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Translation of the Auditors' Report originally prepared in Slovak language

Independent Auditors' Report

To the Owner and Directors of Röchling Automotive Slovakia s. r. o.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Röchling Automotive Slovakia s. r. o. ("the Company"), which comprise the balance sheet as at 31 December 2019, 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, and of its financial performance for the year then ended, in accordance with the Act No. 431/2002 Coll. on Accounting as amended ("the Act on Accounting").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section. We are independent of the Company in accordance with the ethical requirements of the Act No. 423/2015 Coll. on statutory audit and on amendments to Act No. 431/2002 Coll. on accounting as amended ("the Act on Statutory Audit") including the Code of Ethics for an Auditor 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.

Material Uncertainty Related to Going Concern

We draw attention to note C.1 of the financial statements which indicates that the Company incurred a net loss of EUR 3,652 thousand for the year ended 31 December 2019 and that, as of that date, its current liabilities exceeded current assets by EUR 13,520 thousand. In addition, as discussed in note E, the Company's operations and financial performance were significantly affected by the effects of the outbreak of the COVID-19 (coronavirus) pandemic. As disclosed in note C.1, these events and conditions, along with other matters described in that note, indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.



Other Matter

The financial statements of the Company as at and for the year ended 31 December 2018, from which the corresponding figures were derived, were not audited.

Responsibilities of the Statutory Body and Those Charged with Governance for the Financial Statements

The statutory body is responsible for the preparation of the financial statements that give a true and fair view in accordance with the Act on Accounting, and for such internal control as the statutory body 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, the statutory body 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 the statutory body either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' 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 auditors' 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 ISAs 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 ISAs, we exercise professional judgment and maintain professional skepticism 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 the statutory body.



- Conclude on the appropriateness of the statutory body'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 auditors' 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 auditors' 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 those charged with governance 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.

Report on Other Legal and Regulatory Requirements

Reporting on other information in the Annual Report

The statutory body is responsible for the other information. The other information comprises the information included in the Annual Report prepared in accordance with the Act on Accounting but does not include the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information in the Annual Report.

In connection with our audit of the financial statements, our responsibility is to read the other information in the Annual Report that we have obtained prior to the date of the auditors' report on the audit of the financial statements, and, in doing so, consider whether the other information is materially inconsistent with the audited financial statements or our knowledge obtained in the audit of the financial statements, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

With respect to the Annual Report, we are required by the Act on Accounting to express an opinion on whether the other information given in the Annual Report is consistent with the financial statements prepared for the same financial year, and whether it contains information required by the Act on Accounting.

Based on the work undertaken in the course of the audit of the financial statements, in our opinion, in all material respects:

- the other information given in the Annual Report for the year ended 31 December 2019 is consistent with the financial statements prepared for the same financial year; and
- the Annual Report contains information required by the Act on Accounting.



In addition to this, in light of the knowledge of the Company and its environment obtained in the course of the audit of the financial statements, we are required by the Act on Accounting to report if we have identified material misstatements in the other information in the Annual Report. We have nothing to report in this respect.

22 December 2020
Bratislava, Slovak Republic

Auditing company:
KPMG Slovensko spol. s r.o.
License SKAU No. 96



Responsible auditor:
Ing. Ľuboš Vančo
License SKAU No. 745

Úč POD

FINANCIAL STATEMENTS

of entrepreneurs maintaining accounts under the system of double entry bookkeeping

as of 31 Dec 2019

Tax identification number

2 1 2 0 3 9 1 0 3 1

Identification number (IČO)

5 0 5 6 6 8 1 4

SK NACE

2 9 . 3 2 . 0

Financial statements

- ordinary
 - extraordinary
 - interim

Accounting entity

- small
 - large

For the period

	Month	Year
from	01	2019
to	12	2019

(check)

Preceding period

	Month	Year
from	01	2018
to	12	2018

Attached parts of the financial statements

Balance Sheet
(Úč POD 1-01)
(in whole euros)

Income Statement
(Úč POD 2-01)
(in whole euros)

Notes to the Financial Statements (Úč
POD 3-01)
(In whole euros or eurocents)

Legal name (designation) of the accounting entity

R ö c h l i n g A u t o m o t i v e S l o v a k i a s . r . o .

Registered office of the accounting entity, street and number

R a k o f u b y 2 6 4

Zip code

9 1 6 3 1

Municipality

K o č o v c e

Designation of the Commercial Register and company registration number

D i s t r i c t C o u r t B r a t i s l a v a I
S e c t i o n S r o , f i l e 1 1 4 8 6 1 / B


Telephone

0 0 4 2 1 3 2 2 2 1 3 6 1 0

Fax

Email

f k u r z @ r o e c h l i n g . c o m

Prepared on: 1 July 2020	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: 
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DIČ: SK2120391031

IČO: 50566814

Súvaha Úč POD 1-01

Designation a	ASSETS b	Line No. c	Current accounting period			Preceding accounting period
			1		2	3
			Gross - Part 1	Correction-Part 2	Net	Net
	TOTAL ASSETS line 02 + line 33 + line 74	01	42 323 911	2 386 708	39 937 203	22 522 207
A.	Non-current assets line 03 + line 11 + line 21	02	23 620 621	2 305 554	21 315 067	17 956 224
A.I.	Non-current intangible assets - total (lines 04 to 10)	03	66 466	24 723	41 743	25 035
A.I.1.	Capitalized development costs (012) - /072, 091A/	04	0	0	0	0
2.	Software (013)-/073, 091A/	05	66 466	24 723	41 743	25 035
3.	Valuable rights (014)-/074, 091A/	06	0	0	0	0
4.	Goodwill (015) - /075, 091A/	07	0	0	0	0
5.	Other non-current intangible assets (019, 01X) - /079, 07X, 091A/	08	0	0	0	0
6.	Acquisition of non-current intangible assets (041) - /093/	09	0	0	0	0
7.	Advance payments made for non-current intangible assets (051) - /095A/	10	0	0	0	0
A.II.	Property, plant and equipment - total (lines 12 to 20)	11	23 554 155	2 280 831	21 273 324	17 931 189
A.II.1.	Land (031) - /092A/	12	1 386 640	0	1 386 640	1 386 640
2.	Structures (021) - /081, 092A/	13	9 677 324	462 523	9 214 801	9 492 193
3.	Individual movable assets and sets of movable assets (022) - /082, 092A/	14	11 416 471	1 818 308	9 598 163	5 128 226
4.	Perennial crops (025) - /085, 092A/	15	0	0	0	0
5.	Livestock (026) - /086, 092A/	16	0	0	0	0
6.	Other property, plant and equipment (029, 02X, 032) - /089, 08X, 092A/	17	0	0	0	0
7.	Acquisition of property, plant and equipment (042) - /094/	18	1 073 720	0	1 073 720	659 795
8.	Advance payments made for property, plant and equipment (052) - /095A/	19	0	0	0	1 264 335
9.	Value adjustment to acquired assets (+/- 097) +/- 098	20	0	0	0	0
A.III.	Non-current financial assets - total (lines 22 to 32)	21	0	0	0	0
A.III.1.	Shares and ownership interests in affiliated accounting entities (061A, 062A, 063A) - /096A/	22	0	0	0	0
2.	Shares and ownership interests with participating interest, except for affiliated accounting entities (062A) - /096A/	23	0	0	0	0
3.	Other available-for-sale securities and ownership interests (063A) - /096A/	24	0	0	0	0
4.	Loans to affiliated accounting entities (066A) - /096A/	25	0	0	0	0
5.	Loans within participating interest, except for affiliated accounting entities (066A) - /096A/	26	0	0	0	0
6.	Other loans (067A) - /096A/	27	0	0	0	0
7.	Debt securities and other non-current financial assets (065A, 069A, 06XA) - /096A/	28	0	0	0	0

