
Windsor Machine & Stamping, s.r.o.

**INDEPENDENT AUDITOR'S REPORT
AS AT 31 DECEMBER 2019**

Windsor Machine & Stamping, s.r.o.

**INDEPENDENT AUDITOR'S REPORT
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**INDEPENDENT AUDITOR'S REPORT
ON THE FINANCIAL STATEMENTS OF**

Windsor Machine & Stamping, s.r.o.

AS AT 31 DECEMBER 2019

Identifying data:

| | |
|---------------------------|--|
| Name of the company: | Windsor Machine & Stamping, s.r.o. |
| IČO: | 47 698 497 |
| Seat of the company: | Bahýľova 1658 047 17, Košice – mestská časť Barca |
| Audited period: | Year ended 31 December 2019 |
| Date of the audit report: | 31 March 2020 |
| Auditing company: | Mazars Slovensko, s.r.o. SKAU licence No. 236 |
| Responsible auditor: | Ing. Barbora Lux, MBA UDVA licence No. 993 |

INDEPENDENT AUDITOR'S REPORT

To the Partner and Executive of Windsor Machine & Stamping, s.r.o.

I. Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Windsor Machine & Stamping, s.r.o. ("the Company"), which comprise the balance sheet as at 31 December 2019, and the income statement for the year then ended, and notes, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2019, for the year then ended in accordance with Act on Accounting No. 431/2002 Coll., as amended ("Act on Accounting").

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 are independent of the Company in accordance with the provisions of Act No. 423/2015 Coll. on Statutory Audit and on Amendment to and Supplementation of Act No. 431/2002 Coll. on Accounting, as amended ("Act on Statutory Audit") related to ethical requirements, including the Code of Ethics for Auditors that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Act on Accounting 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 Responsibility 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 an 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.

II. Report on Other Legal and Regulatory Requirements

Report on Information Disclosed in the Annual Report

The statutory body is responsible for information disclosed in the annual report prepared under the requirements of the Act on Accounting. Our opinion on the financial statements stated above does not apply to other information in the annual report.

In connection with the audit of financial statements, our responsibility is to gain an understanding of the information disclosed in the annual report and consider whether such information is materially inconsistent with the financial statements or our knowledge obtained in the audit of the financial statements, or otherwise appears to be materially misstated.

We evaluated whether the Company's annual report includes information whose disclosure is required by the Act on Accounting.

Based on procedures performed during the audit of the financial statements, in our opinion:

- Information disclosed in the annual report prepared for the year ended 31 December 2019 is consistent with the financial statements for the relevant year; and
- The annual report includes information pursuant to the Act on Accounting.

Furthermore, based on our understanding of the Company and its position, obtained in the audit of the financial statements, we are required to disclose whether material misstatements were identified in the annual report, which we received prior to the date of issuance of this auditor's report. There are no findings that should be reported in this regard.

Bratislava, 31 March 2020



Mazars Slovensko, s.r.o.
SKAU licence No. 236



Ing. Barbora Lux, MBA
UDVA licence No. 993

WINDSOR MACHINE & STAMPING,
S.R.O.

ANNUAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2019

Windsor Machine & Stamping, s.r.o. ("Windsor-SVK")

2019 annual report

Prepared based on statutory structure

#1 - Name of the company issuing the annual report in accordance with the current extract from the Commercial Register

Windsor Machine & Stamping, s.r.o.

#2 & #3 Disclosed financial statement data in accordance with audited financial statements for the audited period

Financial statements for 2019 attached to report and summarized based on local tax return filings for 2019. See enclosed as prepared in accordance with the audit by Mazars, Slovakia.

#4 Evidence of the entity's development, the state in which it is located, #5 Data on significant risks and uncertainties to which an entity is exposed, #6 The information shall take the form of a balanced and comprehensive analysis and prognosis of the development, #7 significant financial and non-financial indicators, including information on the environmental and employment performance of the entity, with reference to the relevant data included in the financial statements

Business overview and risks

A. Business Overview

Windsor-SVK is an affiliate of Windsor-CAN that began manufacturing automotive headrests in July, 2014. Located in Kosice, Slovakia, Windsor-SVK's primary function is to support the European market (European automotive manufacturers) with Windsor-branded headrests. Windsor-SVK is involved in manufacturing and assembling automotive headrests from raw materials and components purchased from both related and unrelated entities. More specifically, Windsor-SVK utilizes Windsor-CAN's patents and know-how to produce 2-way and 4-way headrests for European customers. Windsor-SVK then sells the finished goods to third parties in Europe. Research and development associated with new products is conducted by Windsor-CAN. The company has experienced growth in labor (number of employees) and sales each year since its formation.

