

ANTOLIN TRNAVA, s.r.o.

**INDEPENDENT AUDITOR'S REPORT
ON THE AUDIT OF THE FINANCIAL
STATEMENTS AS AT 31 DECEMBER 2016**

AND

**REPORT ON OTHER LEGAL AND
REGULATORY REQUIREMENTS**

ANTOLIN TRNAVA, S.R.O., TRSTÍNSKA CESTA 8, 917 58 TRNAVA

2016 Annual Report

Antolin Trnava, s.r.o.

Annual report prepared in accordance with Article 20 of the Act no. 431/2002 Coll. on Accounting
as amended

Legislative framework for the annual report

The Company has an obligation to perform an audit pursuant to Article 19 of Act No. 431/2002 Coll. on Accounting as amended, and therefore has the obligation to prepare an annual report pursuant to Article 20 of the Act on Accounting.

This annual report is also subject to auditor verification within one year of the end of the accounting period. This annual report shall be electronically submitted in the register of the financial statements and in this way to the collection of documents of the business register as provided for in Article 23 Sec. 2 and Article 23b Sec. 4 of the Act on Accounting.

Annual report contents:

- 1) Identification data
- 2) Mandatory information
- 3) Other information
- 4) Mandatory annexes
- 5) Other annexes

1) Identification data – Basic information

Business name:	Antolin Trnava, s.r.o.
Company ID (IČO):	48169668
TAX ID:	2120073021
VAT ID:	SK2120073021
Address:	Trstínska cesta 8, 917 58 Trnava
Business register:	Business register of the District Court in Trnava, Section: Sro, Insert No.: 37307/T
Company executive:	Jesus Pascual Santos, Pedro Jesus Santesteban Otazu
Company authorized agent	Ing. Darina Kovačicová, Pavel Zikmund
Web site of the company, email:	www.grupoantolin.com; darina.kovacicova@grupoantolin.com

Statutory body of ANTOLIN TRNAVA, s.r.o. consists of the company executives and company authorized agents in the scope of the procuration. The Company has neither the obligation nor has voluntarily established a Supervisory Board. Activities of the company are regulated by its Statute.

Identification data – Additional information

Economic result for 2016	Loss - 1,507,985 EUR
Paid-up share capital (account no. 411)	5,709,000 EUR
Legal reserve fund (account no. 417 and 421)	0 EUR
Average number of employees	405
Main activities:	Manufacture of parts and accessories for motor

Company accounting period is a calendar year. Company does not have a branch or any organizational unit in Slovak Republic or abroad. Company does not own a business share in another company, nor is it owned by another company.

2) Mandatory information

a) Information on development of the accounting entity

Company was established in year 2015. Since its establishment, the company has steadily maintained its position in its field of activity. Market developments, however, bring about increased competition and requirements that we need to constantly adapt to, in particular due to the lack of qualified workforce.

The company identified the lack of qualified workforce as a significant risk for further development of activities. Despite the customer's interest in placement of new projects in our plant, the company must carefully consider the acceptance of new projects as our business is largely dependent on manual work that cannot be replaced by other technology solutions. The most critical position is the one of Seamstress, but we also see an acute shortage of new people in the position of Production Operator.

In 2016, the company employed 405 own employees and 165 agency staff and so contributed to local employment. The company also employs 7 people with disabilities. The forecast for 2017 is to employ approximately 1,000 people.

BALANCE SHEET Selected indicators of assets and liabilities

ASSETS (net assets in whole euros)	YEAR 2016	YEAR 2015
TOTAL ASSETS	36,883,052	25,591,303
A. Non-current assets	9,162,566	9,448,393
A.1 Non-current intangible assets	5,605,639	6,659,472
A.II Fixed tangible assets	3,556,927	2,788,921
A.III Non-current financial assets	-	-
B. Current assets	27,224,262	14,894,534
B.I Inventory	6,534,609	9,028,836
B.II Non-current receivables	564,446	227,612
B.III Current receivables	19,918,435	3,443,705
B.IV Current financial assets	-	-
B. V Financial accounts	206,772	2,194,381
C. Accruals/deferrals	496,224	1,248,376

LIABILITIES AND EQUITY (in whole euros)	YEAR 2016	YEAR 2015
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TOTAL EQUITY AND LIABILITIES	36,883,052	25,591,303
A. Equity	3,201,685	1,209,670
A.1 Share capital	5,709,000	2 209 000
A.II Share premium	-	-
A.III Other capital funds	-	-
A.IV Legal reserve funds	-	-
A.V Other funds from profit	-	-
A.VI Differences from revaluation of assets	-	-
A.VII Profit/loss of previous years	(999,330)	-
A. VIII Profit/loss for the accounting period after tax	(1,507,985)	(999,330)
B. Liabilities	33,681,367	24,381,633
B.I Non-current liabilities	12,704,480	12,706,628
B.II Long-term provisions	6,292	5,282
B.III Long-term bank loans	-	-
B. IV Short-term liabilities	19,857,324	10,994,933
B.V Short-term provisions	1,113,271	674,790
B.VI Current bank loans	-	-
B.VII Short-term financial assistance	-	-
C. Accruals/deferrals	-	-

Commentary on the balance sheet - assets:

The Company manages its own fixed tangible assets (not leased). Fixed tangible assets are already worn (depreciation/amortization) at 13.83%.

Non-current intangible assets consists mainly of other non-current assets in the amount of 6,188 thousand EUR consisting mainly of existing concluded contracts with customers, which were identified during purchase of the company MAGNA SLOVTECA, s.r.o., with its seat at Rybárska 1, 915 01 Nové Mesto nad Váhom (branch MAGNA SLOVTECA, s.r.o, o.z. Magna Trnava) and Goodwill in the amount of 881 thousand EUR, representing the difference between the purchase price and the identifiable parts of the assets and liabilities valued at fair value. Adjustment item for non-current assets was not created.

The Company does not own any shares or share in another company.

Inventory trend is favourable, and its amount has been reduced. Reduction of the utility value of the inventories was taken into account by creating an adjustment item. The utility value of inventories decreased primarily due to a change of product assortment and surplus of inventory. There is no right of lien in place for the bank.

The trend of short-term receivables is unfavourable, with their total volume increased, as well as the volume of receivables outstanding after maturity. Overdue receivables amount to 16,807,559. EUR, due to invoicing of tools to the customer at the end of the accounting period. Majority of these receivables was paid in February 2017, with the outstanding balance to be settled by the end of the first half of 2017. During the accounting period, the Company did not account for the creation or settlement of the adjustment entry.

Accruals/deferrals of assets consist of prepaid expenses, in particular - prepaid rents and engineering costs.

Commentary on the balance sheet - liabilities and equity:

The Company's share capital as at 31 December 2016 is 5,709,000 EUR
(as at 31 December 2015: 2,209,000 EUR).

Share capital increased by 3,500,000 EUR during the 2016 accounting period. This increase was not recorded in the Business Register as at 31 December 2016, so in the statements it is recorded in the "Changes in share capital" line.

Share capital was paid in full and registered in the Business Register on 25 January 2017.

Total liabilities amount to 33,681,367 EUR. Liabilities are not covered by the lien.

The short-term provisions in the amount of 1,113,271 EUR include, in particular, provision for tools, provision for supply price deviations, provision for unused holidays and related social and health insurance.

The Company does not have any bank loans, but has long-term financial assistance from the parent company in the amount of 12,692,657 EUR and short-term financial assistance in the amount of 10,739,217 EUR, also from the parent company.

INCOME STATEMENT
Selected indicators of profit/loss

(in whole euros)	YEAR 2016	YEAR 2015
TOTAL NET TURNOVER	48,224,524	12,846,605
Revenue from operations	49,265,701	12,983,737
I. Revenue from the sale of merchandise	11,544,270	453,360
II. Revenue from the sale of own products	31,736,924	11,148,707
III. Revenue from sales of services	4,943,330	1,244,538
IV. Changes in internal inventory	844,427	125,648
V. Activation	-	-
VI. Revenue from the sale of non-current assets and inventory	10,451	5,421
VII. Other revenue from operations	186,299	6,063
Total costs of operations	49,451,801	13,529,284
A. Cost of merchandise sold	8,720,721	291,756
B. Consumed raw materials, energy consumption, and consumption of other non-inventory supplies	19,515,858	6,568,301
C. Inventory value adjustments	(3,570)	(6,940)
D. Services	10,867,937	3,605,105
E. Personal expenses	7,747,878	2,218,401
G. Depreciation and value adjustments of non-current assets	1,923,959	699,331
H. Carrying value of sold merchandise and inventory	3,780	-
I. Receivables value adjustments	1,255	5,242

J. Other costs of operations	673,580	147,910
Profit/loss from operations	(186,100)	(545,547)
Revenues from financial activities	2	-
Costs of financial activities	1,294,912	681,395
Profit/loss from financial activities	(1,294,910)	(681,395)
Profit/loss for the accounting period before tax	(1,481,010)	(1,226,942)
Current income tax	187,810	-
Deferred income tax:	(160,835)	(227,612)
PROFIT/LOSS FOR THE ACCOUNTING PERIOD AFTER TAX	(1,507,985)	(999,330)

Comment on the income statement (profit/loss statement):

The company recorded a significant increase in revenues from operations, due to the launch of the serial production of two new projects, as well as the fact that in the previous period (2015) the company was only active for 4 months. The overall economic result in the amount of 1,481,010 EUR is mainly created in the financial part, due to the payment of interest expenses to related accounting entities. The economic result recorded was a loss in the amount of 186,100 EUR.

b) Information on events of particular significance occurring after the end of the accounting period.