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Súvaha Úč POD 1-01

Designation a	ASSETS b	Line No. c	Current accounting period			Preceding accounting period
			1		2	3
			Gross - Part 1	Correction-Part 2	Net	Net
8.	Loans and other non-current financial assets with remaining maturity of up to one year (066A, 067A, 069A, 06XA) - /096A/	29	0	0	0	0
9.	Bank accounts with notice period exceeding one year (22XA)	30	0	0	0	0
10.	Acquisition of non-current financial assets(043) - /096A/	31	0	0	0	0
11.	Advance payments made for non-current financial assets (053) - /095A/	32	0	0	0	0
B.	Current assets line 34 + line 41 + line 53 + line 66 + line 71	33	15 234 416	81 154	15 153 262	2 960 810
B.I.	Inventory - total (lines 35 to 40)	34	7 373 275	45 671	7 327 604	1 204 712
B.I.1.	Raw material (112, 119, 11X) - /191, 19X/	35	1 163 333	43 738	1 119 595	401 204
2.	Work in progress and semi-finished products (121, 122, 12X) - /192, 193, 19X/	36	5 810 475	0	5 810 475	719 180
3.	Finished goods (123) - /194/	37	398 936	1 933	397 003	84 328
4.	Animals (124) - /195/	38	0	0	0	0
5.	Merchandise (132, 133, 13X, 139) - /196, 19X/	39	0	0	0	0
6.	Advance payments made for inventory (314A) - /391A/	40	531	0	531	0
B.II.	Non-current receivables - total (line 42 + lines 46 to 52)	41	0	0	0	0
B.II.1.	Trade receivables - total (lines 43 to 45)	42	0	0	0	0
1.a.	Trade receivables from affiliated accounting entities (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	43	0	0	0	0
1.b.	Trade receivables within participating interest, except for receivables from affiliated accounting entities (311A, 312A, 313A, 314A, 315A,31XA) - /391A/	44	0	0	0	0
1.c.	Other trade receivables (311A, 312A, 313A, 314A, 315A,31XA) - /391A/	45	0	0	0	0
2.	Net value of contract (316A)	46	0	0	0	0
3.	Other receivables from affiliated accounting entities (351A) - /391A/	47	0	0	0	0
4.	Other receivables within participating interest, except for receivables from affiliated accounting entities (351A) - /391A/	48	0	0	0	0
5.	Receivables from participants, members, and association (354A, 355A, 358A, 35XA) - /391A/	49	0	0	0	0
6.	Receivables related to derivative transactions (373A, 376A)	50	0	0	0	0
7.	Other receivables (335A, 336A, 33XA, 371A, 374A, 375A, 378A) - /391A/	51	0	0	0	0
8.	Deferred tax asset (481A)	52	0	0	0	0

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Súvaha Úč POD 1-01

Designation a	ASSETS b	Line No. c	Current accounting period			Preceding accounting period
			1		2	3
			Gross - Part 1	Correction-Part 2	Net	Net
B.III.	Current receivables - total (line 54 + lines 58 to 65)	53	5 159 258	35 483	5 123 775	1 370 543
B.III.1.	Trade receivables - total (lines 55 to 57)	54	5 159 248	35 483	5 123 765	1 223 787
1.a.	Trade receivables from affiliated accounting entities (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	55	523 211	0	523 211	0
1.b.	Trade receivables within participating interest, except for receivables from affiliated accounting entities (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	56	0	0	0	0
1.c.	Other trade receivables (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	57	4 636 037	35 483	4 600 554	1 223 787
2.	Net value of contract (316A)	58	0	0	0	0
3.	Other receivables from affiliated accounting entities (351A) - /391A/	59	0	0	0	0
4.	Other receivables within participating interest, except for receivables from affiliated accounting entities (351A) - /391A/	60	0	0	0	0
5.	Receivables from participants, members, and association (354A, 355A, 358A, 35XA, 398A) - /391A/	61	0	0	0	0
6.	Social security (336A) - /391A/	62	0	0	0	0
7.	Tax assets and subsidies (341, 342, 343, 345, 346, 347) - /391A/	63	0	0	0	136 119
8.	Receivables related to derivative transactions (373A, 376A)	64	0	0	0	0
9.	Other receivables (335A, 33XA, 371A, 374A, 375A, 378A) - /391A/	65	10	0	10	10 637
B.IV.	Current financial assets - total (lines 67 to 70)	66	0	0	0	0
B.IV.1.	Current financial assets in affiliated accounting entities (251A, 253A, 256A, 257A, 25XA) - /291A, 29XA/	67	0	0	0	0
2.	Current financial assets, not including current financial assets in affiliated accounting entities (251A, 253A, 256A, 257A, 25XA) - /291A, 29XA/	68	0	0	0	0
3.	Own shares and own ownership interests (252)	69	0	0	0	0
4.	Acquisition of current financial assets (259, 314A) - /291A/	70	0	0	0	0
B.V.	Financial accounts line 72 + line 73	71	2 701 883	0	2 701 883	385 555
B.V.1.	Cash (211, 213, 21X)	72	188	0	188	1 495
2.	Bank accounts (221A, 22X, +/- 261)	73	2 701 695	0	2 701 695	384 060
C.	Accruals/deferrals - total (lines 75 to 78)	74	3 468 874	0	3 468 874	1 605 173
C.1.	Prepaid expenses - long-term (381A, 382A)	75	0	0	0	0
2.	Prepaid expenses - short-term (381A, 382A)	76	3 465 535	0	3 465 535	1 605 173
3.	Accrued income - long-term (385A)	77	0	0	0	0
4.	Accrued income - short-term (385A)	78	3 339	0	3 339	0