B. Risk Assessment

1. Market Risk

Market risk refers to the risk that an entity may not be able to sell its products or services at prices that will allow it to generate a profit or that it may be unable to sell its products or services at all. Such risk may result from increased competition, declines in market demand or changes in market perceptions regarding the products or services. Windsor-SVK bears market risk in connection with market demand for its products becoming greatly reduced due to overall poor economic and industry conditions or high levels of competition in the industry.

2.Inventory Risk

Inventory risk arises in situations where parts, products, or machines may become outdated or obsolete. Windsor-SVK holds title to the products it manufactures and bears the inventory for the products it produces.

3.Credit and Collection Risk

If credit or collection issues arise with any of Windsor-SVK's unrelated customers for any products ordered, Windsor-SVK will be exposed to this risk.

4.Foreign Exchange Risk

Foreign exchange risk exists when profits can be affected by fluctuations in foreign exchange rates. Windsor-SVK conducts its transactions in EUR, Canadian dollars and U.S. dollars. Therefore, it bears certain foreign exchange risk. The underlying currency on the intercompany payable (see "due to Windsor Machine & Stamping Ltd." in the financial statements) is denominated in EUR.

5.Product Warranty Risk

Warranty risk exists when a company is financially responsible for replacing defective parts/products or reimbursing a customer upon return of a defective part. Windsor-SVK bears product warranty risk for the products it manufactures and distributes.

6.Research and Development ("R&D") Risk

R&D risk occurs when an entity incurs expenditures to fund research projects with uncertain future financial benefits. Windsor-SVK does not perform any R&D activities, therefore, it does not bear R&D risk.

Transaction summary, Related Party transactions, environmental conditions and financial data support.

Intercompany purchases

Slovakia sources raw materials from WMS North America and some locally. The shipping point for these items is Taylor, Michigan, USA ("USA").

Certain raw materials are purchased from 3rd parties by WMS Canada ("corporate"), shipped to USA (kept in USA's warehouse) and then shipped to Slovakia. The payables owing to the supplier are booked and paid by WMS Canada. The offsetting entry is intercompany – S.R.O. Canada charges Slovakia at standard 3rd party supplier cost (i.e. no mark-up).

Certain raw materials are purchased from USA, shipped to Slovakia's inventory via the shipment out of the Taylor plant. USA earns 7% or margin on all cost (including depreciation of capital assets). Corporate is USA's only customer. (As per transfer pricing agreement in North America).

The goods sent to Slovakia are raw materials used in the production of parts in Slovakia.

Sales and revenues

All sales derive from Slovakia and are posted at the 3rd party selling price in Slovakia (billed in EUR). The intention is to have Slovakia as a "stand-alone" entity earning the "market" gross profit on its sales.

Corporate does not invoice direct to any customer. While corporate does prepare the invoices (for both Magna and Lear – major customers), and handles the administration function of billing the customer, all sales are in the name of Windsor Machine S.R.O. WMS Canada does not record any sales revenue for goods produced and shipped out of Slovakia.

Lear pays corporate for the sales invoices of Slovakia (it has just always been set up this way). In this case,

Magna pays Windsor Machine Slovakia directly.

In summary – all sales are recorded in the books of Windsor Machine Slovakia, at 3rd party "market" price. Therefore, we believe all sales would be considered "domestically produced and sold" for the purpose of transfer pricing.

A/R is processed by WMS Canada.

"Know-how and I.T"

Sales support is mainly generated from corporate. Sales generation and customer relationships are greatly aided by corporate's support. There is one salesman working in Slovakia, on the Slovakia payroll. I.T support comes mainly from corporate. Slovakia's database is maintained by corporate, and assists with payables and A/R processing from corporate.

7. Significant financial and non-financial indicators, including information on the environmental and employment performance of the entity, with reference to the relevant data included in the financial statements.

Management concludes that the operations of the company creates no significant or measurable impact on environment pollution.

8. Events of special significance occurring after the end of the accounting period for which the annual report is drawn up

At the end of 2019, reports from China on coronavirus appeared for the first time. In the first months of 2020, the virus spread throughout the world and its negative impact has become large. Although the management of the entity did not see a significant decrease in sales at the time of these financial statements, however, as the situation is still changing, future impacts cannot be predicted.

Management will continue to monitor the potential impact and take all possible steps to mitigate any adverse effects on the Company and its employees.