The Company did not identify any significant subsequent events (until the date of signing of the financial statements).

c) Information about the expected future development of the accounting entity.

The future development of the company will depend on the market requirements, which we must react adequately to. In 2017, the company will launch the serial production of another project for the BMW customer, resulting in a significant increase in turnover and the number of direct employees.

(d) Information on R & D expenditure - without information.

e) Information on the acquisition of own shares, temporary letters, shares, temporary letters and shares of the parent entity - without information.

f) Information on the proposal for distribution of profit or settlement of loss

For 2016, the Company created an accounting loss after tax in the amount of 1,507,985 EUR. Therefore, a proposal will be submitted to the general meeting for the following use of the loss - rebooking to the *Account 429-Unpaid Loss of Previous Years*.

g) Information about the data required by special regulations - without information.

h) Information on whether the accounting entity has an organizational unit abroad.

The company has no structural unit outside Slovakia.

i) Information on the annual report on payments to public authorities (Article 20 Sec. 2 of the Act on Accounting) - without information.

j) Financial instruments (Article 20 Sec. 5 of the Act on Accounting)

The Company does not use financial instruments (e.g. transferable securities, financial derivative contracts, derivatives) under Act No. 566/2001 Coll. On Securities as amended - and therefore is not required to provide specific information on the objectives and methods of risk management.

K) Securities traded on a regulated market (Article 20 Sec. 6 and 7 of the Act on Accounting)

The Company did not issue securities (shares) which were admitted for trading on a regulated market (e.g. the Bratislava Stock Exchange). Therefore, the Company is not obliged to declare any structured information in the annual report according to Article 20 Sec. 6 and 7 of the Act on Accounting, for example - **statement on management**.

l) a public interest entity (Article 20 Sec. 9 and 14 of the Act on Accounting)

The Company is not an entity of public interest as defined by Article 2 Sec. 14 of the Act on Accounting (e.g. issuer of securities on a regulated market, bank, insurance company, securities broker, collective investment undertaking).

3) Other information

- In 2016, the Company had an average of 405 own employees and 165 agency staff, with 37% men and 63% female. Due to the large supply of vacancies on the market in our region, the company faced a higher rate of employee turnover in 2016. To increase the stability of the workforce, the company has adopted a number of measures - building a modern training center directly on the premises of the company, introducing new motivation programs and also introducing new wage components. It is still our priority to improve working conditions so as to increase work comfort and minimize the risk of accidents.
- The company is the holder of the ISO quality certificate:
ISO/TS 16949:2009
GB8410-2006 and CNCA-C11-09:2014
- The company pays due its tax liabilities to the state and commitments to the social and health insurance company

4) Mandatory annexes

The annual report includes the following annexes:

Financial statements of the company for 2016 (Balance Sheet, Income Statements and Notes)

Auditor's report on the verification of Financial Statement for 2016

5) Other annexes

ANTOLIN TRNAVA, s.r.o.

INDEPENDENT AUDITOR'S REPORT

To the Partners and Executives of ANTOLIN TRNAVA, s.r.o.:

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of ANTOLIN TRNAVA, s.r.o. (the "Company"), which comprise the balance sheet as at 31 December 2016, and the income statement for the year then ended, and notes to the financial statements, 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 2016, and its financial performance for the year then ended in accordance with the Act on Accounting No. 431/2002 Coll. as amended (the "Act on Accounting").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the provisions of Act No. 423/2015 Coll. on Statutory Audit and on Amendment to and Supplementation of Act No. 431/2002 Coll. on Accounting, as amended (hereinafter the "Act on Statutory Audit") related to ethical requirements, including the Code of Ethics for Auditors that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management

Management 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 management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on Information Disclosed in the Annual Report

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

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

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

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

- Information disclosed in the annual report prepared for 2016 is consistent with the financial statements for the relevant year; and
- The annual report includes information pursuant to the Act on Accounting.

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

Bratislava, 15 June 2017


Deloitte Audit s.r.o.
Licence SKAu No. 014


Ing. Peter Jaroš, FCCA
Responsible Auditor
Licence UDVA No. 1047

Úč POD

FINANCIAL STATEMENTS

of Enterprises in the Double-Entry Bookkeeping System)



Prepared as at 3 1 . 1 2 . 2 0 1 6

Figures are rounded on the right, other data are written from the left. Unfilled lines remain blank.

Data are filled in using block letters (as shown below) by a typewriter or a printer machine in black or dark blue.

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Tax Registration Number 2 1 2 0 0 7 3 0 2 1	Financial Statements <input checked="" type="checkbox"/> Ordinary <input type="checkbox"/> Extraordinary <input type="checkbox"/> Interim	Reporting Entity <input type="checkbox"/> malá <input checked="" type="checkbox"/> veľká (vyznačí sa x)	Month From 0 1 To 1 2	Year 2 0 1 6 2 0 1 6
Identification 4 8 1 6 9 6 6 8			For the Period	
SK NACE 2 9 . 3 2 . 0			Immediately- Preceding Period	

Accompanying Parts of Financial Statements

☒ Balance Sheet (Úč POD 1-01)
(in whole Euros)

☒ Income Statement (Úč POD 2-01)
(in whole Euros)

☒ Notes (Úč POD 3-01)
(in whole Euros)

Business Name (Name) of the Reporting Entity

A N T O L I N T R N A V A , s . r . o .

Seat of the Reporting Entity

Street T r s t í n s k a c e s t a	Number 8
Postal Code 9 1 7 5 8	Municipality T r n a v a
Commercial Register and Number of Entry of the Company O k r e s n ý s ú d T r n a v a , o d d i e l : S r o , v l o ž k a č í s l o 3 7 3 0 7 / T	
Phone Number /	Fax Number /
E-mail Address	

Prepared on:

. 2 0

Approved on:

. 2 0

Signature of a Member of the Statutory Body of the Reporting Entity or a Natural Person Acting as a Reporting Entity:

Records of the Tax Authority

Place for Registration Number

Presentation Stamp of the Tax Authority

Balance Sheet
Úč POD 1 - 01

DIČ 2 1 2 0 0 7 3 0 2 1

IČO 4 8 1 6 9 6 6 8



Description a	ASSETS b	Line c	Current Reporting Period										Immediately-Preceding Reporting Period						
			1	Gross - Part 1					Net 2					Net 3					
				Correction - Part 2															
	Total assets (I. 02 + I. 33 + I. 74)	01	3 9 2 9 4 3 9 3					3 6 8 8 3 0 5 2											
			2 4 1 1 3 4 1										2 5 5 9 1 3 0 3						
A.	Non-current assets (I. 03 + I. 11 + I. 21)	02	1 1 5 0 6 8 0 8					9 1 6 2 5 6 6											
			2 3 4 4 2 4 2										9 4 4 8 3 9 3						
A.I.	Total non-current intangible assets (I. 04 to I. 10)	03	7 3 8 3 8 4 4					5 6 0 5 6 3 9											
			1 7 7 8 2 0 5										6 6 5 9 4 7 2						
A.I.1.,	Capitalised development costs (012) - /072, 091A/	04																	
2.	Software (013) - /073, 091A/	05	2 0 8 6										4						
			2 0 8 2										2 0 8 6						
3.	Valuable rights (014) - /074, 091A/	06																	
4.	Goodwill (015) - /075, 091A/	07	8 8 1 9 2 0					7 5 5 9 3 1											
			1 2 5 9 8 9										8 8 1 9 2 0						
5.	Other non-current intangible assets (019, 01X) - /079, 07X, 091A/	08	6 1 8 8 0 0 0					4 5 3 7 8 6 6											
			1 6 5 0 1 3 4										5 7 7 5 4 6 6						
6.	Non-current intangible assets in acquisition (041) - 093	09	3 1 1 8 3 8					3 1 1 8 3 8											
7.	Advance payments for non-current intangible assets (051) - /095A/	10																	
A.II.	Total non-current tangible assets (I. 012 to I. 020)	11	4 1 2 2 9 6 4					3 5 5 6 9 2 7											
			5 6 6 0 3 7										2 7 8 8 9 2 1						
A.II.1.	Land (031) - 092A	12																	
2.	Structures (021) - /081, 092A/	13	2 6 2 5 0 3					2 3 3 0 9 5											
			2 9 4 0 8										2 1 4 1 6 2						
3.	Separate movable assets and sets of movables (022) - /082, 092A/	14	3 5 7 6 4 7 8					3 0 3 9 8 4 9											
			5 3 6 6 2 9										1 6 8 4 0 9 9						

