

**SPPP Slovakia s.r.o.**  
Independent Auditor's Report,  
Annual Report and Financial Statements

as at 31 December 2020

(Translation)



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Translation of the Auditors' Report originally prepared in Slovak language

## Independent Auditors' Report

To the Owner and Director of SPPP Slovakia s.r.o..

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of SPPP Slovakia s.r.o. ("the Company"), which comprise the balance sheet as at 31 December 2020, 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 2020, 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.

#### *Other Matter*

The financial statements of the Company as at and for the year ended 31 December 2019 were audited by another auditor who expressed an unmodified opinion on those statements on 22. June 2020.

#### *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 2020 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.

29 April 2021  
Bratislava, Slovak Republic

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



Responsible auditor:  
Ing. Ivana Mazániková  
License SKAU No. 910



## ANNUAL REPORT 2020 SPPP SLOVAKIA s.r.o

### 1- Information about the Company:

SPPP Slovakia, s.r.o.  
 Partizánska 73  
 957 01 Bánovce nad Bebravou  
 IČO: 36 614 939  
 DIČ/IČ DPH: SK20 22 22 48 20

### 2- Financial statements as at 31 December 2020 (in EUR)

#### Balance sheet

	31.12.2020	31.12.2019	31.12.2018	31.12.2017
Non-current assets	3 854 834	4 346 281	4 739 105	5 101 699
Inventories	1 419 192	1 411 844	1 404 645	948 434
Short-term receivables	3 274 741	3 939 327	2 601 163	2 541 878
Cash and bank	259 088	1 385	279 211	56 112
Accruals	64 656	82 164	96 978	90 460
<b>Total assets</b>	<b>8 872 511</b>	<b>9 781 001</b>	<b>9 121 102</b>	<b>8 738 583</b>
Equity	4 259 020	3 803 362	4 432 309	3 807 876
Provisions	216 345	89 905	251 869	275 262
Long term payables	938 519	484 621	483 331	450 971
Short-term payables	2 636 959	4 234 614	2 344 617	2 205 295
Loans	821 668	1 168 499	1 390 514	1 909 842
Accruals	0	0	217 462	89 337
<b>Total liabilities</b>	<b>8 872 511</b>	<b>9 781 001</b>	<b>9 121 102</b>	<b>8 738 583</b>

#### Income statement

	31.12.2020	31.12.2019	31.12.2018	31.12.2017
Revenues - merchandise	72 350	524 268	224 055	174 580
Cost of sales	(48 974)	(458 854)	(154 430)	156 134
<b>Margin</b>	<b>23 376</b>	<b>65 414</b>	<b>69 625</b>	<b>18 446</b>
Revenues - own products/services	15 729 088	16 760 521	15 355 385	15 555 644
Consumption	(11 490 067)	(13 260 609)	10 644 730	10 935 998
<b>Added value</b>	<b>4 239 021</b>	<b>3 499 912</b>	<b>4 780 280</b>	<b>4 638 092</b>
Personnel costs	(2 784 341)	(3 075 012)	(2 604 154)	(2 658 591)
Depreciation	(521 431)	(535 278)	(527 904)	(517 173)
Other operating revenues/(expenses)	(238 315)	(505 584)	(576 756)	(240 917)
<b>Profit /(loss)/ from operating activities</b>	<b>718 312</b>	<b>(550 548)</b>	<b>1 071 466</b>	<b>1 136 850</b>
Interest expenses (net)	(23 983)	(33 914)	(42 820)	(68 761)
Other financial expenses (net)	(47 533)	(51 496)	(54 027)	(7 195)
<b>Profit /(loss)/ from financial activities</b>	<b>(71 516)</b>	<b>(85 410)</b>	<b>(96 847)</b>	<b>(75 956)</b>
<b>Result before tax</b>	<b>646 796</b>	<b>(635 958)</b>	<b>974 619</b>	<b>1 060 894</b>
<b>Income tax</b>	<b>191 139</b>	<b>(7 011)</b>	<b>(350 186)</b>	<b>289 267</b>
<b>Result for the period</b>	<b>455 657</b>	<b>(628 947)</b>	<b>624 433</b>	<b>771 627</b>

### 3- Business development during 2020:

The turnover of SPPP Slovakia s.r.o. decreased by 9 % compared to previous financial period 2019. This development is mainly explained by COVID-19 pandemic and overall stagnation on market.



### 4- Risks and threats:

Main internal risk identified is on the capacity to maintain the global performance with a permanent increase of market requirements, notably regarding quality standards.

The main market threat is linked with the evolution of automotive industry in west Slovakia and its impact on employment and prices.

### 5- Analysis and prognoses of evolution

The Company is expecting a stable level of activity during 2021, with an estimated turnover up to 15 million euros.

### 6- Description of main facts in Financial Statements:

#### **Investments:**

- The company invested for a global amount of 30 K€ in 2020. Most of this value has been spent in softwares for engineering (11K€) and attendance system (7K€)



**Stocks:** The global value of stocks remained stable compare to prior year.

	Stock value as at 31.12.18	Stock value as at 31.12.19	Stock value as at 31.12.20	Comparison 2020 vs 2019
Finished goods	536 040	585 002	580 195	- 1 %
Semi-finished goods	11 693	7 808	21 237	172 %
Material in store	872 190	834 312	830 536	0 %
<b>TOTAL</b>	<b>1 419 923</b>	<b>1 427 122</b>	<b>1 431 968</b>	<b>0 %</b>

**Results:** The net result (EBIT) of the company has been positive on this financial year (646K€), due to consequent changes in the product portfolio as well as the rationalization of company's structure costs.

#### 7- Subsequent events after balance sheet date (N/A)

No events with a material impact on the true and fair presentation of facts subject to the accounting occurred after 31 December 2020 except events disclosed in notes to financial statements.

#### 8- Expectations on development SPPP Slovakia s.r.o.

The company is planning to develop and reach a continuous growth. The Company forecast is to generate profit during the next accounting period comparable to profit reached during 2020.

#### 9- Impact of the Company on environment and employment area.

Due to its technical specificities of production, using chemicals products, the activity of the Company is object of specific and regular controls performed by authorities. A co-operation with the local fire department ensures prevention and relevant action in case of incident.

The Company is quarter payer of tax related to dangerous wastes emission.

Automotive industry in Slovakia is facing a huge increase of demand of human resources, mainly of operators. This year, the Company had to review its human resources communication and to extend the geographic area of recruitment. The difficulties to hire qualified employees at short term are covered by co-operation with external personal agencies.

#### 10- R&D Expenses (N/A)

The Company did not spend costs on research and development during current and previous financial period.

#### 11- Acquisition of Own Shares (N/A)



The Company did not acquire own shares during the financial year 2020.

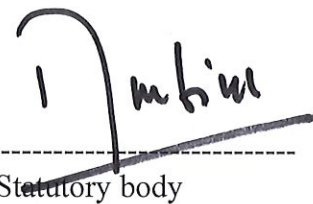
12- Proposal for distribution of profit related to financial year 2020 (N/A)

5% from the profit made in 2020 in the total amount of EUR 455 657 will be transferred to legal reserve fund, rest of amount to the retained earning from previous years.

13- Information whether the company has subsidiary abroad. (N/A).

The Company has no subsidiaries in abroad.