9. Estimated future development of the entity's operations

- Continued product line expansion (new products and enhanced/improved innovations)
- Continued expansion in the European marketplace (new customers)
- Acquisition of new production equipment and increased manufacturing capacities in 2019 and beyond.

10. Research and Development activities cost

None noted in 2019. All costs are borne by the Canadian entity (corporate).

11. Acquisition of own shares, temporary letters and shares, temporary letters and shares of the parent unit

N/A – not applicable to this company in 2019

12. Proposal on profit distribution or payment of losses

Net operating loss of -1416224EUR after tax.

The parent company will provide financial support to the company to meet any obligations arising from the company's Slovak operations. Future profits will be used to re-invest in new equipment and to eventually repay the intercompany advances from corporate (currently 3 867 897 EUR as of December 31, 2019) in the future.

13. Data required under special regulations

None to which the company is aware of.

14. Indication of whether an entity has an organizational unit abroad.

No, from the framework of this entity, Windsor Machine & Stamping s.r.o does not have an organizational unit abroad.



Gregory Theodore Peltier
Executive

Úč POD

FINANCIAL STATEMENTS

of entrepreneurs maintaining accounts under the system of double entry bookkeeping

at 31.12.2019 (in whole euros)

| | | | | |
|---|--|---|------------------|--------------|
| Tax identification number (DIČ) 2024062172 | Financial statements | Accounting entity | Month | Year |
| Identification number (IČO) 47698497 | <input checked="" type="checkbox"/> ordinary | <input checked="" type="checkbox"/> small | For the period | from 01 2019 |
| SK NACE 29.32.0 | <input type="checkbox"/> extraordinary | <input type="checkbox"/> large | | to 12 2019 |
| | <input type="checkbox"/> interim | (vyznačí sa x) | Preceding period | from 01 2018 |
| | | | | to 12 2018 |

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

Windsor Machine & Stamping, s.r.o.

Registered office of the accounting entity

Street

BAHÝLOVA

Number

1658

Zip code

04017

Municipality

KOŠICE

Designation of the Commercial Register and company registration number

OR OS Košice I, Oddiel: Sro, Vložka c.

35504/V

Telephone

Fax

Email

rhornak@windsormachine.com

Prepared on:

12.03.2020

Approved on:

. . 20

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 | Gross - part 1 | Net 2 | Net 3 |
| | | | | Correction - part 2 | | |
| | TOTAL ASSETS line 02 + line 33 + line 74 | 01 | 1 0 8 4 1 9 4 3 | 8 4 3 0 7 3 0 | 6 2 0 1 2 6 9 | |
| | | | 2 4 1 1 2 1 3 | | | |
| A. | Non-current assets line 03 + line 11 + line 21 | 02 | 5 3 7 4 9 1 5 | 2 9 6 3 7 0 2 | 2 1 1 8 3 7 8 | |
| | | | 2 4 1 1 2 1 3 | | | |
| A.I. | Non-current intangible assets total (lines 04 to 10) | 03 | 3 8 3 7 2 | 1 6 5 4 9 | 1 7 0 9 4 | |
| | | | 2 1 8 2 3 | | | |
| A.I.1. | Capitalized development costs (012) - /072, 091A/ | 04 | | | | |
| | | | | | | |
| 2. | Software (013) - /073, 091A/ | 05 | 3 8 3 7 2 | 1 6 5 4 9 | 1 7 0 9 4 | |
| | | | 2 1 8 2 3 | | | |
| 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 | 5 3 3 6 5 4 3 | 2 9 4 7 1 5 3 | 2 1 0 1 2 8 4 | |
| | | | 2 3 8 9 3 9 0 | | | |
| A.II.1. | Land (031) - /092A/ | 12 | | | | |
| | | | | | | |
| 2. | Structures (021) - /081, 092A/ | 13 | | | 1 8 9 1 1 | |
| | | | | | | |
| 3. | Individual movable assets and sets of movable assets (022) - /082, 092A/ | 14 | 5 2 9 6 0 7 1 | 2 9 3 2 0 7 8 | 1 7 2 2 5 8 6 | |
| | | | 2 3 6 3 9 9 3 | | | |