IČO 4 8 1 6 9 6 6 8

MF SR č. 18009/2014

DIČ 2 1 2 0 0 7 3 0 2 1

Číslo 4 8 1 6 9 6 6 8

MF SR č. 18009/2014

Balance Sheet
Úč POD 1 - 01

DIČ 2 1 2 0 0 7 3 0 2 1

IČO 4 8 1 6 9 6 6 8



Ozna- čenie a	ASSETS b	Line c	Current Reporting Period										Immediately-Preceding Reporting Period																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																														
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1.a.	Trade receivables from group companies (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	43																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																									</

Balance Sheet
Úč POD 1 - 01

DIČ 2 1 2 0 0 7 3 0 2 1

IČO 4 8 1 6 9 6 6 8



Description a	ASSETS b	Line c	Current Reporting Period										Immediately-Preceding Reporting Period										
			1	Gross - Part 1					Net 2					Net 3									
				Correction - Part 2																			
			1 7 3 2 3 6 6 7										1 7 3 2 3 6 6 7										
1.c.	Other trade receivables (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	57											1 3 4 4 9 7 3										
2.	Net construction contract value (316A)	58																					
3.	Other receivables from group companies (351A) - /391A/	59																					
4.	Other receivables within a participating interest except for receivables from group companies (351A) - /391A/	60																					
5.	Receivables from partners, members and participants in an association (354A, 355A, 358A, 35XA,	61																					
6.	Social security insurance (336A) - /391A/	62																					
7.	Tax assets and subsidies /341, 342, 343, 345, 346, 347) - /391A/	63	4 0 3 1 0										4 0 3 1 0										
8.	Receivables from derivative transactions (373A, 376A)	64											6 8 9 4 2 8										
9.	Other receivables (335A, 33XA, 371A, 374A, 375A, 378A) - /391A/	65	7 6 1 4 8										7 6 1 4 8										
B.IV.	Total current financial assets (I. 67 to I. 70)	66											2 2 0 9 2										
B.IV.1.	Current financial assets in group companies (251A, 253A, 256A, 257A, 25XA) - /291A, 29XA/	67																					
2.	Current financial assets excluding current financial assets in group companies (251A, 253A, 256A, 257A, 25XA) - /291A, 29XA/	68																					
3.	Treasury stock and treasury shares (252)	69																					
4.	Current financial assets in acquisition (259, 314A) - /291A/	70																					

Balance Sheet
Úč POD 1 - 01

DIČ 2 1 2 0 0 7 3 0 2 1

IČO 4 8 1 6 9 6 6 8



Description a	ASSETS b	Line c	Current Reporting Period		Immediately-Preceding Reporting Period
			1	Net: 3	
				Correction - Part 2	Net 3
B.V.	Financial accounts I. 72 + I. 73	71	2 0 6 7 7 2	2 0 6 7 7 2	2 1 9 4 3 8 1
B.V.1.	Cash on hand (211, 213, 21X)	72	2 9 6 7	2 9 6 7	6 9 3
2.	Bank accounts (221A, 22X, +/- 261)	73	2 0 3 8 0 5	2 0 3 8 0 5	2 1 9 3 6 8 8
C.	Total accruals and deferrals (I. 75 to I. 78)	74	4 9 6 2 2 4	4 9 6 2 2 4	1 2 4 8 3 7 6
C.1.	Non-current deferred expenses (381A, 382A)	75	3 4 0 3 4 3	3 4 0 3 4 3	2 0 1 3 0 0
2.	Current deferred expenses (381A, 382A)	76	1 5 5 8 8 1	1 5 5 8 8 1	1 0 4 7 0 7 6
3.	Non-current accrued income (385A)	77			
4.	Current accrued income (385A)	78			

Description a	EQUITY AND LIABILITIES b	Line c	Current Reporting Period	Immediately-Preceding Reporting Period
			4	5
	TOTAL EQUITY AND LIABILITIES I. 80 + I. 101 + I. 141	79	3 6 8 8 3 0 5 2	2 5 5 9 1 3 0 3
A.	Equity I. 80 + I. 85 + I. 86 + I. 87 + I. 90 + I. 93 + I. 97 + I. 100	80	3 2 0 1 6 8 5	1 2 0 9 6 7 0
A.I.	Total registered capital (I. 82 to I. 84)	81	5 7 0 9 0 0 0	2 2 0 9 0 0 0
A.I.1.	Registered capital (411 or +/- 491)	82	2 2 0 9 0 0 0	5 0 0 0
2.	Changes in the registered capital +/- 419	83	3 5 0 0 0 0 0	2 2 0 4 0 0 0
3.	Receivables for subscribed capital (-/+353)	84		
A.II.	Share premium (412)	85		
A.III.	Other capital funds (413)	86		
A.IV.	Legal reserve funds I. 88 + I. 89	87		
A.IV.1.	Legal reserve fund and non-distributable fund (417A, 418, 421A, 422)	88		
2.	Reserve fund for treasury stock and treasury shares (417A, 421A)	89		

Balance Sheet
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Description a	EQUITY AND LIABILITIES b	Line c	Current Reporting Period 4	Immediately-Preceding Reporting Period 5
A.V.	Other funds from profit I. 91 + I. 92	90		
A.V.1.	Statutory funds (427, 42X)	91		
2.	Other funds (427, 42X)	92		
A.VI.	Total revaluation reserves (I. 94 to I. 96)	93		
A.VI.1.	Asset and liability revaluation reserve (+/- 414)	94		
2.	Financial investments revaluation reserve (+/- 415)	95		
3.	Revaluation reserve from fusions, mergers and separations (+/- 416)	96		
A.VII.	Profit/loss from previous years I. 98 + I. 99	97	- 9 9 9 3 3 0	
A.VII.1.	Retained earnings from previous years (428)	98		
2.	Accumulated losses from previous years (-/429)	99	- 9 9 9 3 3 0	
A.VIII.	Profit/loss for the current reporting period after taxation +/- I. 01 - (I. 81 + I. 85 + I. 88 + I. 87 + I. 90 + I. 83 + I. 87 + I. 101 + I. 141)	100	- 1 5 0 7 9 8 5	- 9 9 9 3 3 0
B.	Liabilities I. 102 + I. 118 + I. 121 + I. 122 + I. 136 + I. 139 + I. 140	101	3 3 6 8 1 3 6 7	2 4 3 8 1 6 3 3
B.I.	Total non-current liabilities (I. 103 + I. 107 to I. 117)	102	1 2 7 0 4 4 8 0	1 2 7 0 6 6 2 8
B.I.1.	Total long-term trade payables (I. 104 to I. 106)	103		
1.a.	Trade payables to group companies (321A, 475A, 476A)	104		
1.b.	Trade payables within a participating interest except for payables to group companies (321A, 475A, 476A)	105		
1.c.	Other trade payables (321A, 475A, 476A)	106		
2.	Net construction contract value (316A)	107		
3.	Other payables to group companies (471A, 47XA)	108	1 2 6 9 2 6 5 7	1 2 6 9 2 6 5 7
4.	Other payables within a participating interest except for payables to group companies (471A, 47XA)	109		
5.	Other long-term payables (479A, 47XA)	110		
6.	Long-term advance payments received (475A)	111		
7.	Long-term bills of exchange to be paid (478A)	112		
8.	Bonds issued (473A/-255A)	113		
9.	Social fund payables (472)	114	1 1 8 2 3	1 3 9 7 1
10.	Other non-current payables (336A, 372A, 474A, 47XA)	115		
11.	Long-term payables from derivative transactions (373A, 377A)	116		
12.	Deferred tax liability (481A)	117		