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Súvaha Úč POD 1-01

Designation a	LIABILITIES AND EQUITY b	Line No. c	Current accounting period	Preceding accounting period
			4	5
	TOTAL EQUITY AND LIABILITIES line 80 + line 101 + line 141	79	39 937 203	22 522 207
A.	Equity line 81 + line 85 + line 86 + line 87 + line 90 + line 93 + line 97 + line 100	80	-3 281 291	371 449
A.I.	Share capital - total (lines 82 to 84)	81	3 000 000	3 000 000
A.I.1.	Share capital (411 or +/- 491)	82	3 000 000	3 000 000
2.	Change in share capital +/- 419	83	0	0
3.	Unpaid share capital (/-/353)	84	0	0
A.II.	Share premium (412)	85	0	0
A.III.	Other capital funds (413)	86	0	0
A.IV.	Legal reserve funds line 88 + line 89	87	0	0
A.IV.1.	Legal reserve fund and non-distributable fund (417A, 418, 421A, 422)	88	0	0
2.	Reserve fund for own shares and own ownership interests (417A, 421A)	89	0	0
A.V.	Other funds created from profit line 91 + line 92	90	0	0
A.V.1.	Statutory funds (423, 42X)	91	0	0
2.	Other funds (427, 42X)	92	0	0
A.VI.	Differences from revaluation - total (lines 94 to 96)	93	0	0
A.VI.1.	Differences from revaluation of assets and liabilities (+/- 414)	94	0	0
2.	Investment revaluation reserves (+/- 415)	95	0	0
3.	Differences from revaluation in the event of a merger, amalgamation into a separate accounting entity or demerger (+/- 416)	96	0	0
A.VII.	Net profit/loss of previous years line 98 + line 99	97	-2 628 551	-349 674
A.VII.1.	Retained earnings from previous years (428)	98	0	0
2.	Accumulated losses from previous years (/-/429)	99	-2 628 551	-349 674
A.VIII.	Net profit/loss for the accounting period after tax +/- line 01 - (line 81 + line 85 + line 86 + line 87 + line 90 + line 93 + line 97 + line 101 + line 141)	100	-3 652 740	-2 278 877
B.	Liabilities line 102 + line 118 + line 121 + line 122 + line 136 + line 139 + line 140	101	42 735 483	22 150 758
B.I.	Non-current liabilities - total (line 103 + lines 107 to 117)	102	11 773	3 661

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Súvaha Úč POD 1-01

Designation a	LIABILITIES AND EQUITY b	Line No. c	Current accounting period 4	Preceding accounting period 5
B.I.1.	Non-current trade liabilities - total (lines 104 to 106)	103	0	0
1.a.	Trade liabilities to affiliated accounting entities (321A, 475A, 476A)	104	0	0
1.b.	Trade liabilities within participating interest, except for liabilities to affiliated accounting entities (321A, 475A, 476A)	105	0	0
1.c.	Other trade liabilities (321A, 475A, 476A)	106	0	0
2.	Net value of contract (316A)	107	0	0
3.	Other liabilities to affiliated accounting entities (471A, 47XA)	108	0	0
4.	Other liabilities within participating interest, except for liabilities to affiliated accounting entities (471A, 47XA)	109	0	0
5.	Other non-current liabilities(479A, 47XA)	110	0	0
6.	Long-term advance payments received (475A)	111	0	0
7.	Long-term bills of exchange to be paid (478A)	112	0	0
8.	Bonds issued (473A/-/255A)	113	0	0
9.	Liabilities related to social fund (472)	114	11 773	3 661
10.	Other non-current liabilities (336A, 372A, 474A, 47XA)	115	0	0
11.	Non-current liabilities related to derivative transactions (373A, 377A)	116	0	0
12.	Deferred tax liability (481A)	117	0	0
B.II.	Long-term provisions line 119 + line 120	118	0	0
B.II.1.	Legal provisions (451A)	119	0	0
2.	Other provisions (459A, 45XA)	120	0	0
B.III.	Long-term bank loans (461A, 46XA)	121	10 830 189	14 000 000
B.IV.	Current liabilities - total (line 123 + lines 127 to 135)	122	30 834 509	8 057 926
B.IV.1.	Trade liabilities - total (lines 124 to 126)	123	4 547 304	4 922 951
1.a.	Trade liabilities to affiliated accounting entities (321A, 322A, 324A, 325A, 326A, 32XA, 475A, 476A, 478A, 47XA)	124	982 551	0
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	0	0

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Súvaha Úč POD 1-01

Designation a	LIABILITIES AND EQUITY b	Line No. c	Current accounting period	Preceding accounting period
			4	5
1.c.	Other trade liabilities (321A, 322A, 324A, 325A, 326A, 32XA, 475A, 476A, 478A, 47XA)	126	3 564 753	4 922 951
2.	Net value of contract (316A)	127	0	0
3.	Other liabilities to affiliated accounting entities (361A, 36XA, 471A, 47XA)	128	25 900 000	3 000 000
4.	Other liabilities within participating interest, except for liabilities to affiliated accounting entities (361A, 36XA, 471A, 47XA)	129	0	0
5.	Liabilities to partners and association (364, 365, 366, 367, 368, 398A, 478A, 479A)	130	0	0
6.	Liabilities to employees (331, 333, 33X, 479A)	131	98 095	51 928
7.	Liabilities related to social security (336A)	132	66 726	34 121
8.	Tax liabilities and subsidies (341, 342, 343, 345, 346, 347, 34X)	133	216 221	9 751
9.	Liabilities related to derivative transactions (373A, 377A)	134	0	0
10.	Other liabilities (372A, 379A, 474A, 475A, 479A, 47XA)	135	6 163	39 175
B.V.	Short-term provisions line 137 + line 138	136	234 280	89 171
B.V.1.	Legal provisions (323A, 451A)	137	66 646	89 171
2.	Other provisions (323A, 32X, 459A, 45XA)	138	167 634	0
B.VI.	Current bank loans (221A, 231, 232, 23X, 461A, 46XA)	139	824 732	0
B.VII.	Short-term financial assistance (241, 249, 24X, 473A /-/255A)	140	0	0
C.	Accruals/deferrals - total (lines 142 to 145)	141	483 012	0
C.1.	Accrued expenses - long-term (383A)	142	0	0
2.	Accrued expenses - short-term (383A)	143	0	0
3.	Deferred income - long-term (384A)	144	0	0
4.	Deferred income - short-term (384A)	145	483 012	0

