 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 75 employees. As at 31 December 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 profit for 10-12/2018 will be decided by the shareholders meeting. The management of the company will propose to the shareholder a transfer of profit to cover unpaid losses from previous periods.

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 31 December 2018

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

Timo Tapio Lehtioja

Executive

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