Balance Sheet
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Description a	EQUITY AND LIABILITIES b	Line c	Current Reporting Period		Immediately-Preceding Reporting Period	
			4		5	
B.II.	Long-term provisions for liabilities I. 119 + I. 120	118	6 2 9 2		5 2 8 2	
B.II.1.	Legal provisions for liabilities (451A)	119				
2.	Other provisions for liabilities (459A, 45XA)	120	6 2 9 2		5 2 8 2	
B.III.	Long-term bank loans (461A, 46XA)	121				
B.IV.	Total current liabilities (I. 123 + I. 127 to I. 135)	122	1 9 8 5 7 3 2 4		1 0 9 9 4 9 3 3	
B.IV.1	Total trade payables (I. 124 to I. 126)	123	8 1 9 7 8 8 8		4 5 4 0 6 7 6	
1.a.	Trade payables to group companies (321A, 322A, 324A, 325A, 326A, 32XA, 475A, 478A, 47XA)	124	2 7 7 3 9 7 9		1 1 5 1 8 7 2	
1.b.	Trade payables within a participating interest except for payables to group companies (321A, 322A, 324A, 325A, 32XA, 475A, 478A, 47XA)	125				
1.c.	Other trade payables (321A, 322A, 324A, 325A, 326A, 32XA, 475A, 478A, 47XA)	126	5 4 2 3 9 0 9		3 3 8 8 8 0 4	
2.	Net construction contract value (316A)	127				
3.	Other payables to group companies (361A, 36XA, 471A, 47XA)	128	1 0 7 3 9 2 1 7		3 6 5 5 6 1 2	
4.	Other payables within a participating interest except for payables to group companies (361A, 36XA, 471A, 47XA)	129				
5.	Payables to partners and participants in an association (364, 365, 366, 367, 368, 368A, 478A, 479A)	130				
6.	Payables to employees (331, 333, 33X, 479A)	131	4 0 0 7 8 7		2 6 1 2 1 0	
7.	Social security insurance payables (336A)	132	2 6 0 1 1 2		1 9 2 5 3 8	
8.	Tax liabilities and subsidies (341, 342, 343, 345, 346, 347, 34X)	133	2 5 1 4 1 6		4 6 8 7 7	
9.	Payables from derivative transactions (373A, 377A)	134				
10.	Other payables (372A, 379A, 474A, 475A, 479A, 47XA)	135	7 9 0 4		2 2 9 8 0 2 0	
B.V.	Short-term provisions for liabilities I. 137 + I. 138	136	1 1 1 3 2 7 1		6 7 4 7 9 0	
B.V.1.	Legal provisions for liabilities (323A, 451A)	137	1 7 5 5 5 3		8 4 5 9 7	
2.	Other provisions for liabilities (323A, 32X, 459A, 45XA)	138	9 3 7 7 1 8		5 9 0 1 9 3	
B.VI.	Current bank loans (221A, 231, 232, 23X, 461A, 46XA)	139				
B.VII.	Short-term financial assistance (241, 249, 24X, 473A, /-255A)	140				
C.	Total accruals and deferrals (I. 142 to I. 145)	141				
C.1.	Non-current accrued expenses (383A)	142				
2.	Current accrued expenses (383A)	143				
3.	Non-current deferred income (384A)	144				
4.	Current deferred income (384A)	145				

Income Statement
Uč POD 2 - 01

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Description a	Item b	Line c	Actual															
			Current Reporting Period:								Immediately-Preceding Reporting Period							
			1								2							
.	Net turnover (a portion of Accounting Class 6 under the Act)	01	4	8	2	2	4	5	2	4	1	2	8	4	6	6	0	5
**	Total operating revenues (I. 03 to I. 09)	02	4	9	2	6	5	7	0	1	1	2	9	8	3	7	3	7
I.	Revenues from the sale of merchandise (604, 607)	03	1	1	5	4	4	2	7	0	4	5	3	3	6	0		
II.	Revenues from the sale of own products (601)	04	3	1	7	3	6	9	2	4	1	1	1	4	8	7	0	7
III.	Revenues from the sale of services (602, 608)	05	4	9	4	3	3	3	0		1	2	4	4	5	3	8	
IV.	Changes in inventories (+/- Accounting Group 61)	06	8	4	4	4	2	7			1	2	5	6	4	8		
V.	Own work capitalised (Accounting Group 62)	07																
VI.	Revenues from the sale of non-current intangible assets; non-current tangible assets and raw materials (641, 642)	08			1	0	4	5	1				5	4	2	1		
VII.	Other operating revenues (644, 645, 646, 648, 655, 657)	09	1	8	6	2	9	9			6	0	6	3				
**	Total operating expenses (I. 11 + I. 12 + I. 13 + I. 14 + I. 15 + I. 20 + I. 21 + I. 24 + I. 25 + I. 26)	10	4	9	4	5	1	8	0	1	1	3	5	2	9	2	8	4
A.	Costs of the acquisition of merchandise sold (504, 507)	11	8	7	2	0	7	2	1		2	9	1	7	5	6		
B.	Consumed raw materials, energy and other non-inventory supplies (501, 502, 503)	12	1	9	5	1	5	8	5	8	6	5	6	8	3	0	1	
C.	Provisions for inventories (+/-) (505)	13			-	3	5	7	0			-	6	9	4	0		
D.	Services (Accounting Group 51)	14	1	0	8	6	7	9	3	7	3	6	0	5	1	0	5	
E.	Total personnel expenses (I. 16 to I. 19)	15	7	7	4	7	8	7	8		2	2	1	8	4	0	1	
E.1.	Wages and salaries (521, 522)	16	5	4	8	8	1	9	8		1	5	5	8	2	1	0	
2.	Remuneration of members of company bodies and co-operative (523)	17																
3.	Social insurance expenses (524, 525, 526)	18	1	9	1	5	7	2	6		5	6	0	6	3	3		
4.	Social expenses (527, 528)	19	3	4	3	9	5	4			9	9	5	5	8			
F.	Taxes and fees (Accounting Group 53)	20					4	0	3					1	7	8		
G.	Amortisation and depreciation, and provisions for non-current intangible and non-current tangible assets (I. 22 + I. 23)	21	1	9	2	3	9	5	9		6	9	9	3	3	1		
G.1.	Amortisation and depreciation of non-current intangible and non-current tangible assets (551)	22	1	9	2	3	9	5	9		6	9	9	3	3	1		
2.	Provisions for non-current intangible and non-current tangible assets (+/-) (553)	23																
H.	Net book value of non-current assets and raw materials sold (541, 542)	24			3	7	8	0										
I.	Provisions for receivables (+/-) (547)	25			1	2	5	5					5	2	4	2		
J.	Other operating expenses (543, 544, 545, 546, 548, 549, 555, 557)	26	6	7	3	5	8	0			1	4	7	9	1	0		
***	Operating profit or loss (+/-) (I. 02 - I. 10)	27	-	1	8	6	1	0	0		-	5	4	5	5	4	7	



Description a	Item b	Line c	Actual	
			Current Reporting Period	Immediately-Preceding Reporting Period
			1	2
•	Added value (I. 03 + I. 04 + I. 05 + I. 06 + I. 07) - (I. 11 + I. 12 + I. 13 + I. 14)	28	9 9 6 8 0 0 5	2 5 1 4 0 3 1
••	Total revenues from financing activities (I. 30 + I. 31 + I. 35 + I. 39 + I. 42 + I. 43 + I. 44)	29	2	
VIII.	Revenues from the sale of securities and ownership interests (661)	30		
IX.	Total revenues from non-current financial assets (I. 32 to I. 34)	31		
IX.1.	Revenues from securities and ownership interests from group companies (665A)	32		
2.	Revenues from securities and ownership interests within a participating interest except for revenues from group companies (665A)	33		
3.	Other revenues from securities and ownership interests (665A)	34		
X.	Total revenues from current financial assets (I. 36 to I. 38)	35		
X.1.	Revenues from current financial assets from group companies (666A)	36		
2.	Revenues from current financial assets within a participating interest except for revenues from group companies (666A)	37		
3.	Other revenues from current financial assets (666A)	38		
XI.	Interest income (I. 40 + I. 41)	39	2	
XI.1.	Interest income from group companies (662A)	40		
2.	Other interest income (662A)	41	2	
XII.	Foreign exchange gains (663)	42		
XIII.	Gains on revaluation of securities and revenues from derivative transactions (664, 667)	43		
XIV.	Other revenues from financing activities (668)	44		
••	Total costs of financing activities (I. 46 + I. 47 + I. 48 + I. 49 + I. 52 + I. 52 + I. 53 + I. 54)	45	1 2 9 4 9 1 2	6 8 1 3 9 5
K.	Securities and ownership interests sold (561)	46		
L.	Expenses related to current financial assets (566)	47		
M.	Provisions for financial assets (+/-) (565)	48		
N.	Interest expense (I. 50 + I. 51)	49	1 2 7 3 3 2 2	3 0 4 1 1 6
N.1.	Interest expense for group companies (562A)	50	1 2 7 3 3 2 2	3 0 4 1 1 6
2.	Other interest expense (562A)	51		
O.	Foreign exchange losses (563)	52	1 9 1 6 4	3 7 6 9 2 4
P.	Expenses for revaluation of securities and expenses related to derivative transactions (564, 567)	53		
Q.	Other costs of financing activities (568, 569)	54	2 4 2 6	3 5 5

Income Statement
Úč POD 2 - 01

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Description a	Item b	Line c	Actual	
			Current Reporting Period	Immediately-Preceding Reporting Period
			1	2
***	Profit/loss from financing activities (+/-) (l. 29 - l. 45)	55	- 1 2 9 4 9 1 0	- 6 8 1 3 9 5
***	Profit/loss for the reporting period before taxation (+/-) (l. 27 + l. 55)	56	- 1 4 8 1 0 1 0	- 1 2 2 6 9 4 2
R.	Income tax (l. 58 + l. 59)	57	2 6 9 7 5	- 2 2 7 6 1 2
R.1.	Current income tax (591, 595)	58	1 8 7 8 1 0	
2.	Deferred income tax (+/-) (592)	59	- 1 6 0 8 3 5	- 2 2 7 6 1 2
S.	Profit/loss of partnership transferred to partners (+/- 596)	60		
***	Profit/loss for the reporting period after taxation (+/-) (l. 56 + l. 57 - l. 60)	61	- 1 5 0 7 9 8 5	- 9 9 9 3 3 0

Antolin Trnava, s.r.o.