20 April 2021



Statutory body

**Annexes:**

*Auditor report as at 31 December 2020*

*Financial statements as at 31 December 2020*

ÚČ POD

## FINANCIAL STATEMENTS

of entrepreneurs maintaining accounts under the system of double entry bookkeeping  
as of 31. 12. 2020

<b>Tax identification number</b>	<b>Financial statements</b>	<b>Accounting entity</b>	<b>For the period</b>	
2 0 2 2 2 2 4 8 2 0	<input checked="" type="checkbox"/> - ordinary	<input type="checkbox"/> - small	<b>Month</b>	<b>Year</b>
<b>Identification number (IČO)</b>	<input type="checkbox"/> - extraordinary	<input checked="" type="checkbox"/> - large	from 0 1	2 0 2 0
3 6 6 1 4 9 3 9	<input type="checkbox"/> - interim		to 1 2	2 0 2 0
<b>SK NACE</b>	(check <input checked="" type="checkbox"/> )		<b>Preceding period</b>	
2 9 . 3 2 . 0			<b>Month</b>	<b>Year</b>
			from 0 1	2 0 1 9
			to 1 2	2 0 1 9
<b>Attached parts of the financial statements</b>				
<input checked="" type="checkbox"/> Balance Sheet (Úč POD 1-01) (in whole euros)	<input checked="" type="checkbox"/> Income Statement (Úč POD 2-01) (in whole euros)	<input checked="" type="checkbox"/> Notes to the Financial Statements (Úč POD 3-01) (In whole euros or eurocents)		

**Legal name (designation) of the accounting entity**  
S P P S l o v a k i a s . r . o .


**Registered office of the accounting entity, street and number**  
P a r t i z á n s k á 7 3

**Zip code** **Municipality**  
9 5 7 0 1 B á n o v c e n a d B e b r a v o u

**Designation of the Commercial Register and company registration number**  
D i s t r i c t C o u r t T r e n č í n 0 0 d i  
S e c t i o n č . 0 1 f i l e 0 0 0 0 0 0

**Telephone** **Fax**  
+ 4 2 1 3 8 5 3 6 6 8 0 0 0

**Email**  
r e c e p c i a @ a l - s p p . c o m

Prepared on:	Approved on: 	Signature of the accounting entity's statutory body or a member of the accounting entity's statutory body or the signature of a sole trader who is the accounting entity:
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DIČ: 2022224820

IČO: 36614939

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	13 464 594	4 592 082	8 872 512	9 781 001
A.	Non-current assets line 03 + line 11 + line 21	02	7 880 387	4 025 553	3 854 834	4 346 281
A.I.	Non-current intangible assets - total (lines 04 to 10)	03	379 398	332 452	46 946	68 089
A.I.1.	Capitalized development costs (012) - /072, 091A/	04	0	0	0	0
2.	Software (013)-/073, 091A/	05	379 398	332 452	46 946	68 089
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	7 500 989	3 693 101	3 807 888	4 278 192
A.II.1.	Land (031) - /092A/	12	0	0	0	0
2.	Structures (021) - /081, 092A/	13	1 086 964	595 827	491 137	539 436
3.	Individual movable assets and sets of movable assets (022) - /082, 092A/	14	6 404 787	3 097 274	3 307 513	3 730 705
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	9 238	0	9 238	8 051
8.	Advance payments made for property, plant and equipment (052) - /095A/	19	0	0	0	0
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

DIČ: 202224820

IČO: 36614939

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	5 519 551	566 529	4 953 022	5 352 556
B.I.	Inventory - total (lines 35 to 40)	34	1 431 968	12 776	1 419 192	1 411 844
B.I.1.	Raw material (112, 119, 11X) - /191, 19X/	35	830 536	4 658	825 878	826 649
2.	Work in progress and semi-finished products (121, 122, 12X) - /192, 193, 19X/	36	21 237	0	21 237	7 808
3.	Finished goods (123) - /194/	37	580 195	8 118	572 077	577 387
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	0	0	0	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



DIČ: 2022224820

IČO: 36614939

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	3 828 495	553 753	3 274 742	3 939 327
B.III.1.	Trade receivables - total (lines 55 to 57)	54	3 792 928	553 753	3 239 175	3 616 815
1.a.	Trade receivables from affiliated accounting entities (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	55	32 494	0	32 494	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	3 760 434	553 753	3 206 681	3 616 815
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	286 880
8.	Receivables related to derivative transactions (373A, 376A)	64	0	0	0	0
9.	Other receivables (335A, 33XA, 371A, 374A, 375A, 378A) - /391A/	65	35 567	0	35 567	35 632
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	259 088	0	259 088	1 385
B.V.1.	Cash (211, 213, 21X)	72	0	0	0	1 385
2.	Bank accounts (221A, 22X, +/- 261)	73	259 088	0	259 088	0
C.	Accruals/deferrals - total (lines 75 to 78)	74	64 656	0	64 656	82 164
C.1.	Prepaid expenses - long-term (381A, 382A)	75	0	0	0	62 593
2.	Prepaid expenses - short-term (381A, 382A)	76	47 078	0	47 078	0
3.	Accrued income - long-term (385A)	77	0	0	0	19 571
4.	Accrued income - short-term (385A)	78	17 578	0	17 578	0

DIČ: 2022224820

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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
	TOTAL EQUITY AND LIABILITIES line 80 + line 101 + line 141	79	8 872 512	9 781 001
A.	Equity line 81 + line 85 + line 86 + line 87 + line 90 + line 93 + line 97 + line 100	80	4 259 020	3 803 362
A.I.	Share capital - total (lines 82 to 84)	81	2 554 707	2 554 707
A.I.1.	Share capital (411 or +/- 491)	82	2 554 707	2 554 707
	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	264 857	264 857
A.IV.1.	Legal reserve fund and non-distributable fund (417A, 418, 421A, 422)	88	264 857	264 857
	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	983 799	1 612 745
A.VII.1.	Retained earnings from previous years (428)	98	5 102 442	5 102 442
	2. Accumulated losses from previous years (-/-429)	99	-4 118 643	-3 489 697
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	455 657	-628 947
B.	Liabilities line 102 + line 118 + line 121 + line 122 + line 136 + line 139 + line 140	101	4 613 492	5 977 639
B.I.	Non-current liabilities - total (line 103 + lines 107 to 117)	102	938 520	484 621