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Výkaz ziskov a strát ÚČ POD 2-01

Designation a	Text b	Line No. c	Actual data	
			Current accounting period	Preceding accounting period
			1	2
*	Net turnover (part of account class 6 according to the Act)	01	10 441 723	1 290 233
**	Operating income - total (lines 03 to 09)	02	15 421 866	2 094 612
I.	Revenue from the sale of merchandise (604, 607)	03	0	0
II.	Revenue from the sale of own products (601)	04	10 441 723	1 290 233
III.	Revenue from the sale of services (602, 606)	05	0	0
IV.	Changes in internal inventory (+/-) (account group 61)	06	4 954 185	803 508
V.	Own work capitalized (account group 62)	07	0	0
VI.	Revenue from the sale of non-current intangible assets, property, plant and equipment, and raw materials (641, 642)	08	0	0
VII.	Other operating income(644, 645, 646, 648, 655, 657)	09	25 958	871
**	Operating expenses - total line 11 + line 12 + line 13 + line 14 + line 15 + line 20 + line 21 + line 24 + line 25 + line 26	10	18 496 626	4 244 037
A.	Cost of merchandise sold (504, 507)	11	0	0
B.	Consumed raw materials, energy consumption, and consumption of other non-inventory supplies (501, 502, 503)	12	4 721 313	767 710
C.	Value adjustments to inventory (+/-) (505)	13	45 671	0
D.	Services (account group 51)	14	9 419 640	2 228 101
E.	Personnel expenses - total (lines 16 to 19)	15	2 234 815	886 110
E.1.	Wages and salaries (521, 522)	16	1 570 918	624 019
2.	Remuneration of board members of company or cooperative (523)	17	0	0
3.	Social security expenses (524, 525, 526)	18	549 727	227 813
4.	Social expenses (527, 528)	19	114 169	34 278
F.	Taxes and fees (account group 53)	20	9 236	5 235
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	1 963 181	337 983
G.1.	Amortization of non-current intangible assets and depreciation of property, plant and equipment (551)	22	1 963 181	337 983

DIČ: SK2120391031

IČO: 50566814

Výkaz ziskov a strát Úč POD 2-01

Designation a	Text b	Line No. c	Actual data	
			Current accounting period	Preceding accounting period
			1	2
2.	Value adjustments to non-current intangible assets and property, plant and equipment (+/-) (553)	23	0	0
H.	Carrying value of non-current assets sold and raw materials sold (541, 542)	24	0	0
I.	Value adjustments to receivables (+/-) (547)	25	35 483	0
J.	Other operating expenses (543, 544, 545, 546, 548, 549, 555, 557)	26	67 286	18 898
***	Profit/loss from operations (+/-) (line 02 - line 10)	27	-3 074 760	-2 149 425
*	Added value (line 03 + line 04 + line 05 + line 06 + line 07) - (line 11 + line 12 + line 13 + line 14)	28	1 209 283	-902 070
**	Income from financial activities - total line 30 + line 31 + line 35 + line 39 + line 42 + line 43 + line 44	29	1 193	33
VIII.	Revenue from the sale of securities and shares (661)	30	0	0
IX.	Income from non-current financial assets (lines 32 to 34)	31	0	0
IX.1.	Income from securities and ownership interests in affiliated accounting entities (665A)	32	0	0
2.	Income from securities and ownership interests within participating interest, except for income of affiliated accounting entities (665A)	33	0	0
3.	Other income from securities and ownership interests (665A)	34	0	0
X.	Income from current financial assets - total (lines 36 to 38)	35	0	0
X.1.	Income from current financial assets in affiliated accounting entities (666A)	36	0	0
2.	Income from current financial assets within participating interest, except for income of affiliated accounting entities (666A)	37	0	0
3.	Other income from current financial assets (666A)	38	0	0
XI.	Interest income (line 40 + line 41)	39	0	0
XI.1.	Interest income from affiliated accounting entities (662A)	40	0	0
2.	Other interest income (662A)	41	0	0
XII.	Exchange rate gains (663)	42	1 193	33
XIII.	Gains on revaluation of securities and income from derivative transactions (664, 667)	43	0	0
XIV.	Other income from financial activities (668)	44	0	0
**	Expenses related to financial activities - total line 46 + line 47 + line 48 + line 49 + line 52 + line 53 + line 54	45	579 173	129 485
K.	Securities and shares sold (561)	46	0	0

DIČ: SK2120391031

IČO: 50566814

Výkaz ziskov a strát Úč POD 2-01

Designation a	Text b	Line No. c	Actual data	
			Current accounting period	Preceding accounting period
			1	2
L.	Expenses related to current financial assets (566)	47	0	0
M.	Value adjustments to financial assets (+/-) (565)	48	0	0
N.	Interest expense (line 50 + line 51)	49	567 910	128 065
N.1.	Interest expenses related to affiliated accounting entities (562A)	50	423 958	0
2.	Other interest expenses (562A)	51	143 952	128 065
O.	Exchange rate losses (563)	52	9 968	227
P.	Loss on revaluation of securities and expenses related to derivative transactions (564, 567)	53	0	0
Q.	Other expenses related to financial activities (568, 569)	54	1 295	1 193
***	Profit/loss from financial activities (+/-) (line 29 - line 45)	55	-577 980	-129 452
****	Profit/loss for the accounting period before tax (+/-) (line 27 + line 55)	56	-3 652 740	-2 278 877
R.	Income tax (line 58 + line 59)	57	0	0
R.1.	Income tax - current (591, 595)	58	0	0
2.	Income tax - deferred (+/-) (592)	59	0	0
S.	Transfer of net profit/net loss shares to partners (+/- 596)	60	0	0
****	Profit/loss for the accounting period after tax (+/-) (line 56 - line 57 - line 60)	61	-3 652 740	-2 278 877

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A. GENERAL INFORMATION

1. Legal name and registered office of the company:

Röchling Automotive Slovakia s. r. o.
Rakoľuby 264
916 31 Kočovce

Röchling Automotive Slovakia s. r. o. (hereafter referred to as the "Company") was established on 11 October 2016 and was registered in the Commercial Register on 22 October 2016 (Commercial Register of the District Court Bratislava I in Bratislava, Section Sro, file 114861/B).