Notes on the individual financial statements

Drawn up as at 31 December 2016

(data in the tables are given in whole euros, unless indicated otherwise)

Note:

The notes include information stipulated by the regulations relating to the content of the notes to the separate financial statements, for which the reporting entity has the content. All data and information disclosed in these notes arise from the bookkeeping and are linked to the separate financial statements. Value figures are in whole euros unless stipulated otherwise.

I. GENERAL INFORMATION**1. Basic company data**

Business name and registered office	ANTOLIN TRNAVA, s.r.o. (hereinafter referred to as "the Company") Trstínska cesta 8, 917 58 Trnava
Date of incorporation	7 May 2015
Date of establishment (according to the business register)	16 May 2015
Economic activity	<ul style="list-style-type: none"> - purchase of goods for the purpose of their sale to the final consumer (retail) or other trade operators (wholesale) - production of standard window systems within the range of free trade - encasing glass in plastic and rubber and joining plastic with glass - manufacture of parts and accessories for motor vehicles

From its registration until 12 November 2015, the registered office of the Company was on Tallerova 10, 811 02 Bratislava.

2. Employees

Item name	2016	2015
The average recalculated number of employees	405	336
Number of employees as of the date on which the financial statements are prepared	446	333
of which: managers	7	7

3. Unlimited liability

The Company is not a partner with unlimited liability in other companies under Section 56, Par. 5 of the Commercial Code or under similar provisions of other legal regulations.

4. Legal reasons for the compilation of financial statements

These financial statements represent the annual separate financial statements of Antolin Trnava s.r.o. . The financial statements were prepared for the reporting period from 1 January to 31 December 2016 in compliance with Slovak legislation, i.e., the Act on Accounting and Accounting Procedures for Businesses.

Accounts for the immediately preceding period were compiled as regular financial statements for the period from 16 May 2015 until 31 December 2015.

The financial statements are intended for general use and information; they are not intended for the purposes of any specific user or consideration of any specific transactions. Accordingly, users should not rely exclusively on these financial statements when making decisions.

5. Approval of the financial statements for the year 2015

The financial statements of the company for the year 2015 were approved by the annual general meeting, held on 5 July 2016.

6. Consolidated financial statements

The Company is a subsidiary of GRUPO ANTOLIN - IRAUSA SOCIEDAD ANONIMA /S.A./, with registered office at Carretera Madrid-Irún, km.244, Barrio de Vilafria, Burgos 090 07, the Kingdom of Spain. GRUPO ANTOLIN - IRAUSA SOCIEDAD ANONIMA /S.A./ prepares the consolidated financial statements for the largest group of companies in the consolidation group.

Antolin Trnava, s r.o.

Notes on the individual financial statements

Drawn up as at 31 December 2016

(data in the tables are given in whole euros, unless indicated otherwise)

Consolidated financial statements of GRUPO ANTOLIN - IRAUSA SOCIEDAD ANONIMA /S.A./ are made available in its registered office.

The Company is not a parent accounting entity of any other accounting entity and has no obligation to compile consolidated financial statements

II. APPLIED ACCOUNTING PRINCIPLES AND ACCOUNTING METHODS

1. The Company applies accounting principles and procedures pursuant to the Act on Accounting and Accounting Procedures for Businesses effective in the Slovak Republic. The accounting books are kept in the monetary units of the Slovak currency, i.e., euros.
2. The financial statements for the year 2016 were prepared under the assumption of continuous business activities.
3. Revenues and costs are recognised as they are earned or incurred under the accrual basis of accounting. All revenues and costs related to the reporting period are used as a basis regardless of their settlement date.
4. When measuring assets and liabilities, the prudence principle is followed, i.e., all risks, losses, and impairments related to assets and liabilities and known as at the reporting date are used as a basis.
5. Research expense is not capitalized and they are recognized as an expense in accounting periods when they were incurred. Long-term intangible assets created by development or in the course of development is capitalized, if it is possible to evidence:
 - a. possibility of its technical completion so that it be possible to use or sell it,
 - b. purpose of its completion, use or sale,
 - c. ability of accounting unit to use or sell it,
 - d. way of creating future economic profit and the existence of a market to place outputs of long-term intangible property or long-term intangible property itself or its usability if to be used within the accounting entity,
 - e. availability of corresponding technical sources, financial sources and other sources for the completion of its development, use or sale,
 - f. reliable valuation of expense associated with its acquisition in the course of development.

Development expense is capitalized if their amount does not exceed the amount for which it is probable that it will be gained from future economic profits after development expense, sale and administrative expense related directly to marketing or processes are deducted. Capitalized development expenses are amortized for the maximum period of five years. If the possibility to capitalize development expense is not evidenced, they are recognized as an expense in the accounting period when they are incurred.

6. Revenue recognition – revenues are recognised when the delivery terms are fulfilled since at that moment significant risks and ownership rights are transferred to the customer.

Revenue for goods and services does not include value added tax. They are also reduced by discounts and deductions (rebates, bonuses, check-ins, credit memos, etc.) regardless of whether the customer had a discount in advance, or whether it is an additionally recognized discount.

Revenues from sales of goods and merchandise are recognized on the date of delivery in accordance with the Commercial Code, the Incoterms or other terms agreed in the contract.

Revenues from sales of services are recognized in the accounting period in which the services were rendered.

Interest income shall be charged equally in the accounting periods which they factually and temporally pertain to.

7. Long-term and short-term receivables, payables, loans and borrowings – receivables and payables in the balance sheet are recognized as long-term or short-term based on the remaining maturity period as at the date of preparation of the financial statements. The portion of the long-term receivable and the portion of the long-term liability whose maturity is not more than one year from the date for which the financial statements are prepared are recognized in the financial statements as a short-term receivable or short-term liability.

Antolin Trnava, s r.o.

Notes on the individual financial statements

Drawn up as at 31 December 2016

(data in the tables are given in whole euros, unless indicated otherwise)

8. Estimates made – when compiling financial statements, the Company's management is required to prepare estimates and assumptions that influence the recognised amounts of assets and liabilities, and the disclosure of contingent assets and liabilities as at the reporting date, as well as the disclosed amounts of revenues and expenses during the year. The actual results may differ from these estimates.
9. Reported tax – Slovak tax legislation is relatively new, lacks precedents, and is subject to continuous amendments. Since various interpretations of tax laws and regulations in the application thereof to various transaction types exist, the amounts disclosed in the financial statements may later change, based on the ultimate opinion of the tax authorities.

10. Method of valuation of individual assets and liabilities - first valuation

Upon acquisition, the cost principle is applied (i.e., the historical cost convention), and individual items of assets and liabilities are measured as follows:

- a) Purchased non-current tangible and intangible assets – at cost. The cost includes the acquisition price and the related incidental costs (transportation costs and customs duties).
- b) The long-term assets acquisition cost does not include interests on loans which are incurred till the moment when the long-term asset is put into use.
- c) Intangible fixed assets created by the entity's own business – their own expenses or reproduction purchase price if their own expenses are higher than the reproduction purchase price of these assets. Own expense include all direct expense incurred in production or other activities as well as indirect expense relating to the production or any other activity. The reproduction purchase price is the price at which the asset would have been procured at the time it is accounted for.
- d) Long-term assets created by the entity's own activities – own expense. Own expense include all direct expense incurred in production or other activities as well as indirect expense relating to the production or any other activity.
- e) Non-current tangible and intangible assets acquired by other means – at replacement costs if the assets are acquired for no consideration or are newly identified during a stocktake, i.e., the amount of consideration given to acquire the assets when recognised.
- f) Rent (leasing) (the Company as a Lessee)

A financial lease is the acquisition of long-term tangible assets based on the lease contract with the contractual right to purchase a subject of lease for payments agreed to be made throughout a lease period. An asset rented by means of the financial lease is recognized by the lessee as his own property and not an owner of such asset.

The payments agreed to include also the purchase price for which a title to the leased asset is transferred from the lessor to the lessee at the end of the financial lease term agreed.

A lease period agreed is at least 60 % of the period of depreciation under tax legislation. In the case of a land lease, the lease period is at least 60 % of the period of depreciation of tangible property classified into a tax depreciation group no 5 or no 6 (buildings and constructions, the depreciation period for tax purposes amounting to 20 or 40 years).