| Designation a | ASSETS b | Line No. c | Current accounting period | | Preceding accounting period |
|------------------|--|------------------|---------------------------------------|-----------|--------------------------------|
| | | | 1 | Net 2 | Net 3 |
| | | | Gross - part 1 Correction - part 2 | | |
| 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 | 2 8 1 0 4 | 2 7 0 7 | |
| | | | 2 5 3 9 7 | | 6 9 0 1 |
| 7. | Acquisition of property, plant and equipment (042) - /094/ | 18 | 1 2 3 6 8 | 1 2 3 6 8 | |
| | | | | | 3 5 2 8 8 6 |
| 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 | Net 2 | Net 3 |
| | | | Correction - part 2 | | |
| 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 0 7 6 5 5 3 | 5 0 7 6 5 5 3 | 4 0 6 9 5 7 2 |
| B.I. | Inventory total (lines 35 to 40) | 34 | 2 4 9 8 5 4 0 | 2 4 9 8 5 4 0 | 1 2 5 1 6 8 6 |
| B.I.1. | Raw material (112, 119, 11X) - /191, 19X/ | 35 | 7 1 6 1 2 1 | 7 1 6 1 2 1 | 7 1 1 2 9 2 |
| 2. | Work in progress and semi-finished products (121, 122, 12X) - /192, 193, 19X/ | 36 | 5 6 5 6 9 | 5 6 5 6 9 | 9 7 2 2 3 |
| 3. | Finished goods (123) - /194/ | 37 | 4 1 3 5 0 0 | 4 1 3 5 0 0 | 4 4 3 1 7 1 |
| 4. | Animals (124) - /195/ | 38 | | | |
| 5. | Merchandise (132, 133, 13X, 139) - /196, 19X/ | 39 | 1 3 1 2 3 5 0 | 1 3 1 2 3 5 0 | |
| 6. | Advance payments made for inventory (314A) - /391A/ | 40 | | | |
| B.II. | Non-current receivables total (line 42 + lines 46 to 52) | 41 | 3 1 4 8 7 7 | 3 1 4 8 7 7 | 9 6 9 8 |
| 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 | Net 2 | Net 3 |
| | | | Gross - part 1 Correction - part 2 | | |
| 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 | 3 1 4 8 7 7 | 3 1 4 8 7 7 | 9 6 9 8 |
| B.III. | Current receivables total (line 54 + lines 58 to 65) | 53 | 2 1 9 1 4 3 2 | 2 1 9 1 4 3 2 | 2 3 0 6 8 1 5 |
| B.III.1. | Trade receivables total (lines 55 to 57) | 54 | 1 7 3 4 7 7 4 | 1 7 3 4 7 7 4 | 1 9 3 8 7 7 2 |
| 1.a. | Trade receivables from affiliated accounting entities (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/ | 55 | | | |
| 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 | Net 2 | Net 3 |
| | | | Gross - part 1 | | |
| | | | Correction - part 2 | | |
| 1.c. | Other trade receivables (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/ | 57 | 1 7 3 4 7 7 4 | 1 7 3 4 7 7 4 | 1 9 3 8 7 7 2 |
| 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 | 4 5 6 6 5 8 | 4 5 6 6 5 8 | 3 4 8 0 4 3 |
| 8. | Receivables related to derivative transactions (373A, 376A) | 64 | | | |
| 9. | Other receivables (335A, 33XA, 371A, 374A, 375A, 378A) - /391A/ | 65 | | | 2 0 0 0 0 |
| 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 | Net 2 | Net 3 |
| | | | Gross - part 1 Correction - part 2 | | |
| B.V. | Financial accounts line 72 + line 73 | 71 | 7 1 7 0 4 | 7 1 7 0 4 | 5 0 1 3 7 3 |
| B.V.1. | Cash (211, 213, 21X) | 72 | - 1 2 5 2 1 | - 1 2 5 2 1 | 5 1 3 |
| 2. | Bank accounts (221A, 22X, +/- 261) | 73 | 8 4 2 2 5 | 8 4 2 2 5 | 5 0 0 8 6 0 |
| C. | Accruals/deferrals total (lines 75 to 78) | 74 | 3 9 0 4 7 5 | 3 9 0 4 7 5 | 1 3 3 1 9 |
| C.1. | Prepaid expenses - long-term (381A, 382A) | 75 | 3 1 2 2 7 8 | 3 1 2 2 7 8 | |
| 2. | Prepaid expenses - short-term (381A, 382A) | 76 | 7 8 1 9 7 | 7 8 1 9 7 | 1 3 3 1 9 |
| 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 | 8 4 3 0 7 3 0 | 6 2 0 1 2 6 9 |
| A. | Equity line 81 + line 85 + line 86 + line 87 + line 90 + line 93 + line 97 + line 100 | 80 | 1 8 2 3 2 6 2 | 3 2 3 9 4 8 6 |
| A.I. | Share capital total (lines 82 to 84) | 81 | 5 0 0 0 | 5 0 0 0 |
| A.I.1. | Share capital (411 alebo +/- 491) | 82 | 5 0 0 0 | 5 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 | 3 0 0 0 0 0 0 | 3 0 0 0 0 0 0 |
| A.IV. | Legal reserve funds line 88 + line 89 | 87 | 5 0 0 | 5 0 0 |
| A.IV.1. | Legal reserve fund and non-distributable fund (417A, 418, 421A, 422) | 88 | 5 0 0 | 5 0 0 |
| 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 | Preceding accounting period |
|------------------|--|------------------|---------------------------|-----------------------------|
| | | | 4 | 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 | 2 3 3 9 8 6 | 9 9 0 1 7 |
| A.VII.1. | Retained earnings from previous years (428) | 98 | 4 8 3 3 0 3 | 3 4 8 3 3 5 |