The principal activities of the Company comprise:

– manufacture of rubber products and plastic products for the automotive industry.

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

The Financial Statements of the Company as of 31 December 2018, i.e., for the preceding accounting period, were approved by the shareholders at the Company's general meeting on 20 December 2019.

3. Legal reason for the preparation of the Financial Statements

The Financial Statements of the Company as of 31 December 2019 have been prepared as ordinary financial statements in accordance with Article 17 (6) of Act of the National Council of the Slovak Republic No. 431/2002 Coll. on Accounting (hereafter referred to as the "Act on Accounting") for the accounting period from 1 January 2019 to 31 December 2019.

The Financial Statements are intended for users who possess adequate knowledge of business and economic activities and bookkeeping and who analyse this information with appropriate care. The Financial Statements do not, and cannot, provide all information that may be needed by existing and potential investors, providers of credits and loans and other creditors. These users must obtain relevant information from other sources.

4. Information on the Group

The Company is included in the Consolidated Financial Statements of the company Röchling Automotive SE & Co. KG, Richard-Wagner-Straße 9, D - 68165 Mannheim. Consolidated financial statements of the concern Röchling are prepared by the company Röchling SE & Co. KG, Richard-Wagner-Straße 9, D - 68165 Mannheim.

These consolidated financial statements are available at the registered offices of mentioned companies or at the registered office of Röchling SE & Co. KG, Richard-Wagner-Straße 9, D - 68165 Mannheim. The address of the registration court maintaining the Commercial Register in which these consolidated financial statements are deposited is Bismarckstraße 14, D-68159 Mannheim.

5. Average recalculated number of employees

The average recalculated number of employees of the Company was 73 in the accounting period 2019 (26 in the accounting period 2018).

B. INFORMATION ON THE ACCOUNTING ENTITY'S BODIES

In 2019, no loans, guarantees or other security were issued to the members of the statutory body or the members of the supervisory bodies; there were no financial or other resources used for private purposes and claimed by members (in year 2018: none).

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C. INFORMATION ON THE APPLIED PROCEDURES

1. Basis of preparation

The Financial Statements have been prepared using the going concern assumption.

As at 31 December 2019, the Company's liabilities exceeded the value of its assets; the Company recognizes negative equity (line number 80 of the Balance sheet) in the amount of EUR -3 281 thousand. The Company's short-term liabilities (line numbers 122, 139 and 145 of the Balance sheet) exceed its current assets (line numbers 34, 53, 71, 76 and 78 of the Balance sheet) by EUR 13 520 thousand, which include an intercompany loan (line number 128 of the Balance sheet) in the amount of EUR 25 900 thousand. Profit or loss (line number 61 of the Statement of profit or loss) is a loss of EUR -3 652 thousand.

In addition, the ratio of the Company's equity and liabilities as at 31 December 2019 is less than 8 to 100. In accordance with the Commercial Code, the Company is in crisis. The Company is aware that according to § 67b of the Commercial Code, the statutory body of the company, which found or taking into account all circumstances could have found that the Company is in crisis, in accordance with the requirements of the necessary professional or due concern is obliged to do everything which would have been done by another reasonable person in a similar position to overcome this situation. Amendment to the Commercial Code effective from 1 January 2016 prohibits the Company in crisis from returning the consideration for own resources along with equipment and a contractual penalty. The prohibition on the return of the consideration for own resources also applies if, as a result, the Company would fall into a crisis (§ 67f).

In addition, during 2020, the Company's operation was significantly affected by the outbreak of the COVID-19 (coronavirus) disease, as discussed in more detail in Note E.

The Company expects to manage the difference between current assets and current liabilities as follows:

- As at 31 December 2019, the Company recognizes short-term liabilities to the parent company in the amount of EUR 25 900 thousand, the maturity of which is expected to be extended through 2022;
- The Company's management has received a statement of financial support from the parent company confirming that the parent company plans to provide financial and other support to the Company, that is expected to enable it to pay due liabilities and continue in the foreseeable future.

However, given the volatility in the economic environment in which the Company as well as its parent entity operate, in management's view the above facts and circumstances, as well as those set out in Note E indicate that a material uncertainty exists that may cast significant doubt in the Company's ability to continue as a going concern.

The accounting policies and general accounting principles have been consistently applied by the accounting entity.

2. Use of estimates and judgments

The preparation of the Financial Statements requires that the Company management make judgments, estimates, and assumptions that affect the application of the accounting policies and accounting principles and the amounts of assets, liabilities, income, and expenses. These estimates and related assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis for assessing the carrying values of assets and liabilities that are not readily apparent from other sources. Therefore, actual results may differ from these estimates.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are not recognized retrospectively, but instead in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments

In connection with the application of accounting policies and accounting principles of the Company no such judgments are required that would have a material impact on the amounts presented in the Financial Statements.

Assumptions and estimation uncertainties

The Company did not identify such assumptions and estimation uncertainties that would have a significant risk in resulting in a material adjustment in the future accounting period.

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3. Non-current intangible assets and property, plant and equipment

Purchased non-current assets are valued at their acquisition cost, which consists of the price at which an asset has been acquired plus costs related to the acquisition (customs duty, transport, assembling costs, insurance etc.) less credit notes, early payment discounts, rebates, price discounts, bonuses, etc.

The acquisition cost of non-current assets does not include interest on loans, which arose before the non-current assets were put into use.

Self-constructed non-current assets are valued at their conversion cost. Conversion cost includes all direct costs incurred during production or other activities and indirect costs related to production or other activities.

Non-current assets acquired free of charge from shareholders are recognised directly in equity in account 413 - Other capital funds, at fair value through profit or loss.

Research costs are not capitalised and are expensed in the accounting periods in which they are incurred. Non-current intangible assets created by or during their development are capitalised providing there is evidence of:

- a) the possibility of technical completion so that the assets can be used or sold,
- b) the intention to complete, use or sell the assets,
- c) the entity's ability to use and sell the assets;
- d) the method of generating future economic benefits and the existence of a market for the outputs of the non-current intangible asset or for the non-current intangible asset itself, or, if used within the entity, its usability;
- e) the availability of adequate technical, financial and other resources to complete development, use or sale of the assets
- f) reliable valuation of costs related to acquisition during development of the assets.

Development costs are capitalised if their amount does not exceed the amount that is likely to be obtained from future economic benefits less other development, sales and administrative costs directly attributable to marketing or processes. Capitalised development costs are depreciated over a maximum of five years. If the possibility of capitalising development costs is not demonstrated, they are expensed in the accounting period in which they are incurred.