In the accounts, the acceptance of asset by the lessee is recognized on the day when the asset is accepted and to the relevant Assets account with the counter entry in favor of the account 474 – Rent payable – amounting to the payments agreed reduced by non-executed financial expense.

The payment of rent is allocated between the payment of principle and financial expense calculated by the method of effective interest rate. Financial expense is charged to the account 562 – Interests.

Operational lease. An asset rented based on the operational lease is recognized by its owner as his own property and not a lessee of such asset. The lease of the asset by means of the operational lease is charged to expense on an ongoing basis throughout the term of the lease contract.

Antolin Trnava, s r.o.

Notes on the individual financial statements

Drawn up as at 31 December 2016

(data in the tables are given in whole euros, unless indicated otherwise)

- h) Inventories are valued at lower one of the following values: acquisition costs (purchased stock) or own costs (inventories created by own activity) or a net realisable value.
- i) Inventories acquired by purchasing:
- Purchased material – acquisition cost. The FIFO method is used for the loss of the same type of inventories. Tariffs, freight and commissions are entered into the ancillary costs. Ancillary costs are delineated as a deviation according to the share of the status sum and the increment to the deviation in the status sum and the increase of inventory.
 - Purchased goods – purchase price. The FIFO method is used for the loss of the same type of inventories. Ancillary costs include shipping, customs and commissions.
- j) Inventories created by own activities:
- Unfinished production, semi-finished products and products are valued at their own costs, which include the direct expense incurred for production or other activity, as well as part of the indirect expense that relate to production or other activities.
 - Own expense include direct expense (direct material, direct wages and other direct expense) and a portion of indirect expense directly associated with the process of creating inventories by own activity (production overheads). Production overheads are included in own expense depending on the degree of development of these inventories. The administrative expense and marketing expense are not included in own costs. Own expense does not include interests on loans.
- k) The decrease in the value of inventories is taken into consideration by creating an adjustment entry.
- l) Receivables:
- at their creation or free acquisition – nominal value,
 - in the case of a repurchase (assignment) or acquisition by a contribution to equity capital – the acquisition price, including the costs related to the acquisition.

In the case of non-interest-bearing long-term receivables and long-term loans, an adjustment entry is reported in the adjustment column, adjusting the value of this receivable and the loan at its present value. A current value of the receivable is calculated as the aggregate of the products of future financial income and associated discount factors.

- m) Financial accounts consist of cash, valuables, balances on bank accounts, and they are assessed at a nominal value. The decrease in their value is expressed by an adjustment value.
- n) Accruals on the asset side of the balance sheet – the expected nominal value.

Accrued expense and accrued revenues are recognized in the amount necessary to uphold the principle of substantive and temporal association with the accounting period.

- o) Liabilities:
- at their inception – nominal value,
 - during takeover – acquisition cost.

If it is found out when taking an inventory that the sum of liabilities is other than the amount of them recognized in accounts, the liabilities identified at such value shall be recognized in the accounts and the financial statement.

- p) Provisions - in the expected amount of liabilities or mathematical insurance methods.

- q) Accruals on the liabilities side of the balance sheet – the expected nominal value.

Accrued expense and accrued revenues of future periods are recognized in the amount necessary to uphold the principle of substantive and temporal association with the accounting period.

- r) Leased assets and assets acquired under the purchase agreement of the leased property closed up to 31 December 2003 are not recorded in the balance sheet, they are recognized the off-balance sheet account at the acquisition cost. Lease discounts are accrued and derecognized over the period of the lease.

- s) Current income taxes – pursuant to the Slovak Income Tax Act, current income taxes are determined based on the pre-tax accounting profits at the rate of 22% after adjustments for certain items for tax purposes.

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- t) Deferred income taxes are recognised when temporary differences arise between the carrying amount of assets and liabilities as disclosed on the balance sheet and their tax base, with the possibility of carrying forward tax losses and of transferring the unclaimed tax loss deductions into future periods. To determine the amount of deferred income taxes, the tax rate applicable in the subsequent reporting period was applied, ie 21%.

The deferred tax receivable and the deferred tax liability are not charged in case of:

- temporary differences upon the first initial recognition of assets or liabilities in the accounts if at the time of initial recognition, this accounting case does not affect profit or loss or the tax base and at the same time, it does not concern a combination of enterprises (i. e. it does not concern an accounting case which arises in case of a buyer upon the purchase of enterprise or a part of enterprise, in case of a receiver of the deposit of enterprise or a part of enterprise or in case of a successor accounting entity upon merger, amalgamation or partition),
- temporary differences associated with shares in subsidiaries, joint and associate accounting units, if the Company is able to influence the settlement of the temporary differences, and it is probable that the temporary differences will not be settled in the near future,
- temporary differences upon the initial recognition of goodwill or negative goodwill.

A deferred tax receivable is charged from deductible temporary differences, unused tax losses and unused tax deductions and other tax claims only when it is probable that a future tax base to which they can be applied is achievable. The deferred tax receivable is verified as of every day of which the financial statement is compiled, and it is deducted by the amount which is probable to be achieved as an income tax base. What is used to calculate the deferred tax is an income tax rate which is assumed to be effective at the time when the deferred tax is settled.

In the balance sheet, the deferred tax receivable and the deferred tax payable are recognized individually there. If they apply only to the deferred income tax of the same tax payer and it concerns the same tax authority, what can be recognized is only a resulting balance of the Account 481 – Deferred tax payable and deferred tax liability.

11. Method of valuation of individual assets and liabilities - following valuation

- a) The estimated risks, losses and impairments relating to assets and liabilities are expressed through provisions, adjustment entries and depreciation.
- Provisions – Provision is a liability representing an existing obligation of the Company arising from past events, and it is probable that it will reduce its future economic benefits. Reserves are liabilities of uncertain timing or amount, and they are valued at the amount necessary to meet the existing obligation as of the day of which the financial statement is compiled.

The reserve is recognized to an associated expense or assets account to which the liability belongs. The use of reserves is charged to the relevant account of reserves with the counter entry in favor of a relevant liabilities account. The dissolution of an unnecessary reserve or its part is listed by an accounting record reverse to the reserve creation entry.

The creation of a reserve for bonuses, discounts, payment discounts and refunds of the purchase price in case of a warranty claim is recognized as the decrease in originally gained revenues with the counter entry made in favor of reserves account.

- Adjustment entries – charged at the value of reasonable assumption of a decrease in the asset value compared to its valuation in the accounts, being:

Adjustment entries are made based on the principle of cautiousness if it is reasonable to assume that the value of assets has decreased in comparison to its valuation in the accounts. An adjustment entry is charged at the value of reasonable assumption of a decrease in the asset value compared to its valuation in the accounts.

Factors that are considered to be important when considering the decrease in the value of assets are:

- technological progress
- lack of significant operating results compared to historical or planned operating results
- significant changes in the way how the Company assets are used or overall changes in the strategy of Company
- outdated nature of products

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If the Company identifies that based on the existence of one or several indicators of the impairment of assets, it is possible to assume that the value of assets has decreased in comparison to their valuation in the accounts, it shall calculate the decrease in the value of assets based on the assumption of projected net discounted cash flows which are expected from the given assets including the potential sale of the assets. The assumed asset impairment may prove to be insufficient if analyses overestimated cash flows or if conditions are changed in future.

When recognizing goodwill, the Company determines the amount by which economic benefits will increase in future in connection with goodwill. As of 31 December 2016, no indicators that show the future decrease in economic benefits were identified. This review of goodwill shall be made annually.

Writedown of Long-Term Assets and Inventories

As of every day of which a financial statement is drawn up, the carrying value of the Company's assets other than deferred tax assets is assessed to determine whether there are indicators which show that the value of assets might be reduced. If such indicators exist, then estimated future economic benefits that accrue from the given assets are assessed.

Adjustment entries recognized in preceding periods are assessed as of each day of what the financial statement is compiled to determine whether there are indicators which show that the estimate of the decrease in the value of assets might have changed or that such estimate ceased to exist. A corrective entry will be canceled, if there has been a change in the assumptions used to determine the projected economic benefits that accrue from the given asset. The corrective entry should be canceled only in the extent that the carrying amount of asset does not exceed the carrying amount that would be determined after applying a depreciation charge if the corrective entry was not recognized.

- Depreciation plan

Non-current tangible and intangible assets are depreciated according to a depreciation plan that takes into account an estimate of their actual useful lives. Assets are depreciated over their estimated useful lives corresponding to the consumption of future economic benefits arising from such assets. The straight-line accounting depreciation method is applied. Assets are depreciated starting in the month following the month in which such assets are placed into service.

Low-value long-term intangible assets with the acquisition cost (or own costs) amounting to no more than 2,400 EURO are considered to be expense and they are recognized to the Account 518 - Other services. Low-value long-term tangible assets with the acquisition cost (or own costs) amounting to no more than 1,700 EURO is depreciated on a one-off basis when put into use.