| 2. | Accumulated losses from previous years (-/429) | 99 | - 2 4 9 3 1 7 | - 2 4 9 3 1 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 | - 1 4 1 6 2 2 4 | 1 3 4 9 6 9 |
| B. | Liabilities line 102 + line 118 + line 121 + line 122 + line 136 + line 139 + line 140 | 101 | 6 6 0 7 4 6 8 | 2 9 6 1 7 8 3 |
| B.I. | Non-current liabilities total (line 103 + lines 107 to 117) | 102 | 2 5 1 0 8 2 | |
| 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 | | |
| 10. | Other non-current liabilities (336A, 372A, 474A, 47XA) | 115 | 2 5 1 0 8 2 | |
| 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 | Preceding accounting period |
|------------------|--|------------------|---------------------------|-----------------------------|
| | | | 4 | 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 | 5 7 7 9 4 4 0 | 2 9 1 8 2 0 4 |
| B.IV.1. | Trade liabilities total (lines 124 to 126) | 123 | 1 5 4 7 7 5 1 | 6 9 3 9 8 2 |
| 1.a. | Trade liabilities to affiliated accounting entities (321A, 322A, 324A, 325A, 326A, 32XA, 475A, 476A, 478A, 47XA) | 124 | | |
| 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 5 4 7 7 5 1 | 6 9 3 9 8 2 |
| 2. | Net value of contract (316A) | 127 | | |
| 3. | Other liabilities to affiliated accounting entities (361A, 36XA, 471A, 47XA) | 128 | 3 8 6 7 8 9 8 | 2 0 8 0 8 6 9 |
| 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 | 1 5 9 1 6 3 | 7 9 6 1 4 |
| 7. | Liabilities related to social security (336A) | 132 | 1 0 5 9 6 4 | 4 9 7 7 6 |
| 8. | Tax liabilities and subsidies (341, 342, 343, 345, 346, 347, 34X) | 133 | 2 5 4 2 0 | 1 2 0 9 8 |
| 9. | Liabilities related to derivative transactions (373A, 377A) | 134 | | |
| 10. | Other liabilities (372A, 379A, 474A, 475A, 479A, 47XA) | 135 | 7 3 2 4 4 | 1 8 6 5 |
| B.V. | Short-term provisions line 137 + line 138 | 136 | 5 9 4 1 5 | 4 3 5 7 9 |
| B.V.1. | Legal provisions (323A, 451A) | 137 | 5 1 5 4 4 | 3 0 4 6 1 |
| 2. | Other provisions (323A, 32X, 459A, 45XA) | 138 | 7 8 7 1 | 1 3 1 1 8 |
| B.VI. | Current bank loans (221A, 231, 232, 23X, 461A, 46XA) | 139 | 5 1 7 5 3 1 | |
| B.VII. | Short-term financial assistance (241, 249, 24X, 473A, /-255A) | 140 | | |
| 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 1 | Preceding accounting period 2 |
| | | | * | Net turnover (part of account class 6 according to the Act) |
| ** | Operating income total (lines 03 to 09) | 02 | 1 0 8 2 4 1 2 3 | 1 2 6 4 2 7 8 5 |
| I. | Revenue from the sale of merchandise (604, 607) | 03 | | |
| II. | Revenue from the sale of own products (801) | 04 | 1 0 8 4 1 6 4 2 | 1 1 5 0 9 6 9 1 |
| III. | Revenue from the sale of services (602, 606) | 05 | 3 8 6 1 6 | 9 9 5 8 4 |
| IV. | Changes in internal inventory (+/-) (account group 61) | 06 | - 7 0 3 2 5 | 2 3 4 0 5 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 | 1 4 1 9 0 | 7 9 9 4 5 2 |
| VII. | Other operating income (644, 645, 646, 648, 655, 657) | 09 | | 1 |
| ** | 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 2 5 2 2 3 2 5 | 1 2 4 5 2 4 1 1 |
| 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 | 6 4 6 9 4 4 3 | 6 7 5 7 7 5 2 |
| C. | Value adjustments to inventory (+/-) (505) | 13 | | |
| D. | Services (account group 51) | 14 | 2 6 2 0 7 2 6 | 2 9 0 5 0 0 7 |
| E. | Personnel expenses total (lines 16 to 19) | 15 | 2 6 0 7 3 5 8 | 1 3 9 8 7 5 6 |
| E.1. | Wages and salaries (521, 522) | 16 | 1 8 4 7 6 3 7 | 1 0 0 3 7 6 2 |
| 2. | Remuneration of board members of company or cooperative (523) | 17 | | |
| 3. | Social security expenses (524, 525, 526) | 18 | 6 4 8 3 6 0 | 3 4 9 8 3 5 |
| 4. | Social expenses (527, 528) | 19 | 1 1 1 3 6 1 | 4 5 1 5 9 |
| F. | Taxes and fees (account group 53) | 20 | 5 4 6 2 | 2 9 0 6 |
| 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 | 7 6 8 1 8 6 | 6 1 9 4 8 7 |
| G.1. | Amortization of non-current intangible assets and depreciation of property, plant and equipment (551) | 22 | 7 6 8 1 8 6 | 6 1 9 4 8 7 |
| 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 | 6 7 5 5 | 7 3 1 6 1 7 |
| I. | Value adjustments to receivables (+/-) (547) | 25 | | |
| J. | Other operating expenses (543, 544, 545, 546, 548, 549, 555, 557) | 26 | 4 4 3 9 5 | 3 6 8 8 6 |
| *** | Profit/loss from operations (+/-) (line 02 - line 10) | 27 | - 1 6 9 8 2 0 2 | 1 9 0 3 7 4 |