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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	730 000	230 000
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	17 861	14 876
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	190 659	239 745
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	386 667	632 053
B.IV.	Current liabilities - total (line 123 + lines 127 to 135)	122	2 636 959	4 234 614
B.IV.1.	Trade liabilities - total (lines 124 to 126)	123	2 145 143	3 979 128
1.a.	Trade liabilities to affiliated accounting entities (321A, 322A, 324A, 325A, 326A, 32XA, 475A, 476A, 478A, 47XA)	124	193 801	610 109
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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Designation a	LIABILITIES AND EQUITY b	Line No. c	Current accounting period 4	Preceding accounting period 5
1.c.	Other trade liabilities (321A, 322A, 324A, 325A, 326A, 32XA, 475A, 476A, 478A, 47XA)	126	1 951 342	3 369 019
2.	Net value of contract (316A)	127	0	0
3.	Other liabilities to affiliated accounting entities (361A, 36XA, 471A, 47XA)	128	0	0
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	123 440	142 205
7.	Liabilities related to social security (336A)	132	83 429	91 533
8.	Tax liabilities and subsidies (341, 342, 343, 345, 346, 347, 34X)	133	272 755	21 193
9.	Liabilities related to derivative transactions (373A, 377A)	134	0	0
10.	Other liabilities (372A, 379A, 474A, 475A, 479A, 47XA)	135	12 192	555
B.V.	Short-term provisions line 137 + line 138	136	216 345	89 905
B.V.1.	Legal provisions (323A, 451A)	137	56 715	38 923
2.	Other provisions (323A, 32X, 459A, 45XA)	138	159 630	50 982
B.VI.	Current bank loans (221A, 231, 232, 23X, 461A, 46XA)	139	435 001	536 446
B.VII.	Short-term financial assistance (241, 249, 24X, 473A /-/255A)	140	0	0
C.	Accruals/deferrals - total (lines 142 to 145)	141	0	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	0	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 1	Preceding accounting period 2
*	Net turnover (part of account class 6 according to the Act)	01	15 801 439	17 284 789
**	Operating income - total (lines 03 to 09)	02	16 214 392	17 505 909
I.	Revenue from the sale of merchandise (604, 607)	03	72 350	524 268
II.	Revenue from the sale of own products (601)	04	13 796 164	15 841 740
III.	Revenue from the sale of services (602, 606)	05	1 932 925	918 781
IV.	Changes in internal inventory (+/-) (account group 61)	06	8 119	45 370
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	52 750	26 473
VII.	Other operating income (644, 645, 646, 648, 655, 657)	09	352 084	149 277
**	Operating expenses - total line 11 + line 12 + line 13 + line 14 + line 15 + line 20 + line 21 + line 24 + line 25 + line 26	10	15 496 080	18 056 457
A.	Cost of merchandise sold (504, 507)	11	48 974	458 854
B.	Consumed raw materials, energy consumption, and consumption of other non-inventory supplies (501, 502, 503)	12	7 982 058	8 949 655
C.	Value adjustments to inventory (+/-) (505)	13	1 387	0
D.	Services (account group 51)	14	3 506 622	4 342 964
E.	Personnel expenses - total (lines 16 to 19)	15	2 784 341	3 075 012
E.1.	Wages and salaries (521, 522)	16	2 003 670	2 222 073
2.	Remuneration of board members of company or cooperative (523)	17	0	0
3.	Social security expenses (524, 525, 526)	18	713 172	790 027
4.	Social expenses (527, 528)	19	67 499	62 912
F.	Taxes and fees (account group 53)	20	5 293	6 890
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	521 431	535 278
G.1.	Amortization of non-current intangible assets and depreciation of property, plant and equipment (551)	22	521 431	535 278
2.	Value adjustments to non-current intangible assets and property, plant and equipment (+/-) (553)	23	0	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 1	Preceding accounting period 2
H.	Carrying value of non-current assets sold and raw materials sold (541, 542)	24	0	0
I.	Value adjustments to receivables (+/-) (547)	25	313 600	32 943
J.	Other operating expenses (543, 544, 545, 546, 548, 549, 555, 557)	26	332 374	654 861
***	Profit/loss from operations (+/-) (line 02 - line 10)	27	718 312	-550 548
*	Added value (line 03 + line 04 + line 05 + line 06 + line 07) - (line 11 + line 12 + line 13 + line 14)	28	4 270 517	3 578 686
**	Income from financial activities - total line 30 + line 31 + line 35 + line 39 + line 42 + line 43 + line 44	29	0	201
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	0	30
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	171
**	Expenses related to financial activities - total line 46 + line 47 + line 48 + line 49 + line 52 + line 53 + line 54	45	71 516	85 611
K.	Securities and shares sold (561)	46	0	0
L.	Expenses related to current financial assets (566)	47	0	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 1	Preceding accounting period 2
M.	Value adjustments to financial assets (+/-) (565)	48	0	0
N.	Interest expense (line 50 + line 51)	49	23 983	33 914
N.1.	Interest expenses related to affiliated accounting entities (562A)	50	0	0
2.	Other interest expenses (562A)	51	23 983	33 914
O.	Exchange rate losses (563)	52	0	0
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	47 533	51 697
***	Profit/loss from financial activities (+/-) (line 29 - line 45)	55	-71 516	-85 410
****	Profit/loss for the accounting period before tax (+/-) (line 27 + line 55)	56	646 796	-635 958
R.	Income tax (line 58 + line 59)	57	191 139	-7 011
R.1.	Income tax - current (591, 595)	58	240 226	0
2.	Income tax - deferred (+/-) (592)	59	-49 087	-7 011
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	455 657	-628 947

**A. GENERAL INFORMATION****1. Legal name and registered office of the company:**

SPPP Slovakia s.r.o.  
Partizánska 73  
957 01 Bánovce nad Bebravou

SPPP Slovakia s.r.o. (hereafter referred to as the "Company") was established on 6 June 2006 and was registered in the Commercial Register on 28 June 2006 (Commercial Register of the District Court Trenčín, Section Sro, file 19965/R).

**The principal activities of the Company comprise:**

- painting of plastic products;
- production and assembly of plastic products;
- Brokerage services;
- provision of services and the purchase and sale of goods related thereto.

**2. Information on unlimited liability**

The Company is not a partner with unlimited liability in other companies according to Article 56 (5) of the Commercial Code or similar provisions of other legislation.

**3. Date of approval of the Financial Statements for the preceding accounting period**

The Financial Statements of the Company as of 31 December 2019, i.e., for the preceding accounting period, were approved by the shareholders at the Company's general meeting on 19th March 2021.

**4. Legal reason for the preparation of the Financial Statements**

The Financial Statements of the Company as of 31 December 2020 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 2020 to 31 December 2020.

The Financial Statements are intended for users who possess adequate knowledge of business and economic activities and bookkeeping and who analyze 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.

**5. Information on the Group**

The Company is included in the Consolidated Financial Statements of the company S.P.P.P., BD. DE L INDUSTRIE 83; ST BERTHEVIN 239 40; France.

Consolidated financial statements of the concern S.P.P.P. are prepared by the Company S.P.P.P., BD. DE L INDUSTRIE 83; ST BERTHEVIN 239 40; France.

These consolidated financial statements are available at the registered office of the aforementioned company.

**6. Number of employees**

The average recalculated number of employees of the Company was 151 in the accounting period 2020 (163 in the accounting period 2019).

As of 31 December 2020, the number of employees was 146, including 1 manager (as of 31 December 2019, the number of employees was 160, including 1 manager).

**B. INFORMATION ON THE APPLIED PROCEDURES****1. Basis of preparation**

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

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.

## 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.

Amortization of non-current intangible assets is based on the expected useful lives of the assets and their expected wear and tear. Amortization commences on the first day of the month following the date on which the non-current 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 written off when the asset is put into use.

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

	Estimated useful life in years	Depreciation method	Annual rate of depreciation in %
Software	3 - 5	straight-line	33,3 - 20

Amortization 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 date on which the non-current asset was put into use. Low-value non-current tangible assets with an acquisition cost (or conversion cost) of EUR 1 700 or less are written off when the asset is put into use.

Land is not depreciated.

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

	Estimated useful life in years	Depreciation method	Annual rate of depreciation in %
Structures	20	straight-line	5
Machinery and equipment	5	straight-line	20
Production line - primary	20	straight-line	5
Production line - secondary	10	straight-line	10
Office equipment	3	straight-line	33,3
Low-value non-current tangible assets	diverse	one-off depreciation	100

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.

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#### 4. Inventory

Inventory is valued at its acquisition cost, which 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. A discount on the price granted for inventories already sold or consumed is accounted for as a reduction in the cost of inventories sold or consumed. The company accounts for the acquisition and disposal of inventories by method A, except for spare parts and other consumables – it applies a modified A method, i.e., it does not account for individual receipts and expenditures of material for the warehouse, but accounts for movements in the warehouse on a monthly basis based on a physical inventory count.

Work in progress, semi-finished goods and products are valued on the basis of actual own costs, which also include the relevant overheads.

Conversion cost includes direct costs (direct material, direct labor, and other direct costs) and part of indirect costs directly related to own work capitalized (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 on loans is not capitalized.

Inventories acquired by other methods - at fair value in the case of free acquisition of inventories or inventories newly identified during the inventory count, i. e. the price at which the asset would be acquired at the time it is accounted for. Inventory is written down for any impairment of value.

Disposal of inventory is recorded at the actual acquisition cost 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).

#### 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 (see Note D.12. Deferred taxes) 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.

## 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.

## 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 on the basis of an estimate whose amount is necessary to fulfill 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.

### **Provision for claims**

A provision for claims was created with respect to the estimated cost of warranty repairs of products that were sold prior to 31 December 2020. The estimated costs are based on claims of products that were already rejected as of the date of preparation of the Financial Statements (this part of the provision was made on a specific basis) and costs of claims of products that have not been claimed as of the date of preparation of the Financial Statements (this part of the provision was made as a percentage of sales). The provision will be fully used during following accounting period.

## 11. Employee benefits

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

### **Long-term employee benefits**

Based on the Labor Code, an employee is entitled to receive a retirement bonus amounting to one average monthly wage upon old-age retirement.

The past service liability is valued at its present value as of the balance sheet date. Actuarial gains or losses are accounted for immediately when originated, while reviewing the amount of the liability.

## 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 is able to 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 recognized 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. Subsidies from the state budget

An entitlement to a subsidy from the state budget is accounted for if it is virtually certain that the entity will comply with all the conditions attached to the subsidy and that the subsidy will be received.