Amortisation of non-current intangible assets is based on the expected useful lives of the assets and their expected wear and tear.

Amortisation commences on the first day of the month following the month in which the fixed assets are put into use. Low-value intangible assets with an acquisition cost (or their own cost) of EUR 2,400 or less are amortised on a one-off basis when they are put into use.

Estimated useful lives, amortisation methods, and amortisation rates are shown in the table below:

	Estimated useful life in years	Amortisation method
Capitalised development costs	5-6	straight-line
Software	3	straight-line
Valuable rights (license)	4 -5	straight-line
Low-value non-current intangible assets	diverse	one-off amortization

Amortisation methods, useful lives, and carrying values are reviewed as of each balance sheet date and adjusted if appropriate.

Depreciation of property, plant and equipment is based on the expected useful lives of the assets and their expected wear and tear.

Depreciation commences on the first day of the month following the month in which the fixed assets are put into use. Low-value tangible assets with an acquisition cost (or their own cost) of EUR 400 or less are depreciated on a one-off basis when they are put into use.

Land is not depreciated.

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Estimated useful lives, depreciation methods, and depreciation rates are shown in the table below:

	Estimated useful life in years	Depreciation method
Buildings	10 -33	straight-line
Machinery and equipment	2 -10	straight-line
Vehicles	5 -6	degressive
Low-value non-current tangible assets	diverse	one-off depreciation

Depreciation methods, useful lives, and carrying values are reviewed as of each balance sheet date and adjusted if appropriate.

Impairment review

Value adjustments are created based on the prudence principle if it is justified to assume that the value of an asset has decreased compared to its carrying value. A value adjustment is recognized in the amount of the justified estimate of the impairment of the asset compared to its carrying value.

Factors that are considered important for a review of asset impairment include:

- technological advances;
- significant underperformance relative to historical or projected future operating results;
- significant changes in the manner of use of the Company assets or an overall change in the Company strategy;
- product obsolescence.

If the Company determines that, based on the existence of one or several asset impairment indicators, it can be assumed that the value of an asset has decreased compared to its carrying value, it calculates the asset impairment on the basis of estimates of projected net discounted cash flows that are expected from the asset, including its possible sale. The estimated impairment could prove insufficient if the analysis overestimated cash flows or if conditions change in the future.

4. Inventory

Inventory is valued at the lower of the following: its acquisition cost (purchased inventory) or conversion cost (own work capitalised), or its net realisable value.

Acquisition cost includes the price at which inventory has been acquired plus costs related to the acquisition (customs duty, transport, insurance, commissions, etc.) less credit notes, early payment discounts, rebates, price discounts, bonuses, etc. Interest on loans is not included in the cost.

Disposal of inventory is recorded at the actual acquisition cost/at the value determined as the weighted arithmetic average/in a manner where the first price used for the costing of an increase in the relevant type of asset is used as the first price for the cost of disposal of this asset (FIFO method)/at warehouse prices where purchase price variances are released.

Conversion cost includes direct costs (direct material, direct labour, and other direct costs) and part of indirect costs directly related to own work capitalised (production overheads). Production overheads are included in the conversion cost based on the stage of production. Administrative overheads and selling costs are not included in the conversion cost. Interest expenses on loans is not part of own costs.

Inventory acquired as a result of exchange is valued at its fair value. The difference between the fair value of the inventory received and the carrying value of the inventory given is recorded, depending on its nature, in the relevant expense account in which a disposal of inventory is recorded or in the relevant income account in which revenue from this inventory is recorded.

Net realisable value is the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

Inventory is written down for any impairment of value.

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5. Receivables

Receivables are initially measured at their nominal value; assigned receivables and receivables acquired via a contribution to share capital are valued at their acquisition cost, including costs related to the acquisition. The valuation of receivables is reduced by doubtful and bad debts.

Regarding long-term loans and non-current receivables, if the remaining maturity of a receivable or a loan exceeds one year, the value of this receivable or loan is adjusted by creating a value adjustment, which represents the difference between the nominal value and the present value of the receivable. The present value of a receivable is calculated as the sum of the products of future cash receipts and the relevant discount factors.

6. Financial accounts

Financial accounts are comprised of cash, stamps and vouchers, and bank account balances and are valued at their nominal value. A value adjustment is created for any impairment.

7. Prepaid expenses and accrued income

Prepaid expenses and accrued income are presented in accordance with the matching principle in terms of substance and time.

8. Asset impairment and value adjustments

Value adjustments are created based on the prudence principle if it is justified to assume that the value of an asset has decreased compared to its carrying value. The value adjustment is accounted for in the amount of the justified estimate of the impairment of the asset compared to its carrying value. Value adjustments are reversed, or their amount is changed if the assumption of impairment changes.

Impairment of non-current assets and inventory

As of each balance sheet date, the carrying value of the Company's assets other than a deferred tax asset is reviewed to determine whether there are any indicators that assets may be impaired. If such indicators exist, the expected future economic benefits from the relevant asset are estimated.

Value adjustments presented in previous periods are reassessed as of each balance sheet date to determine whether any indicators exist that the asset impairment assumption has changed or ceased to exist. A value adjustment is reversed if the assumptions used for determining the expected economic benefits from the asset have changed. A value adjustment is only reversed to the extent that the carrying value of the asset does not exceed the carrying value that would have been determined, net of amortization and depreciation, if the value adjustment had not been presented.

The principles of assessing impairment of non-current assets are also described in Note 3).

Impairment of financial assets and receivables

As of each balance sheet date, financial assets that are not valued at their fair value are reviewed to determine whether there is any objective evidence that they are impaired.

Objective evidence of impairment of financial assets includes non-repayment of debt or an illegal conduct on the part of the debtor, the restructuring of the Company's receivables under such conditions that the Company would not consider under normal circumstances, indications that a petition for bankruptcy will be filed with respect to assets of the debtor or issuer, or if an active market has ceased to exist for the relevant security. Objective evidence of impairment of investments in shares and ownership interests also includes a significant or long-term decline in their fair value below their acquisition cost.

Expected future economic benefits from the Company's investments in shares and ownership interests and from receivables are calculated as the present value of estimated discounted future cash flows. When determining the recoverable amounts of loans and receivables, the debtor's ability and performance and the amount of collateral and third-party guarantees are also considered.

A value adjustment is reversed if the subsequent increase in the expected future economic benefits can be related objectively to an event occurring after the value adjustment was recognized.