| Designation a | Text b | Line No. c | Actual data | |
|------------------|--|---------------|--------------------------------|---|
| | | | Current accounting period 1 | Preceding accounting period 2 |
| | | | * | Added value (line 03 + line 04 + line 05 + line 06 + line 07) - (line 11 + line 12 + line 13 + line 14) |
| ** | Income from financial activities - total line 30 + line 31 + line 35 + line 39 + line 42 + line 43 + line 44 | 29 | 3 2 3 | 1 1 0 8 9 |
| 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 | 3 2 3 | 1 1 0 8 9 |
| 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 | 2 3 5 2 4 | 3 1 9 5 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 | 7 7 0 7 | |
| N.1. | Interest expenses related to affiliated accounting entities (562A) | 50 | | |
| 2. | Other interest expenses (562A) | 51 | 7 7 0 7 | |
| O. | Exchange rate losses (563) | 52 | 1 6 6 3 | 2 3 0 6 2 |
| 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 | 1 4 1 5 4 | 8 8 8 8 |

| Designation a | Text b | Line No. c | Actual data | |
|------------------|---|---------------|--------------------------------|---|
| | | | Current accounting period 1 | Preceding accounting period 2 |
| | | | *** | Profit/loss from financial activities (+/-) (line 29 - line 45) |
| **** | Profit/loss for the accounting period before tax (+/-) (line 27 + line 55) | 56 | - 1 7 2 1 4 0 3 | 1 6 9 5 1 3 |
| R. | Income tax (line 58 + line 59) | 57 | - 3 0 5 1 7 9 | 3 4 5 4 4 |
| R.1. | Income tax - current (591, 595) | 58 | | 1 7 6 0 8 |
| 2. | Income tax - deferred (+/-) (592) | 59 | - 3 0 5 1 7 9 | 1 6 9 3 6 |
| 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 | - 1 4 1 6 2 2 4 | 1 3 4 9 6 9 |

1. Establishment of the company

Windsor machine and stamping, Ltd. (hereinafter Company), was established on 18 march 2014 and registered into the Commercial register on 18 march 2014 (Commercial register of the District Court Košice I., section 35504/V)

2. The main activities of the Company are:

- manufacture of motor vehicles, engines, vehicles, parts and accessories for motor vehicles and other means of transport
- retail,
- wholesale,
- brokerage activity in the field of trade
- brokerage activity in the field of services
- brokerage activity in the field of production

3. Number of employees

Average recalculated number of employees of the Company is 155 for the accounting period 2019 (67 for the accounting period 2018).

| | 2019 | 2018 |
|---|------|------|
| Average recalculated number of employees | 155 | 67 |
| Number of employees to the day of Financial Statement, including: | 173 | 92 |
| Number of managers | 11 | 8 |

Managers: Plant manager, Plant accountant, Quality manager, Logistic manager, HR manager, Sewing manager, Maintenance manager, Program manager

4. Information about the unlimited liability

The Company is not a partner with unlimited liability in other companies according to Article 56, para 5 of the Commercial Code.