Subsidies for acquisition of non-current intangible assets and property, plant and equipment are initially recorded as deferred income and are released into the Income Statement; this corresponds in terms of time and substance to the recording of amortization/depreciation of these non-current assets.

Subsidies for expenses as compensation for specific expenses related to the activities of the Company are initially recorded as deferred income and are released into the Income Statement as operating income; this corresponds in terms of time and substance to the expenses incurred for the relevant purpose.

The Company applied for state aid within the framework of measures adopted by the Government of the Slovak Republic on (date) in an effort to overcome the negative impacts of the COVID-19 pandemic on the economy and businesses, specifically:

- Granting a contribution to employee wage costs if the Company retains jobs, also if its business operations are suspended or restricted during a declared emergency situation, namely:
  - In the amount of employee wage compensation up to a maximum of the aggregate cost of the employee's work, up to a maximum of EUR 1,100
  - In the amount of a lump sum contribution to compensate part of the wage costs per employee depending on the decrease in revenue.

Granting a contribution is conditional upon job retention for one month at the time when an emergency situation, state of distress or state of emergency is declared and two months after its end, also if the Company's business operations are suspended or restricted.

The Company obtained state subsidy for compensation of negative impacts of the COVID-19 in total amount of EUR 125 702.

### 15. Leasing

**Financial leasing.** Financial leasing is the acquisition of property, plant and equipment on the basis of 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.



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.

#### 16. 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 with the euro currency is valued according to the exchange rate at which this foreign currency was purchased.

An increase in a foreign currency 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.

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.

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.

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 recorded with an impact on net profit/loss.

#### 17. 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 recognized 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 recognized 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.

Income from dividends is recorded at the time of the establishment of the Company's right to receive payment.

#### 18. Comparative 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.

#### 19. Correction of prior periods errors

If the Company identifies a material 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 immaterial errors of previous accounting periods are recorded in the current accounting period in the relevant expense or income account.

In 2020, the Company did not account for any corrections of material errors of past periods.

### C. INFORMATION ON BALANCE SHEET ITEMS

#### 1. Property, plant and equipment

Information on the movements of property, plant and equipment from 1 January 2020 to 31 December 2020 and for the comparative period from 1 January 2019 to 31 December 2019 is shown in the tables on pages 19 and 20.

A lien was established on a painting line nr T0074 with a carrying value of EUR 2 098 244 in favor of a bank as collateral for an loan in amount of EUR 821 668 EUR.

The bank acquired the ownership right to the T0074 line under a security transfer agreement, and the Company uses this line free of charge and presents this asset in its accounting books on the basis of a loan agreement.

#### 2. Non-current intangible assets

Information on the movements of non-current intangible assets from 1 January 2020 to 31 December 2020 and for the comparative period from 1 January 2019 to 31 December 2019 is shown in the tables on pages 19 and 20.

In 2020, the Company does not have any non-current intangible assets subject to the right of lien and other restrictions (no such assets in 2019).

*SPPP Slovakia s.r.o.*  
*Summary of movements of non-current assets*  
*31 December 2020*

Designation	Initial measurement (Acquisition cost/Conversion cost)				Accumulated amortization/depreciation/Value adjustments				Carrying value	
	1 Jan 2020	Increases	Decreases	Transfers	1 Jan 2020	Increases	Decreases	Transfers	31 Dec 2020	31 Dec 2020
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Capitalized development costs	0	0	0	0	0	0	0	0	0	0
Software	361 174	18 224	0	0	293 085	39 367	0	332 452	68 089	46 947
Valuable rights	0	0	0	0	0	0	0	0	0	0
Goodwill	0	0	0	0	0	0	0	0	0	0
Other non-current intangible assets	0	0	0	0	0	0	0	0	0	0
Acquisition of non-current intangible assets	0	0	0	0	0	0	0	0	0	0
Advance payments made for non-current intangible assets	0	0	0	0	0	0	0	0	0	0
<b>Non-current intangible assets - total</b>	<b>361 174</b>	<b>18 224</b>	<b>0</b>	<b>0</b>	<b>293 085</b>	<b>39 367</b>	<b>0</b>	<b>332 452</b>	<b>68 089</b>	<b>46 947</b>
Land	0	0	0	0	0	0	0	0	0	0
Structures	1 078 913	0	0	8 051	539 477	56 350	0	595 827	539 437	491 138
Individual movable assets and sets of movable assets	6 415 822	2 522	13 558	0	2 685 117	425 714	13 558	3 097 274	3 730 705	3 307 513
Perennial crops	0	0	0	0	0	0	0	0	0	0
Livestock	0	0	0	0	0	0	0	0	0	0
Other property, plant and equipment	0	0	0	0	0	0	0	0	0	0
Acquisition of property, plant and equipment	8 051	9 238	0	-8 051	0	0	0	0	8 051	9 238
Advance payments made for property, plant and equipment	0	0	0	0	0	0	0	0	0	0
<b>Property, plant and equipment - total</b>	<b>7 502 786</b>	<b>11 760</b>	<b>13 558</b>	<b>0</b>	<b>3 224 594</b>	<b>482 064</b>	<b>13 558</b>	<b>3 693 100</b>	<b>4 278 193</b>	<b>3 807 889</b>
Shares and ownership interests in affiliated accounting entities	0	0	0	0	0	0	0	0	0	0
Shares and ownership interests with a participating interest other than those in affiliated accounting entities	0	0	0	0	0	0	0	0	0	0
Other available-for-sale securities and ownership interests	0	0	0	0	0	0	0	0	0	0
Loans to affiliated accounting entities	0	0	0	0	0	0	0	0	0	0
Loans within a participating interest other than those to affiliated accounting entities	0	0	0	0	0	0	0	0	0	0
Other loans	0	0	0	0	0	0	0	0	0	0
Debt securities and other non-current financial assets	0	0	0	0	0	0	0	0	0	0
Loans and other non-current financial assets with remaining maturity of up to one year	0	0	0	0	0	0	0	0	0	0
Bank accounts with notice period exceeding one year	0	0	0	0	0	0	0	0	0	0
Acquisition of non-current financial assets	0	0	0	0	0	0	0	0	0	0
Advance payments made for non-current financial assets	0	0	0	0	0	0	0	0	0	0
<b>Non-current financial assets - total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Non-current assets - total</b>	<b>7 863 960</b>	<b>29 984</b>	<b>13 558</b>	<b>0</b>	<b>3 517 679</b>	<b>521 431</b>	<b>13 558</b>	<b>4 025 552</b>	<b>4 346 282</b>	<b>3 854 835</b>