Depreciation methods, useful lives and residual values are reviewed as of the day for which the financial statements are drawn up and, if necessary, adjustments are made.

The depreciation of long-term tangible assets is based on the assumed period for which they will be used and the assumed course of their wear.

The average service life according to the depreciation plan is:

Type of asset	Expiry period	The annual depreciation rate
Goodwill	7	14 %
Software	4-5	20 - 25 %
Buildings and structures	20	5 %
Machines and equipment	Miscellaneous	Miscellaneous

Tax depreciation is applied according to the rates provided for in the act on income tax applicable to the straight-line depreciation.

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12. Conversion of data in foreign currency to Slovak currency

Assets and liabilities denominated in a foreign currency are translated to euros using the reference exchange rate determined and announced by the European Central Bank (ECB) or the National Bank of Slovakia (NBS) on the date preceding the transaction date and also on the reporting date. Advances received and made in a foreign currency are not translated as at the reporting date. For foreign currency purchases and sales in euros, and upon the transfer of funds from an account established in a foreign currency to an account established in euros and from an account established in euros to an account established in a foreign currency, the exchange rates at which these amounts were purchased or sold were applied. If the sale or purchase of foreign currency is performed at an exchange rate other than the one offered by a commercial bank in its foreign exchange list, the exchange rate offered by such commercial bank in its foreign exchange list on the transaction settlement date is used. If the sale or purchase is not performed with a commercial bank, the reference exchange rate determined and announced by the ECB or the NBS on the date preceding the transaction settlement date is used.

13. Changes in accounting principles and accounting methods

In the course of the year 2016, there were no changes in accounting policies or methods.

14. Correction of significant errors of previous accounting periods

In the year 2016, the Company did not account for any significant past errors.

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III. DATA ENTERED ON THE LIABILITIES SIDE OF THE BALANCE SHEET**1. Long-term intangible and tangible assets**

1.1. Movements on the accounts of long-term intangible assets, corrections, adjustment entries and residual value

31 December 2016

	Capitalized development expense	Software	Valuable rights	Goodwill	Other Non- Current Intangible Assets	Non-Current Intangible Assets in Acquisition	Provided advance payments	Total
Initial valuation								
As at 1 January 2016	-	4,239	-	881,920	6,188,000	-	-	7,074,159
Accruals	-	-	-	-	-	311,838	-	311,838
Decreases	-	(2,153)	-	-	-	-	-	(2,153)
Transfers	-	-	-	-	-	-	-	-
As at 31 December 2016	-	2,086	-	881,920	6,188,000	311,838	-	7,383,844
Accumulated depreciation								
As at 1 January 2016	-	2,153	-	-	412,534	-	-	414,687
Accruals	-	-	-	125,989	1,237,600	-	-	1,363,589
Decreases	-	(71)	-	-	-	-	-	(71)
Transfers	-	-	-	-	-	-	-	-
As at 31 December 2016	-	2,082	-	125,989	1,650,134	-	-	1,778,205
Adjusting item								
As at 1 January 2016	-	-	-	-	-	-	-	-
Accruals	-	-	-	-	-	-	-	-
Decreases	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
As at 31 December 2016	-	-	-	-	-	-	-	-
Carrying value								
As at 1 January 2016	-	2,086	-	881,920	5,775,466	-	-	6,659,472
As at 31 December 2016	-	4	-	755,931	4,537,866	311,838	-	5,605,639

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31 December 2015

	Capitalized development expense	Software	Valuable rights	Goodwill	Other Non- Current Intangible Assets	Non-Current Intangible Assets in Acquisition	Provided advance payments	Total
Initial valuation								
As at 1 January 2015	-	-	-	-	-	-	-	-
Accruals	-	-	-	881,920	-	6,192,239	-	7,074,159
Decreases	-	-	-	-	-	-	-	-
Transfers	-	4,239	-	-	6,188,000	(6,192,239)	-	-
As at 31 December 2015	-	4,239	-	881,920	6,188,000	-	-	7,074,159
Accumulated depreciation								
As at 1 January 2015	-	-	-	-	-	-	-	-
Accruals	-	2,153	-	-	412,534	-	-	414,687
Decreases	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
As at 31 December 2015	-	2,153	-	-	412,534	-	-	414,687
Adjusting item								
As at 1 January 2015	-	-	-	-	-	-	-	-
Accruals	-	-	-	-	-	-	-	-
Decreases	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
As at 31 December 2015	-	-	-	-	-	-	-	-
Carrying value								
As at 1 January 2015	-	-	-	-	-	-	-	-
As at 31 December 2015	-	2,086	-	881,920	5,775,466	-	-	6,659,472

As long-term intangible assets, the Company records other long-term assets in the amount of EUR 6,188,000 consisting mainly of existing concluded contracts with customers, which were identified during purchase of the company MAGNA SLOVTECA, s.r.o., with its seat at Rybárska 1,915 01 Nové Mesto nad Váhom (branch plant MAGNA SLOVTECA, s.r.o, o.z.Magna Trnava) and goodwill in the amount of EUR 881,000, representing the difference between the purchase price and the identifiable parts of the assets and liabilities valued at fair value.

In the statement of movements of long-term intangible assets, the increase in the goodwill value over the accounting period is recorded in the "increments" line because it is not a classical acquisition of long-term intangible assets through acquisition accounts.

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1.2. Movements on the accounts of long-term tangible assets, corrections, adjustment entries and residual value

31 December 2016

	Land	Structures	Separate movables and files of movables	Plant growing units of permanent vegetation	Basic herd and draught animals	Other long-term tangible property	Procured long-term tangible property	Provided advance payments	Total
Initial valuation									
As at 1 January 2016	-	235,713	1,945,366	-	-	-	875,377	15,283	3,071,739
Accruals	-	-	-	-	-	-	1,326,294	-	1,326,294
Decreases	-	(18,285)	(256,783)	-	-	-	-	-	(275,068)
Transfers	-	45,075	1,887,895	-	-	-	(1,917,688)	(15,283)	-
As at 31 December 2016	-	262,503	3,576,478	-	-	-	283,983	-	4,122,964
Accumulated depreciation									
As at 1 January 2016	-	21,551	261,267	-	-	-	-	-	282,818
Accruals	-	7,857	275,362	-	-	-	-	-	283,219
Decreases	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
As at 31 December 2016	-	29,408	536,629	-	-	-	-	-	566,037
Adjusting item									
As at 1 January 2016	-	-	-	-	-	-	-	-	-
Accruals	-	-	-	-	-	-	-	-	-
Decreases	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
As at 31 December 2016	-	-	-	-	-	-	-	-	-
Carrying value									
As at 1 January 2016	-	214,162	1,684,099	-	-	-	875,377	15,283	2,788,921
As at 31 December 2016	-	233,095	3,039,849	-	-	-	283,983	-	3,556,927

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31 December 2015

	Land	Structures	Separate movables and files of movables	Plant growing units of permanent vegetation	Basic herd and draught animals	Other long-term tangible property	Procured long-term tangible property	Provided advance payments	Total
Initial valuation									
As at 1 January 2015	-	-	-	-	-	-	-	-	-
Accruals	-	-	-	-	-	-	3,058,282	48,566	3,106,848
Decreases	-	-	(1,826)	-	-	-	-	(33,283)	(35,109)
Transfers	-	235,713	1,947,192	-	-	-	(2,182,905)	-	-
As at 31 December 2015	-	235,713	1,945,366	-	-	-	875,377	15,283	3,071,739
Accumulated depreciation									
As at 1 January 2015	-	-	-	-	-	-	-	-	-
Accruals	-	21,551	263,093	-	-	-	-	-	284,644
Decreases	-	-	(1,826)	-	-	-	-	-	(1,826)
Transfers	-	-	-	-	-	-	-	-	-
As at 31 December 2015	-	21,551	261,267	-	-	-	-	-	282,818
Adjusting item									
As at 1 January 2015	-	-	-	-	-	-	-	-	-
Accruals	-	-	-	-	-	-	-	-	-
Decreases	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
As at 31 December 2015	-	-	-	-	-	-	-	-	-
Carrying value									
As at 1 January 2015	-	-	-	-	-	-	-	-	-
As at 31 December 2015	-	214,162	1 684,099	-	-	-	875,377	15,283	2,788,921

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1.3. An adjustment entry to acquired assets (account 09x)

In the course of the accounting period, the Company did not create an adjustment entry for along-term asset.

1.4. Liens and restriction of disposal of long-term intangible and tangible assets

Long-term assets have not been the subject of a right of lien, and the right to dispose of them is not limited.

1.5. Goodwill

The company is recognised as a component of goodwill intangible asset worth EUR 881,920, which arose as a result of the purchase of part of MAGNA SLOVTECA, s.r.o. with registered office at Rybárska 1, 915 01 Nové Mesto nad Váhom (a branch plant of MAGNA SLOVTECA, s.r.o., o.z. Magna Trnava). The valuation of goodwill in the financial statements of the Company as at 31.12.2016 represents the difference between the purchase price and the identifiable parts of the assets and liabilities valued at fair value.