5. Legal reason for the preparation of the Financial Statements

The Financial Statements of the Company as at 31 december 2019 have been prepared as ordinary financial statements in accordance with Article 17, para 6 of Act on Accounting No. 431/2002 Coll. as amended for the accounting period from 1 january 2019 to 31 december 2019.

6. Date of approval of the Financial Statements for the preceding accounting period

The Financial Statements of the Company for year ending 31 december 2018, for the preceding accounting period, were approved by the Resolution of the sole Partner on 13 september 2019.

7. Date of publication of the Financial Statements for the preceding accounting period

The Financial Statements of the Company for year ending 31 december 2018 together with an annual report and the auditor's report on verification of financial statements for year ending 31 december 2018 and verify the compliance of audited financial statements with the annual report have been stored in the register of the financial statements on 20 may 2019.

A. INFORMATION ABOUT THE CONSOLIDATION GROUP

The Company is part of consolidated financial statements of the concern of Windsor Machine International Holdings Ltd., Windsor Ontario N9A6J3 Canada.

The consolidated financial statements are available at the registered seats of the companies or at seat of the company Windsor Machine International Holdings, or on the web site www.windsormachine.com

B. INFORMATION ABOUT ACCOUNTING PRINCIPLES

(a) Basis for preparation of the financial statements

The ordinary financial statements of the Company were prepared on going concern basis

The accounting methods and general accounting principles have been consistently applied by the Company.

(b) Non-current intangible assets and property, plant and equipment

Purchased non – current assets are stated at their acquisition cost, which consists of the acquisition price and costs related to the acquisition (transport costs, assembling costs, insurance etc.).

Amortization of non-current intangible assets is based on the estimated useful lives of the assets. Amortization commences on the first day of the month when the non-asset was put into use. Low-value non-current intangible assets with an acquisition cost (or conversion cost) of EUR 2,400 or less are expensed when the asset is put in use. Estimated useful life, amortization method, and amortization rates are presented in the table below:

| | Expected economic useful life in years | Depreciation method | Annual depreciation rate in % |
|----------|--|---------------------|-------------------------------|
| Software | 4 | linear | 25% |

Depreciation of property, plant and equipment is based on the estimated useful lives of the assets. Depreciation commences on the first day of the month when the asset was put into use. Low-value non-current tangible assets with an acquisition cost (or conversion cost) of 1,700 EUR or less are expensed when the asset is put in use. Lands are not depreciated. Estimated useful life, depreciation method, and depreciation rates are presented in the table below:

| | Expected economic useful life in years | Depreciation method | Annual depreciation rate in % |
|---------------------|--|---------------------|-------------------------------|
| Plant and equipment | 6 | linear | 16,67 |
| Office equipment | 6 | linear | 16,67 |
| Means of transport | 6 | linear | 16,67 |
| Computer equipment | 4 | linear | 25 |

(c) Inventories

Inventory is valued at lower of following values: of its acquisition cost (purchased inventory) or conversion costs (produced inventory), or net realizable value. Acquisition costs include the purchase price and costs of acquisition (customs duty, transport, insurance, commissions, discount etc.). Purchased inventory is expensed using the arithmetic average.

Own costs include direct costs (direct material, direct wages and other direct expenses) and part of the indirect costs directly related to the inventory production (production overheads). Production overheads is included to the own costs based on the stage of finalization of these inventories. Administrative and selling expenses are not included in own costs. The interests from foreign funds are not part of own costs.

The net realizable value is the expected selling value reduced by the expected costs of completion and the expected costs associated with the sale.

Allowance is recognized in the event of diminution in value.

(d) Receivables

Receivables, when incurred, are stated at their nominal value. Assigned receivables and receivables acquired by contribution to share capital are stated at cost, including all acquisition costs. This valuation is reduced by doubtful and irrecoverable receivables.

(e) Cash and cash equivalents

Cash and cash equivalents are stated at their nominal value. This valuation is reduced by allowances.