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SPPP Slovakia s.r.o.													
Summary of movements of non-current assets													
31 December 2019													
Designation	Initial measurement (Acquisition cost/Conversion cost)				Accumulated amortization/depreciation/Value adjustments				Carrying value				
	1 Jan 2019	Increases	Decreases	Transfers	31 Dec 2019	1 Jan 2019	Increases	Decreases	Transfers	31 Dec 2019	31 Dec 2018	31 Dec 2019	
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	
Capitalized development costs	0	0	0	0	0	0	0	0	0	0	0	0	
Software	317 287	29 586	0	14 300	361 174	254 953	38 132	0	0	293 085	62 334	68 089	
Valuable rights	0	0	0	0	0	0	0	0	0	0	0	0	
Goodwill	0	0	0	0	0	0	0	0	0	0	0	0	
Other non-current intangible assets	0	0	0	0	0	0	0	0	0	0	0	0	
Acquisition of non-current intangible assets	0	0	0	0	0	0	0	0	0	0	0	0	
Advance payments made for non-current intangible assets	0	0	0	0	0	0	0	0	0	0	0	0	
<b>Non-current intangible assets - total</b>	<b>317 287</b>	<b>29 586</b>	<b>0</b>	<b>14 300</b>	<b>361 174</b>	<b>254 953</b>	<b>38 132</b>	<b>0</b>	<b>0</b>	<b>293 085</b>	<b>62 334</b>	<b>68 089</b>	
Land	0	0	0	0	0	0	0	0	0	0	0	0	
Structures	1 070 248	8 665	0	0	1 078 913	483 914	55 563	0	0	539 477	586 334	539 437	
Individual movable assets and sets of movable assets	6 319 671	81 851	0	14 300	6 415 822	2 243 534	441 583	0	0	2 685 117	4 076 137	3 730 705	
Perennial crops	0	0	0	0	0	0	0	0	0	0	0	0	
Livestock	0	0	0	0	0	0	0	0	0	0	0	0	
Other property, plant and equipment	0	0	0	0	0	0	0	0	0	0	0	0	
Acquisition of property, plant and equipment	14 300	8 051	0	-14 300	8 051	0	0	0	0	0	14 300	8 051	
Advance payments made for property, plant and equipment	0	0	0	0	0	0	0	0	0	0	0	0	
<b>Property, plant and equipment - total</b>	<b>7 404 219</b>	<b>98 567</b>	<b>0</b>	<b>0</b>	<b>7 502 786</b>	<b>2 727 448</b>	<b>497 146</b>	<b>0</b>	<b>0</b>	<b>3 224 594</b>	<b>4 676 771</b>	<b>4 278 193</b>	
Shares and ownership interests in affiliated accounting entities	0	0	0	0	0	0	0	0	0	0	0	0	
Shares and ownership interests with a participating interest other than those in affiliated accounting entities	0	0	0	0	0	0	0	0	0	0	0	0	
Other available-for-sale securities and ownership interests	0	0	0	0	0	0	0	0	0	0	0	0	
Loans to affiliated accounting entities	0	0	0	0	0	0	0	0	0	0	0	0	
Loans within a participating interest other than those to affiliated accounting entities	0	0	0	0	0	0	0	0	0	0	0	0	
Other loans	0	0	0	0	0	0	0	0	0	0	0	0	
Debt securities and other non-current financial assets	0	0	0	0	0	0	0	0	0	0	0	0	
Loans and other non-current financial assets with remaining maturity of up to one year	0	0	0	0	0	0	0	0	0	0	0	0	
Bank accounts with notice period exceeding one year	0	0	0	0	0	0	0	0	0	0	0	0	
Acquisition of non-current financial assets	0	0	0	0	0	0	0	0	0	0	0	0	
Advance payments made for non-current financial assets	0	0	0	0	0	0	0	0	0	0	0	0	
<b>Non-current financial assets - total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Non-current assets - total</b>	<b>7 721 506</b>	<b>128 154</b>	<b>0</b>	<b>14 300</b>	<b>7 863 960</b>	<b>2 982 401</b>	<b>535 278</b>	<b>0</b>	<b>0</b>	<b>3 517 679</b>	<b>4 739 105</b>	<b>4 346 282</b>	

### 3. Inventory

The movement of a value adjustment during the accounting period is presented in the table below:

	Balance as of 1 Jan 2020	Creation (increase)	Reversal (use)	Reversal (release)	Balance as of 31 Dec 2020
	EUR	EUR	EUR	EUR	EUR
Materials	7 663	0	0	3 005	4 658
Finished goods	7 615	503	0	0	8 118
<b>Total</b>	<b>15 278</b>	<b>503</b>	<b>0</b>	<b>3 005</b>	<b>12 776</b>

A value adjustment was created to reflect impairment of inventory. The value of inventory has been impaired mainly due to increase of slow-moving products. The value adjustment to inventory was reversed because this inventory was sold.

### 4. Receivables

The movement of a value adjustment during the accounting period is presented in the table below:

	Balance as of 1 Jan 2020	Creation (increase)	Reversal (use)	Reversal (release)	Balance as of 31 Dec 2020
	EUR	EUR	EUR	EUR	EUR
Other trade receivables	240 153	313 600	0	0	553 753
<b>Total</b>	<b>240 153</b>	<b>313 600</b>	<b>0</b>	<b>0</b>	<b>553 753</b>

Value adjustments to receivables reflect the credit rating and the customer's ability to pay.

A value adjustment is used if an overdue receivable to which a value adjustment has been created in the past is partially repaid or written off.

A value adjustment is reversed in cases where the risk that the debtor will not repay the receivable or part thereof has ceased to exist or decreased.

The Company has open balance of receivable related to partner Ficosa in amount of EUR 240 000, however value adjustment is created in amount of EUR 117 000 as the Company is expecting new projects with partner Ficosa and therefore payment the rest of receivable.

The ageing structure of receivables is shown in the table below:

	31 Dec 2020	31 Dec 2019
	EUR	EUR
Receivables - due	2 481 060	2 392 247
Receivables - overdue	1 347 434	1 787 233
<b>Total</b>	<b>3 828 494</b>	<b>4 179 480</b>

All trade receivables in the amount of EUR 3 239 174 are secured by the right of lien. A lien on receivables has been established in favor of a bank as a collateral for long-term loan. (please refer to C.11)

## 5. Accruals/deferrals

Accruals/deferrals include the following items:

	31 Dec 2020 EUR	31 Dec 2019 EUR
Prepaid expenses - long-term		
Other	0	62 593
<b>Total prepaid expenses - long-term</b>	<b>0</b>	<b>62 593</b>
Prepaid expenses - short-term		
Other	47 078	0
<b>Total prepaid expenses - short-term</b>	<b>47 078</b>	<b>0</b>
Accrued income - long-term		
Other	0	19 571
<b>Total accrued income - long-term</b>	<b>0</b>	<b>19 571</b>
Accrued income - short-term		
Other	17 578	0
<b>Total accrued income - short-term</b>	<b>17 578</b>	<b>0</b>
<b>Total</b>	<b>64 656</b>	<b>82 164</b>

## 6. Equity

As of 31 December 2020, the Company's share capital amounts to EUR 2 554 707 (as of 31 December 2019: EUR 2 554 707).

Share capital has been fully paid.

Net loss for 2019 in the amount of EUR 628 947 was settled as follows:

	EUR
From retained earnings from previous years	628 947
<b>Total</b>	<b>628 947</b>

The general meeting will decide on the distribution of profit in the amount of EUR 455 657 for the accounting period 2020. The proposal presented by the statutory body to the general meeting is as follows:

- contribution to legal reserve fund in the amount of 5%, which represents EUR 22 783; and
- transfer to retained earnings from the previous years in the amount of EUR 432 874.

According to the Commercial Code, the Company is obliged to create a legal reserve fund in the minimum amount of 5 % from the net profit (annually) and up to a maximum of 10 % of the registered share capital.

No mandatory contribution to the legal reserve fund is required, as the legal reserve fund has already attained the maximum limit stipulated in the legislation and the Memorandum of Association.

## 7. Provisions

Provisions for the current accounting period are shown in the table below:

	Balance as of 1 Jan 2020 EUR	Creation EUR	Reversal (use) EUR	Reversal (release) EUR	Balance as of 31 Dec 2020 EUR
<b>Long-term provisions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Short-term provisions, including</b>	<b>38 923</b>	<b>56 715</b>	<b>38 923</b>	<b>0</b>	<b>56 715</b>
<b>Legal short-term provisions</b>					
Vacation pay, including social security	38 923	56 715	38 923	0	56 715
<b>Legal short-term provisions - total</b>	<b>38 923</b>	<b>56 715</b>	<b>38 923</b>	<b>0</b>	<b>56 715</b>
<b>Other short-term provisions</b>					
Provision for turnover bonus	0	33 033	0	0	33 033
Provision for claims	0	59 280	0	0	59 280
Provision for audit	9 900	9 660	9 900	0	9 660
Other	41 082	16 575	0	0	57 657
	<b>50 982</b>	<b>118 548</b>	<b>9 900</b>	<b>0</b>	<b>159 630</b>

## 8. Liabilities

Liabilities (except for bank loans, borrowings and returnable financial assistance, liabilities related to social fund, deferred tax liability and provisions) according to maturity are shown in the table below:

	31 Dec 2020 EUR	31 Dec 2019 EUR
Liabilities - overdue	213 152	2 198 574
Liabilities - due	3 153 807	2 266 040
	<b>3 366 959</b>	<b>4 464 614</b>