9. Liabilities

Liabilities are initially measured at their nominal value. Assumed liabilities are valued 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 is used to value these liabilities in the accounting books and financial statements.

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10. Provisions

A provision is a liability representing the Company's existing obligation arising from past events, which is likely to reduce its economic benefits in the future. Provisions are liabilities of uncertain timing or amount and are valued based on an estimate whose amount is necessary to fulfil the existing obligation as of the balance sheet date.

Creation of a provision is recorded in the relevant expense or asset account to which the liability is attributable. The use of the provision is debited to the relevant account of provisions with a corresponding credit entry in the relevant liability account. Reversal of an unusable provision or part thereof is accounted for by means of an accounting entry in reverse to the creation of the provision.

Creation of a provision for bonuses, rebates, discounts, and the repayment of the purchase price in the event of a complaint is recorded as a reduction in the originally earned income with a corresponding credit entry in the account of provisions.

Unbilled supplies of assets

Provisions for unbilled supplies of assets are recorded with no impact on net profit/loss and are valued as the estimated amount of the liability.

11. Employee benefits

Salaries, wages, contributions to pension and insurance funds, paid annual leave and paid sick leave, bonuses, and other benefits in kind (e.g. health care) are recorded in the accounting period to which they correspond in terms of substance and time.

12. Deferred taxes

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

- temporary differences between the carrying value of assets and the carrying value of liabilities presented in the balance sheet and their tax base;
- 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; and
- unused tax deductions and other tax claims which are possible to carry forward to future periods.

Deferred tax assets and deferred tax liabilities are not recognized in the following cases:

- temporary differences upon initial recognition of an asset or liability in the accounting books if this accounting transaction has no impact on profit/loss or the tax base at the time of initial recognition and, at the same time, does not involve a business combination (i.e., it is not an accounting transaction arising for the buyer in the event of the purchase of a business or part thereof, the recipient of a contribution of a business or part thereof, or the successor accounting entity in the event of a merger, amalgamation into a separate accounting entity or demerger);
- temporary differences related to investments in subsidiaries, jointly controlled accounting entities, and associated accounting entities to the extent that the Company can control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;
- temporary differences upon initial recognition of goodwill or negative goodwill.

A deferred tax asset related to deductible temporary differences, unused tax losses, and unused tax deductions and other tax claims is only recognised if it is probable that a taxable profit will be available against which these amounts can be utilized. A deferred tax asset is reviewed as of each balance sheet date and reduced by the amount in which it is not probable that a taxable profit will be attained. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse.

A deferred tax asset and a deferred tax liability are presented separately in the balance sheet. If they relate to deferred income tax with respect to the same taxable entity and the same taxation authority, it is possible to only present the final balance of account 481 – *Deferred tax liability and deferred tax asset*.

13. Accrued expenses and deferred income

Accrued expenses and deferred income are presented in accordance with the matching principle in terms of substance and time.

14. Leasing (Company as the lessee)

Financial leasing. Financial leasing is the acquisition of property, plant and equipment based on a lease agreement with an agreed right to purchase the leased asset for agreed payments during the agreed period of lease. Assets leased through financial leasing are recognized and depreciated by the lessee, not by the owner.

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The agreed payments include the purchase price for which the ownership title to the leased asset is transferred from the lessor to the lessee at the end of the agreed period of financial leasing of the asset.

The agreed period of lease is at least 60% of the depreciation period according to tax regulations. In the instance of lease of land, the period of lease is at least 60% of the depreciation period of the tangible asset included in tax depreciation group 5 or 6 (buildings and structures, the depreciation period for tax purposes is 20 and 40 years, respectively).

The asset received by the lessee is recorded in the accounting books of the lessee on the date when the asset is received, namely by means of a debit entry in the relevant asset account with a corresponding credit entry in account 474 – Liabilities related to leasing in the amount of the agreed payments less unrealized financial expenses.

Lease payment is allocated between the repayment of principal and financial expenses calculated using the effective interest rate method. Financial expenses are debited to account 562 – Interest.

Operating lease. Assets leased through operating leases are presented by the owner, not by the lessee. Assets leased in the form of operating lease are recorded against expenses on a continuous basis during the duration of the lease agreement.

15. Foreign currency

Assets and liabilities denominated in a foreign currency are translated to the euro currency as of the date of the accounting transaction according to the foreign exchange reference rate determined and announced by the European Central Bank or the National Bank of Slovakia on the date preceding the date of the accounting transaction (hereafter referred to as the "reference rate").

An increase in a foreign currency purchased with the euro currency is valued according to the exchange rate at which this foreign currency was purchased.

An increase in a foreign currency (except for the valuation of a foreign currency acquired within a currency derivative) purchased with another foreign currency is valued according to the value of the other foreign currency in euros, or an increase in a foreign currency in euros is valued according to the reference rate applicable on the date of the transaction.

Foreign currency acquired within a currency derivative is valued as follows:

- if a bank or a branch of a foreign bank is a party to the currency derivative, the exchange rate offered by the bank or the branch of the foreign bank that is a party to this currency derivative is used as of the valuation date, or the reference rate applicable as of the valuation date is used;
- if a bank or a branch of a foreign bank is not a party to the currency derivative, the reference rate applicable as of the valuation date is used.

In the case of a decrease in the same foreign currency in cash or in a foreign exchange account, the following is used to translate the foreign currency to euros:

- the foreign exchange reference rate determined and announced by the European Central Bank or the National Bank of Slovakia on the date preceding the date of the accounting transaction.

As of the valuation date (as of the date of the accounting transaction, as of the balance sheet date), the reference rate is used to translate the following:

- a) money market instruments valued in a foreign currency;
- b) receivables and liabilities related to the aforementioned assets, which are valued in the same foreign currency as these assets.

Advance payments received and advance payments made in foreign currencies via a bank account maintained in this foreign currency are translated to the euro currency according to the foreign exchange reference rate determined and announced by the European Central Bank or the National Bank of Slovakia on the date preceding the date of the accounting transaction.

Advance payments received and advance payments made in foreign currencies via a bank account maintained in euros are translated to the euro currency according to the exchange rate at which these assets were purchased or sold.

They are not retranslated as of the balance sheet date.

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Assets and liabilities denominated in a foreign currency (except for advance payments received and advance payments made) are translated to the euro currency as of the balance sheet date according to the foreign exchange reference rate determined and announced by the European Central Bank or the National Bank of Slovakia on the balance sheet date and are recognised with an impact on net profit/loss.