(f) Prepaid expenses and accrued income

Deferred expenses and accrued revenues are stated at their nominal value and recognized on an accrual basis.

(g) Provisions

Provisions are liabilities of uncertain timing or amount and are recognized for known business risks or losses. They are stated at the expected amount of the liability.

(h) Liabilities

Liabilities, when incurred, are stated at their nominal values. Assumed liabilities are stated at their acquisition cost. If reconciliation procedures reveal that the actual amount of liabilities differs from the amount recorded in the accounting books, the actual amount shall be used to value these liabilities in the accounting books and financial statements.

(i) Deferred tax

Deferred taxes (deferred tax assets and deferred tax liabilities) relate to the following:

- a) Temporary differences between the carrying value of assets and the carrying value of liabilities presented in the balance sheet and their tax base;
- b) Tax losses which are possible to carry forward to future periods, being understood as the possibility of deducting these tax losses from the tax base in the future;
- c) Unused tax deductions and other tax claims, which are possible to carry forward to future periods.

Due to the principle of caution, the absence of actual tax planning, the deferred tax receivable from the incurred tax loss is not worshiped at full height but only at height $\frac{3}{4}$. The rest of the deferred tax receivable arises because of the different NBV on assets, the difference in reserves and neaplatencyh invoices.

(j) Accrued expenses and deferred revenues

Accrued expenses and deferred revenues are stated at their nominal value and recognized on an accrual basis.

(k) Foreign currency

Assets and liabilities denominated in foreign currency are translated to Euro as at the date of the accounting transaction by the reference exchange rate determined and declared by the European Central Bank or National Bank of Slovakia as at the date preceding the date of the accounting transaction.

Assets and liabilities denominated in a foreign currency (except for advance payments made and advance payments received) are translated to Euro at the Balance Sheet date according to the reference exchange rate determined and declared by the European Central Bank or the National Bank of Slovakia as at the Balance Sheet date, and are recorded with an impact on profit or loss.

Advance payments made and advance payments received in foreign currencies to or from bank account maintained in this currency are translated to Euro as at the date of the accounting transaction by the reference exchange rate determined and declared by the European Central Bank or the National Bank of Slovakia as at the date preceding the date of accounting transaction.

Advance payments made and advance payments received in a foreign currency to or from bank account maintained in Euro are translated to Euro by the exchange rate for which these values were purchased or sold.

Advance payments are not translated to Euro as of the balance sheet date.

(l) Revenues

Sales revenues from own services and goods are stated net of VAT, discounts and deductions (rebates, bonuses, credit notes, etc.), irrespective whether the customer was entitled to a discount in advance or whether it was agreed subsequently.

(m) Corrections of material errors of preceding accounting periods

The Company has not performed any corrections of prior years' material errors in the current accounting period.

C. INFORMATION TO SUPPORT BALANCE SHEET AND INCOME STATEMENT ITEMS

1. Liabilities

The structure of liabilities (except for bank loans) according to maturity is shown in the table below:

| | 31. 12. 2019 | 31. 12. 2018 |
|--------------------------------------|------------------|------------------|
| Liabilities overdue | 0 | 0 |
| Liabilities due within 1 year | 5 779 440 | 2 918 204 |
| Total current liabilities | 5 779 440 | 2 918 204 |
| Liabilities due within 1-5 years | 251 082 | 0 |
| Total non-current liabilities | 251 082 | 0 |

No lien is given into the company liabilities

D. INFORMATION ABOUT DATA ON OFF-BALANCE SHEET ACCOUNTS

1. Leased assets

During the year 2019 moved to the new spaces of IMMOPARK (7 315 m²)
The notice period is 6 years.

E. INFORMATION ABOUT OTHER ASSETS AND LIABILITIES

1. Contingent liabilities

The Company have contingent liabilities in favor to the IMMO PARK in amount of 334 005 €. To 31.12 2019, the company had provided bank loans in the amount of 517 531 €. These loans are covered by a lien to accounts receivable.

F. INFORMATION ON EVENTS OCCURING BETWEEN THE BALANCE SHEET DATE AND THE DATE OF PREPARATION OF FINANCIAL STATEMENTS

At the end of 2019, reports from China on coronavirus appeared for the first time. In the first months of 2020, the virus spread throughout the world and its negative impact has become large. Although the management of the entity did not see a significant decrease in sales at the time of these financial statements, however, as the situation is still changing, future impacts cannot be predicted.

Management will continue to monitor the potential impact and take all possible steps to mitigate any adverse effects on the Company and its employees.