The structure of liabilities (except for bank loans, borrowings and returnable financial assistance, liabilities related to social fund, deferred tax liability and provisions) according to their remaining maturities as of 31 December 2020 is shown in the table below:

	Carrying value	Less than 1 year	1 – 5 years	More than 5 years
Trade liabilities to affiliated accounting entities	193 801	193 801	0	0
Other trade liabilities	1 951 342	1 951 342	0	0
Other liabilities to affiliated accounting entities	730 000	0	730 000	0
Liabilities to employees	123 440	123 440	0	0
Liabilities related to social security	83 429	83 429	0	0
Tax liabilities and subsidies	272 755	272 755	0	0
Other liabilities	12 192	12 192	0	0
	<b>3 366 959</b>	<b>2 636 959</b>	<b>730 000</b>	<b>0</b>

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The structure of liabilities (except for bank loans, borrowings and returnable financial assistance, liabilities related to social fund, deferred tax liability and provisions) according to their remaining maturities as of 31 December 2019 is shown in the table below:

	Carrying value	Less than 1 years	1 – 5 years	More than 5 years
Trade liabilities to affiliated accounting entities	610 109	610 109	0	0
Other trade liabilities	3 369 019	3 369 019	0	0
Other liabilities to affiliated accounting entities	230 000	0	230 000	0
Liabilities to employees	142 205	142 205	0	0
Liabilities related to social security	91 533	91 533	0	0
Tax liabilities and subsidies	21 193	21 193	0	0
Other liabilities	555	555	0	0
	<b>4 464 614</b>	<b>4 234 614</b>	<b>230 000</b>	<b>0</b>

## 9. Deferred tax liability

The calculation of the deferred tax liability is presented in the table below:

	31 Dec 2020 EUR	31 Dec 2019 EUR
Temporary differences between the carrying value of assets and the carrying value of liabilities and their tax base		
– deductible	-1 186 642	-647 837
– taxable	2 289 476	2 049 397
Tax losses carried forward for future periods	-194 937	-259 916
Unused tax deductions and other tax claims	0	0
Income tax rate (in %)	21	21
<b>Deferred tax liability</b>	<b>190 658</b>	<b>239 745</b>

	EUR
Balance as of 31 December 2020	190 658
Balance as of 31 December 2019	239 745
<b>Change</b>	<b>-49 087</b>
including:	
– recorded in profit/loss	-49 087
– recorded in equity	0

## 10. Social fund

The creation and drawing from the social fund during the accounting period are presented in the table below:

	2020 EUR	2019 EUR
Balance as of 1 January	14 876	7 575
Creation against expenses	10 498	11 895
Creation from profit	0	0
Drawing	-7 513	-4 594
<b>Balance as of 31 December</b>	<b>17 861</b>	<b>14 876</b>



According to the Act on the Social Fund, part of the social fund must be created against expenses and part can be created from retained earnings. According to the Act on the Social Fund, the social fund is used to satisfy social, health, recreation, and other needs of employees.

## 11. Bank loans

Bank loans are detailed in the table below:

	Currency	Annual interest in %	Maturity date	Amount of principal in the relevant currency as of 31 Dec 2020	Amount of principal in euros as of 31 Dec 2020	Amount of principal in the relevant currency as of 31 Dec 2019	Amount of principal in euros as of 31 Dec 2019
<b>Long-term bank loans</b>							
Sberbank	EUR	2,65	2022	386 667	386 667	632 053	632 053
				<b>386 667</b>	<b>386 667</b>	<b>632 053</b>	<b>632 053</b>
<b>Short-term bank loans</b>							
Sberbank	EUR	2,65	2022	435 001	435 001	379 230	379 230
Prima Bank	EUR	2,20	2020	0	0	157 216	157 216
				<b>435 001</b>	<b>435 001</b>	<b>536 446</b>	<b>536 446</b>
<b>Total</b>				<b>821 668</b>	<b>821 668</b>	<b>1 168 500</b>	<b>1 168 500</b>

The structure of bank loans according to their remaining maturities is shown in the table below:

	31 Dec 2020 EUR	31 Dec 2019 EUR
Bank loans - overdue	0	0
Bank loans with the remaining maturity of up to 1 year	435 001	536 446
Bank loans with the remaining maturity of 1-5 years	386 667	632 053
Bank loans with the remaining maturity exceeding 5 years	0	0
<b>Total</b>	<b>821 668</b>	<b>1 168 499</b>

### Loan agreement no. 140085

Loan agreement no. 140,085 of 12 October 2015, as amended, the company was provided with a loan in the amount of EUR 2,465,000 with a maturity of 20 August 2022.

### Securities:

1. A lien on trade receivables and all bank accounts.
2. Submission of a debt subordination agreement concluded between the Bank, the Client and SPPP SAS as a subordinated creditor.
3. Submission of the issued blank bill of exchange without aval and a contract authorizing the bank to fill in the blank bill of exchange.
4. Presentation of a company guarantee to SPPP SAS.
5. Lien established based on the Contract on the lien on movable property no. 140 085 of 16 November 2016.

## 12. Borrowings and returnable financial assistance

The Company received a long-term interest-bearing loan from its parent accounting entity:

	Currency	Annual interest in %	Maturity date	Amount of principal in the relevant currency as of 31 Dec 2020	Amount of principal in euros as of 31 Dec 2020	Amount of principal in the relevant currency as of 31 Dec 2019	Amount of principal in euros as of 31 Dec 2019
<b>Long-term borrowings and financial assistance</b>							
Parent Company loan	EUR	2%	2022	230 000	230 000	230 000	230 000
Parent Company loan	EUR	1%	2022	500 000	500 000	0	0
				<b>730 000</b>	<b>730 000</b>	<b>230 000</b>	<b>230 000</b>
<b>Short-term borrowings and financial assistance</b>							
				0	0	0	0
				<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total</b>				<b>730 000</b>	<b>730 000</b>	<b>230 000</b>	<b>230 000</b>

The structure of borrowings and returnable financial assistance according to their remaining maturities is shown in the table below:

	31 Dec 2020 EUR	31 Dec 2019 EUR
Overdue	0	0
Remaining maturity of up to 1 year	0	0
Remaining maturity of 1-5 years	730 000	230 000
Remaining maturity exceeding 5 years	0	0
<b>Total</b>	<b>730 000</b>	<b>230 000</b>

Based on an agreement with the parent accounting entity, the Company gained loan in amount of EUR 500 000 during 2020.

## D. INFORMATION ON INCOME TAXES

A reconciliation from the theoretical income tax to the reported income tax is shown in the table below:

	2020			2019		
	Tax base EUR	Tax EUR	Tax %	Tax base EUR	Tax EUR	Tax %
Profit (loss) before tax	646 796			-635 958		
Theoretical tax rate 21 %		135 827	21,00 %		-133 551	21,00 %
Non-tax-deductible expenses	562 114	118 044	18,25 %	602 571	126 540	-19,90 %
Income not subject to tax	0	0	0,00 %	0	0	0,00 %
Tax losses claimed during the period	-64 979	-13 645	-2,11 %	0	0	0,00 %
Used tax deductions and other tax claims	0	0	0,00 %	0	0	0,00 %
Withholding tax	0	0	0,00 %	0	0	0,00 %
	1 143 932	240 226	37,14 %	-33 387	-7 011	1,10 %
<b>Current tax</b>		<b>240 226</b>	<b>37,14 %</b>		<b>0</b>	<b>1,10 %</b>
Deferred tax		-49 087	-7,59 %		7 011	-1,10 %
<b>Total reported tax</b>		<b>191 139</b>	<b>29,55 %</b>		<b>7 011</b>	<b>0,00 %</b>

Other information on deferred taxes:

	2020 EUR	2019 EUR
Amount of a deferred tax asset recognized in the current accounting period, which relates to tax losses, carried forward, unused tax deductions and other claims, as well as to temporary differences from previous accounting periods, in respect of which a deferred tax asset was not recognized in previous accounting periods.	40 937	54 582
Amount of carryforward of unused tax losses, unused tax deductions and other claims, and deductible temporary differences in respect of which a deferred tax asset was not recognized.	-231 595	-294 328

Since 1 January 2017, the income tax rate in the Slovak Republic is 21%.