16. Revenue

Revenue from own work and merchandise is net of value added tax. Revenue is also reduced by discounts and reductions (rebates, bonuses, quick payment discounts, credit notes, etc.), irrespective of whether a customer was entitled to a discount in advance or whether a discount was agreed upon subsequently.

Revenue from the sale of products and merchandise is recognised on the date of performance of a supply according to the Commercial Code, Incoterms, or other terms and conditions specified in the contract.

Revenue from the sale of services is recognised in the accounting period in which the services were provided.

Interest income is recorded evenly in the accounting periods to which it relates in terms of substance and time.

17. Comparable information

If figures for the preceding accounting period in the individual sections of the Financial Statements are not comparable owing to a change in the accounting policies and accounting principles, an explanation of the incomparable figures is provided in the Notes to the Financial Statements.

18. Correction of prior periods errors

If the Company identifies a significant error concerning previous accounting periods during the current accounting period, it corrects this error in accounts 428 - Retained earnings from previous years and 429 - Accumulated losses from previous years, i.e., with no impact on net profit/loss of the current accounting period. Corrections of insignificant errors of previous accounting periods are recorded in the current accounting period in the relevant expense or income account.

In 2019, the Company did not account for any corrections of significant errors of past periods.

D. INFORMATION ON BALANCE SHEET AND INCOME STATEMENT ITEMS

1. Liabilities

Liabilities (except for liabilities related to social fund and deferred tax liability) according to maturity are shown in the table below:

	31 Dec 2019	31 Dec 2018
	EUR	EUR
Liabilities overdue	1,620,055	786,881
Liabilities with the remaining maturity of up to 1 year	30,756,478	7,360,216
Liabilities with the remaining maturity of 1-5 years	10,830,189	14,000,000
Liabilities with the remaining maturity exceeding 5 years	0	0
Liabilities total	<u>43,206,722</u>	<u>22,147,097</u>

2. Equity

The Company has equity of EUR 3,000,000 which was repaid in 2018.

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E. INFORMATION ON EVENTS OCCURRING BETWEEN THE BALANCE SHEET DATE AND THE DATE OF PREPARATION OF THE FINANCIAL STATEMENTS

On 11 March 2020 the World Health Organization declared the coronavirus outbreak a pandemic, and the Slovak government declared a state of emergency on 16 March 2020. Responding to the potentially serious threat the COVID-19 presents to public health, the Slovak government authorities have taken measures to contain the outbreak, including introducing restrictions on the cross-borders movement of people, entry restrictions on foreign visitors and the ‘lock-down’ of certain industries, pending further developments. In particular, airlines and railways suspended international transport of people, schools, universities, restaurants, cinemas, theatres and museums and sport facilities, retailers excluding food retailers, grocery stores and pharmacies were closed. In addition, major manufacturers in the automotive industry decided to shut-down their operations in both Slovak and other European countries. Some businesses in Slovakia have also instructed employees to remain at home and have curtailed or temporarily suspended business operations.

Economic impacts of these events include:

- Disruption to business operations and economic activity in Slovakia, with a cascading impact on both upstream and downstream supply chains;
- Significant disruption to businesses in certain sectors, both within Slovakia and in markets with high dependence on a foreign supply chain as well as export-oriented businesses with high reliance on foreign markets. The affected sectors include trade and transportation, travel and tourism, entertainment, manufacturing, construction, retail, insurance, education and the financial sector;
- Significant decrease in demand for non-essential goods and services;
- An increase in economic uncertainty, reflected in more volatile asset prices and currency exchange rates.
- Release of these measures including termination of a state of emergency set in on 13 June 2020. It is called “the first wave of pandemic”.

Due to so called “the second wave of pandemic”, the Slovak government declared a state of emergency again on 1 October 2020 for 45 days, which was prolonged on 11 November 2020 by additional 45 days to total of 90 days. The Slovak government authorities have introduced the ‘lock-down’ of certain industries again, pending further developments. In particular, schools and universities have online lessons, restaurants (with exception of outdoor terraces), cinemas, theaters, museums and sport facilities are closed. Other industries operate without any further restrictions. The Company operates in the automotive sector that has been directly affected by the outbreak of COVID-19. The Company’s operations were interrupted in connection with the introduction of measures against the spread of COVID-19, and also in connection with the interruption of production of the Company’s end customers. At present, the Company operates without any restrictions.

In the first quarter of 2020, the Company achieved relatively stable revenue. In the second quarter the Company’s operations as well as operations of the Company’s end customers were interrupted. The Company recorded a decrease in orders up to 45% compared to the original plan for 2020, therefore the Company has revised its original budget with expected overall decline in annual sales of 35%. In the third quarter, the Company achieved actual decline in cumulative sales of more than 15% compared to the revised budget. Even in the coming months, it is expected that the economic slowdown and the postponement of new projects will have a negative impact on the Company. In connection with the completion of investments in plant equipment and production capacity in the first half of the year the Company increased number of employees to 106, however due to COVID-19 situation, it again reduced the number of employees to 99, which remained until now. The Company also requested State aid for the wages of employees who were forced to stay at home during the interruption of production. The Company did not request State aid related to bank loans, such as loan guarantees or postponement of loan repayments.

Based on the publicly available information at the date these financial statements were authorised for issue, management has considered the potential development of the outbreak and its expected impact on the Company and economic environment, in which the Company operates, including the measures already taken by the Slovak government. The Company currently expects a decline in annual sales compared to its original sales budget of at least 35%. In ensuring adequate liquidity, the Company expects to rely on financial support from the parent company, primarily in the form of extended maturity on the parent’s loan to the Company (described in Note C.1). No termination of contractual relations by its customers was communicated to the Company. Nevertheless, the Company assessed the impact of the maximum expected loss of income and its impact on the planned management and liquidity. Based on this, it concluded that, subject to the receipt of the above-mentioned parental financial support, it should have sufficient liquidity to be continue as a going concern in the foreseeable future. As at 31 December 2019, after considering liabilities to related parties, the Company had positive working capital, and even with current developments, this situation has not changed.

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Based on the Company's management abovementioned facts support the assertion that the Company will have sufficient resources to continue as a going concern for at least 12 months from the date of the financial statements. However, we cannot rule out the possibility that the extension of the restricted regime, the escalation of the severity of such measures or the consequent adverse effect of such measures on the economic environment in which the Company or its parent company operate will have a further adverse effect on the Company and the parent company, and their financial condition and results of operations. The Company's management will continue to monitor closely and will respond to mitigate the impact of such events and circumstances as they occur.

Except the above, no events with a material impact on the true and fair presentation of facts subject to the bookkeeping occurred after 31 December 2019.