## E. INFORMATION ON INCOME STATEMENT ITEMS

### 1. Revenue from own work and merchandise

Revenue from own work and merchandise according to the individual segments, i.e., types of products and services, is presented in the table below:

	2020 EUR	2019 EUR
<b>Finished goods</b>		
Plastic products	13 796 163	15 841 740
	<b>13 796 163</b>	<b>15 841 740</b>
<b>Merchandise</b>		
Stands	72 350	524 268
	<b>72 350</b>	<b>524 268</b>
<b>Services</b>		
Other services (transport, assembly)	1 932 925	918 781
	<b>1 932 925</b>	<b>918 781</b>
<b>Total</b>	<b>15 801 438</b>	<b>17 284 789</b>

### 2. Change in own work capitalized

A change in own work capitalized presented in the Income Statement represents a increase in the amount of EUR 8 119 (2019: an increase in the amount of EUR 45 370). According to the Balance Sheet, the increase amounts to EUR 8 622 (2019: an increase in the amount of EUR 52 692), as shown in the table below:

	31 Dec 2020 EUR	Balance as of 31 Dec 2019 EUR	31 Dec 2018 EUR	Change 2020 EUR	2019 EUR
Work in progress	21 237	7 808	11 693	13 429	-3 885
Finished goods	580 195	585 002	528 425	-4 807	56 577
Total	<b>601 432</b>	<b>592 810</b>	<b>540 118</b>	<b>8 622</b>	<b>52 692</b>
Other				-503	-7 322
Change in the Income Statement				<b>8 119</b>	<b>45 370</b>

The reason for the difference between the Balance Sheet and the Income Statement is that, according to Slovak legislation, certain items are not accounted for as a change in inventory, but are instead directly recorded in other expense and income accounts.

### 3. Other operating income

	2020 EUR	2019 EUR
Revenues from sale of merchandise	49 454	26 473
Rent	127 134	0
Reinvoiced transport	88 914	115 858
State subsidy	125 702	0
Other	13 180	33 419
<b>Total</b>	<b>404 384</b>	<b>175 750</b>

#### 4. Personnel expenses

	2020	2019
	EUR	EUR
Wages	2 003 670	2 222 073
Social insurance	713 172	790 027
Social security	67 499	62 912
<b>Total</b>	<b>2 784 341</b>	<b>3 075 012</b>

#### 5. Exchange rate gains

	2020	2019
	EUR	EUR
Exchange rate gains	0	30
Exchange rate gains recognized as of the balance sheet date	0	0
<b>Total</b>	<b>0</b>	<b>30</b>

#### 6. Expenses related to services provided

	2020	2019
	EUR	EUR
Personal leasing	2 345 300	2 939 586
Rent	424 081	419 535
Cleaning services	212 838	219 771
Claims	144 045	0
Rent of cars	37 078	47 889
Other services - cleaning	27 766	307 251
Accounting services	40 044	39 948
Repair and maintenance	33 952	33 352
Phone services	20 642	22 446
Other	220 878	313 187
<b>Total</b>	<b>3 506 623</b>	<b>4 342 964</b>

#### 7. Other operating expenses

	2020	2019
	EUR	EUR
Shortages and damage	241 212	498 963
Other operational expenses	89 164	154 197
Other	1 998	1 701
<b>Total</b>	<b>332 374</b>	<b>654 861</b>

#### 8. Financial expenses

	2020	2019
	EUR	EUR
Interest expense	23 983	33 914
Insurance	46 057	46 057
Other	1 476	5 640
<b>Total</b>	<b>71 516</b>	<b>85 611</b>

## 9. Expenses related to audit and advisory

Expenses related to audit and advisory include expenses related to an audit of financial statements by an audit firm and other services provided by this firm, broken down as follows:

	2020	2019
	EUR	EUR
Expenses related to an audit of individual financial statements by an auditor or audit firm	16 100	16 500
<b>Total</b>	<b>16 100</b>	<b>16 500</b>

## 10. Net turnover

Classification of net turnover according to Article 2 (15) of the Act on Accounting according to individual types of products, merchandise and services or other activities of the accounting entity and main geographical markets:

	2020	2019
Country	EUR	EUR
Slovak republic	8 165 397	8 266 187
States of EU	7 636 041	9 018 602
<b>Total</b>	<b>15 801 438</b>	<b>17 284 789</b>

## F. INFORMATION ON OFF-BALANCE SHEET ASSETS AND OFF-BALANCE SHEET LIABILITIES

### 1. Leasehold property

The Company leases part of the production building M4 with an area of 16 351 m<sup>2</sup> from total area of 27 000 m<sup>2</sup>.

Contract was signed on 18th June 2006 with termination within 10 years. In case of termination If the tenant did not deliver the list termination notice within the lease period, after the expiration the period is automatically prolonged to indefinite.

Yearly rent based on contract represents EUR 424 089 as at 31.12.2020 (EUR 419 535 as at 31.12.2019)

The Company also leases the following equipment:

- Volkswagen Golf Variant 1.6 TDI 85 KW Edition Comfortline contract nr. 140011102**

Contract signed on: 25.08.2017  
Lenght of rent in months: 36  
Yearly rent: 3 353 EUR

- Volkswagen Golf Variant 1.6 TDI 85 KW Edition Comfortline contract nr. 140011101**

Contract signed on: 25.08.2017  
Lenght of rent in months: 36  
Yearly rent: 3 323 EUR

- Volkswagen Golf Variant 1.6 TDI 85 KW Edition Comfortline contract nr. 140011100**

Contract signed on: 25.08.2017  
Lenght of rent in months: 36  
Yearly rent: 3 383 EUR

- Volkswagen Golf Variant 1.6 TDI 85 KW Edition Comfortline contract nr. 1400110099**

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Contract signed on: 25.08.2017  
 Length of rent in months: 36  
 Yearly rent: 3 559 EUR

• **Volkswagen Golf Variant 1.6 TDI 85 KW Edition Comfortline contract nr. 1400110098**

Contract signed on: 25.08.2017  
 Length of rent in months: 36  
 Yearly rent: 3 676 EUR

• **Volkswagen Golf Variant 1.6 TDI 85 KW Edition Comfortline contract nr. 140011097**

Contract signed on: 25.08.2017  
 Length of rent in months: 36  
 Yearly rent: 4 264 EUR

• **Volkswagen Passat Variant 2.0 TDI 140 KW DSG BUSIN HIGHL BMT 4WD CONTRACT NR. 140011096**

Contract signed on: 25.08.2017  
 Length of rent in months: 36  
 Yearly rent: 7 594 EUR

• **Volkswagen Passat Variant 2.0 TDI 140 KW DSG BUSIN HIGHL BMT 4WD CONTRACT NR. 140011095**

Contract signed on: 25.08.2017  
 Length of rent in months: 36  
 Yearly rent: 8 150 EUR

**2. Property leased to other parties**

The Company leases part of the production hall (3 000 m<sup>2</sup>) to a third party for production purposes. Annual leasing income is approximately EUR 126 000. The lease agreement will expire on 31. December 2020 with possibility to prolong no more than 2 times and at the same time no more than by 2 year (therefore no longer than 4 years in total). The leased part of the production hall is presented as property, plant and equipment in the Balance Sheet.

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

The Company operates in a sector that has not been significantly affected by the COVID – 19 pandemic in 2021 and over the last few weeks the Company realized relatively stable or even temporarily increasing sales and its operations including supplies were uninterrupted. Based on the publicly available information at the date these financial statements were prepared, 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 and governments in other countries, where the Company's major business partners and customers are located.

Based on currently publicly available information, the Company's current KPI's and in view of the actions initiated by management, the management does not anticipate a direct immediate and significant adverse impact of the COVID – 19 outbreak on the Company, its operations, financial position and operating results.

However the management cannot preclude the possibility that extended lock down periods, an escalation in the severity of such measures, or a consequential adverse impact of such measures on the economic environment the Company operates in will not have an adverse effect on the Company, and its financial position and operating results, in the medium and longer term. Management continues to monitor the situations closely and will respond to mitigate the impact of such events and circumstances as they occur.

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No other events that would require a disclosure in the financial statements ended 31 December 2020 occurred after 31 December 2020 until the day of preparation of the financial statements.

## H. INFORMATION ON THE ACCOUNTING ENTITY'S TRANSACTIONS WITH RELATED PARTIES

Parties related to the Company are related accounting entities within the Group, as well as their statutory bodies, directors, and executive directors. The ultimate parent is S.P.P.P., France.

### Transactions with the parent accounting entity

The Company carried out the following transactions with the parent accounting entity:

	2020	2019
	EUR	EUR
Transport	62 900	86 522
Other	6 407	34 422
<b>Total income</b>	<b>69 307</b>	<b>120 944</b>

	2020	2019
	EUR	EUR
Sub-contracting	342 744	490 603
Wages costs	187 069	187 069
Managerial fees	33 489	120 000
IT services	28 988	9 249
Toolings	-	101 553
Other	38 511	44 095
<b>Total purchases</b>	<b>630 801</b>	<b>952 569</b>

Assets and liabilities related to transactions with the parent accounting entity are shown in the table below:

	31 Dec 2020	31 Dec 2019
	EUR	EUR
Trade receivables	32 494	0
<b>Total assets</b>	<b>32 494</b>	<b>0</b>

	31 Dec 2020	31 Dec 2019
	EUR	EUR
Loans received	730 000	230 000
Trade liabilities	193 801	610 109
<b>Total liabilities</b>	<b>923 801</b>	<b>840 109</b>

### Transactions with key management personnel

Key management personnel are persons having authority and responsibility for planning, directing, and controlling the activities of the accounting entity, directly or indirectly, including any executive director or other director of that accounting entity.



There were no transactions with key management personnel during 2020 (during 2019: none)

# I. INFORMATION ON PAYMENTS AND BENEFITS TO MEMBERS OF THE ACCOUNTING ENTITY'S STATUTORY BODIES, SUPERVISORY BODIES, AND OTHER BODIES

In 2020, 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 (2019: none).

# J. INFORMATION ON MOVEMENTS OF EQUITY

Movements of equity during the accounting period are presented in the table below:

	Balance as of 1 Jan 2020	Increases	Decreases	Transfers	Balance as of 31 Dec 2020
	EUR	EUR	EUR	EUR	EUR
<b>Share capital</b>	<b>2 554 707</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2 554 707</b>
Share capital	2 554 707	0			2 554 707
<b>Legal reserve funds</b>	<b>264 857</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>264 857</b>
Legal reserve fund (non-distributable fund)	264 857	0	0	0	264 857
<b>Net profit/loss of previous years</b>	<b>1 612 746</b>	<b>0</b>	<b>0</b>	<b>-628 947</b>	<b>983 799</b>
Retained earnings from previous years	5 102 442	0	0	0	5 102 442
Accumulated losses from previous years	-3 489 697	0	0	-628 947	-4 118 644
<b>Net profit/loss for the accounting period</b>	<b>-628 947</b>	<b>455 657</b>	<b>0</b>	<b>628 947</b>	<b>455 657</b>
<b>Total</b>	<b>3 803 363</b>	<b>455 657</b>	<b>0</b>	<b>0</b>	<b>4 259 020</b>

Movements of equity during the preceding accounting period are presented in the table below:

	Balance as of 1 Jan 2019	Increases	Decreases	Transfers	Balance as of 31 Dec 2019
	EUR	EUR	EUR	EUR	EUR
<b>Share capital</b>	<b>2 554 707</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2 554 707</b>
Share capital	2 554 707	0	0	0	2 554 707
<b>Legal reserve funds</b>	<b>233 635</b>	<b>0</b>	<b>0</b>	<b>31 222</b>	<b>264 857</b>
Legal reserve fund (non-distributable fund)	233 635	0	0	31 222	264 857
<b>Net profit/loss of previous years</b>	<b>1 019 534</b>	<b>0</b>	<b>0</b>	<b>593 211</b>	<b>1 612 745</b>
Retained earnings from previous years	4 509 231	0	0	593 211	5 102 442
Accumulated losses from previous years	-3 489 697	0	0	0	-3 489 697
<b>Net profit/loss for the accounting period</b>	<b>624 433</b>	<b>0</b>	<b>628 947</b>	<b>-624 433</b>	<b>-628 947</b>
<b>Total</b>	<b>4 432 309</b>	<b>0</b>	<b>628 947</b>	<b>0</b>	<b>3 803 362</b>

# K. CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 EUR	2019 EUR
<b>Cash flow from operating activities</b>		
Cash generated from operations	-112 345	431 906
Interest paid	-23 983	-33 914
Interest received	0	0
Income tax	267 550	-312 545
Dividends paid	0	0
Cash flow before items of exceptional size or incident	131 222	85 447
Proceeds relating to items of exceptional size or incident	0	0
<b>Net cash inflow from operating activities</b>	<b>131 222</b>	<b>85 447</b>
<b>Cash flows from investing activities</b>		
Purchase of non-current assets	-29 984	-142 454
Proceeds from sale of non-current assets	3 296	0
Purchase of investments	0	0
Dividends received	0	0
<b>Net cash (outflow) from investing activities</b>	<b>-26 688</b>	<b>-142 454</b>
<b>Cash flow from financing activities</b>		
Proceeds from issuance of share capital	0	0
Proceeds from contributions to a capital fund from contributions	0	0
Proceeds from loans	500 000	158 411
Repayment of non-current liabilities	0	0
Repayment of received loans	-346 831	-379 230
<b>Net cash (outflow)/inflow from financing activities</b>	<b>153 169</b>	<b>-220 819</b>
Net (decrease)/increase in cash and cash equivalents	257 703	-277 826
Cash and cash equivalents at the beginning of year	1 385	279 211
<b>Cash and cash equivalents at the end of year</b>	<b>259 088</b>	<b>1 385</b>

**Cash flows from operations****Net profit (before interest, tax, and items of exceptional size or incidence)**

646 796	-635 957
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## Adjustments for non-monetary transactions:

Depreciation of property, plant and equipment and amortization of non-current intangible assets

521 431	535 278
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Value adjustment to receivables

314 987	32 943
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Value adjustment to inventory

0	0
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Value adjustment to property, plant and equipment

0	0
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Value adjustment to non-current financial assets

0	0
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Interest charged to expenses (+)

23 985	33 914
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Interest charged to revenues (-)

0	0
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Unrealized exchange rate losses

0	0
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Unrealized exchange rate gains

0	0
---	---

Provisions

126 440	-161 964
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Loss (gain) on sale of non-current assets

-3 296	0
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Income from non-current financial assets

0	0
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Difference between the acknowledged value of a contribution in kind and the carrying value of the asset

0	0
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Other non-monetary transactions

241 212	0
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Operating profit before working capital changes

1 871 555	-195 786
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## Changes in working capital:

Decrease (increase) in trade and other receivables (including accruals/deferrals of assets)

111 136	-1 098 935
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Decrease (increase) in inventory

-249 947	-7 199
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(Decrease) increase in liabilities (including accruals/deferrals of liabilities)

-1 845 089	1 733 826
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**Cash generated from operations**

-112 345	431 906
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Other non-monetary transactions recognized in the cash flow statement for the period ended at 31 December 2020 represents shortages and damages of stocks booked on account 549 – shortages and damages.

**Cash**

Cash is defined as cash on hand, equivalents of cash on hand, cash in current accounts in banks or branches of foreign banks, overdraft facility, and part of the balance of the cash in transit account tied to the transfer between the current account and petty cash or between two bank accounts.

**Cash equivalents**

Cash equivalents are defined as current financial assets that are readily convertible to a known amount of cash, which, as of the balance sheet date, do not entail the risk that their value will change considerably during the next three months, for example, term deposits in bank accounts with a maximum of a three-month notice, liquid securities held for trading, and priority shares acquired by the accounting entity, which are due within three months of the balance sheet date.