In the statement of movements of long-term intangible assets, the increase in the goodwill value over the accounting period is recorded in the "increments" line because it is not a classical acquisition of long-term intangible assets through acquisition accounts.

1.6. Research and development activity

Item	2016	2015
Research cost	-	-
Non-capitalized development expense	-	-
Capitalized development expense (041, 012)	311,838	-

2. **Inventory**2.1. An overview of adjustment entries according to individual balance sheet items

Item	1. 1. 2016	Creation	Accounting due to the cessation of justification	Accounting due to the asset disposing from accounting	31.12.2016
Material	13,273	65,502	(69,072)	-	9,703
Work-in-progress and semi-finished products of own production	15,783	64,552	(55,542)	-	24,793
Finished goods	8,513	64,406	(40 316)	-	32,603
Livestock	-	-	-	-	-
Merchandise	-	-	-	-	-
Real estate for sale	-	-	-	-	-
Provided advance payments	-	-	-	-	-
Total	37,569	194,460	(164,930)	-	67,099

Reduction of the utility value of the inventories was taken into account by creating an adjustment item. The utility value of inventories decreased primarily due to a change of product assortment, asurplus of inventory and the reduction of the sale prices.

2.2. Right of lien and limited disposal of inventories

There is no right of lien in place for the bank.

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3. Receivables**3.1. The age structure of receivables**31 December 2016

Item	Maturity		Total
	within maturity	overdue	
Short-term receivables			
Receivables from business dealings	1,584,015	15,739,652	19,801,977
Other receivables in relation to affiliated accounting entities	1,410,403	1,067,907	2,478,310
Other claims within the proportionate participation excluding receivables to affiliated accounting entities	-	-	-
Claims against associates, members, and the association	-	-	-
Social insurance	-	-	-
Tax assets and grants	40,310	-	40,310
Other receivables	76,148	-	76,148
Total short-term receivables	3,110,876	16,807,559	19,918,435

31 December 2015

Item	Maturity		Total
	within maturity	overdue	
Short-term receivables			
Receivables from business dealings	1,246,273	140,939	1,387,212
Other receivables in relation to affiliated accounting entities	1,227,773	109,200	1,344,973
Other claims within the proportionate participation excluding receivables to affiliated accounting entities	-	-	-
Claims against associates, members, and the association	-	-	-
Social insurance	-	-	-
Tax assets and grants	689,428	-	689,428
Other receivables	22,092	-	22,092
Total short-term receivables	3,193,566	250,139	3,443,705

3.2. Adjustment entries for the receivables

During the accounting period, the Company did not account for the creation or settlement of the adjustment entry.

3.3. Lien and restricted handling of receivables

Receivables are not covered by the lien. The Company does not have a lien on the property of a third party.

The Company does not record claims with limited right of disposal.

3.4. Deferred tax receivable

Item	31.12.2016	31.12.2015
Temporary differences between the book value of the asset and the tax base:		
deductible	-	-
taxable	918	4,171
Temporary differences between the book value of the liabilities and the tax base:		
deductible	-	-
taxable	315,083	482,587
The possibility of amortize tax loss in the future	-	-
The ability to transfer unused tax deductions	1,533,747	547,842
Tax rate from revenue (in %)	-	-
Deferred tax receivable	21	22
Applied tax receivable:		
accounted for as a reduction in costs	388,447	227,612
charged to equity	160,835	227,612
Deferred tax liability	-	-
Change in deferred tax liability:		
charged as an expense	-	-
charged to equity	-	-

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4. Financial accounts**4.1. The Company has financial assets in the structure**

<i>Item</i>	31.12.2016	31.12.2015
Financial resources		
Treasury, valuables	2,967	693
Current accounts at a bank or branch office of a foreign bank	204,155	2,193,688
Term deposit accounts	-	-
Funds in transit	(350)	-
Total	206,772	2,194,381

Cash in the treasury, bank accounts and securities are reported as financial accounts. The company may freely dispose of the accounts in banks

5. Accruals/deferrals

<i>Item</i>	31.12.2016	31.12.2015
Long-term expenses for future periods, of which:		
<i>Engineering</i>	340,343	201,300
Short-term expenses for future periods, of which:		
<i>Engineering</i>	155,881	1,047,076
<i>Lease buildings</i>	60,957	845,776
<i>Rent of transport boxes</i>	73,452	58,550
<i>Premiums</i>	-	4,417
<i>Other</i>	15,317	-
Long-term prepaid income	6,155	1,113
Short-term prepaid income	-	-
Total	-	-

IV. DATA ENTERED ON THE LIABILITIES SIDE OF THE BALANCE SHEET**1. Equity****1.1. Information on equity**

The share capital of the Company as at 31 December 2016 is EUR 5,709,000 (as at 31 December 2015: EUR 2,209,000).

Share capital increased by EUR 3,500,000 during the 2016 accounting period. This increase was not recorded in the Business Register as at 31 December 2016, so in the statements it is recorded in the "Changes in share capital" line.

Share capital was paid in full and registered in the Business Register on 25 January 2017.

1.2. Distribution of profit or settlement of loss for the year 2015

<i>Item</i>	2015
Financial loss	999,329
Settlement of financial loss	2016
From the legal reserve fund	-
From statutory and other funds	-
From non-distributed profit from previous years	-
Payment of loss by associates	-
Transfer to unpaid loss of past years	999,329
Other	-
Total	999,329

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1.3. Proposal for distribution of profit or settlement of loss for the year 2016

The settlement of loss for the year 2016 will be decided by the General Assembly in the year 2017. The proposal of the statutory body to the General Assembly is as follows:

- shifting to unsettled loss of past years in the amount of EUR 1,507,985.

2. **Provisions**2.1. Statutory and other provisions31 December 2016

Item	1.1.2016	Creation	Use	Cancellation	31.12.2016
Long-term provisions					
Long term statutory provisions	-	-	-	-	-
Other long-term provisions, of which:	5,282	1,010	-	-	6,292
Retirement severance	5,282	1,010	-	-	6,292
Short-term provisions					
Short-term statutory provisions, of which:					
Holiday wages, including social security	84,597	175,553	84,597	-	175,553
Other short-term provisions, of which:	84,597	175,553	84,597	-	175,553
Judgemental	590,193	1,037,092	615,486	74,081	937,718
Verification of financial statements	354,000	147,000	501,000	-	-
Compilation of financial statements and tax return	9,000	10,435	-	-	19,435
Supplier variations	8,000	3,500	8,000	-	3,500
Customer-specific variations	17,750	20,542	-	-	38,292
Tooling	-	53,644	-	-	53,644
Provisions for unbilled services	117,279	144,910	96,403	-	165,786
	84,164	657,061	10,083	74,081	657,061

31 December 2015

Item	16.5.2015	Creation	Use	Cancellation	31.12.2015
Long-term provisions					
Long term statutory provisions	-	-	-	-	-
Other long-term provisions, of which:	-	5,282	-	-	5,282
Retirement severance	-	5,282	-	-	5,282
Short-term provisions					
Short-term statutory provisions, of which:					
Holiday wages, including social security	-	84,597	-	-	84,597
Other short-term provisions, of which:	-	84,597	-	-	84,597
Judgemental	-	613,103	22,910	-	590,193
Verification of financial statements	-	354,000	-	-	354,000
Compilation of financial statements and tax return	-	9,000	-	-	9,000
Supplier variations	-	8,000	-	-	8,000
Tooling	-	40,660	22,910	-	17,750
Other	-	117,279	-	-	117,279
	-	84,164	-	-	84,164

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3. Liabilities**3.1. The amount of liabilities in the maturity period and after the maturity period, including group and the liabilities according to the remaining maturity**

<i>Item</i>	31.12.2016	31.12.2015
Long-term payables:		
Payables with remaining maturity period exceeding five years	-	-
Payables with remaining maturity period exceeding one to five years	12,692,657	12,692,657
Total long term payables	12,692,657	12,692,657
Short term payables:		
Payables until the payment deadline	18,129,955	10,778,857
Payables after the payment deadline	1,727,369	216,076
Total short-term payables	19,857,327	10,994,933

3.2. Payables covered by the lien or other form of security

Payables are not covered by the lien.

3.3. Payables from social fund

	31.12.2016	31.12.2015
Initial status of the social fund	13,971	-
Creation of the social fund for debited expenses	-	50,430
Creation of the social fund from profit	-	-
Other creation of the social fund	-	-
Creation of the social fund in total	-	-
Drawing from the social fund	2,148	(36,459)
The final balance of the social fund	11,823	13,971

V. REVENUES**1. Revenue from economic activities****1.1. Revenue from sales of goods, own products and services/Net turnover**

Revenue from own performances and goods according to the types of products and services and according to major sale areas:

<i>The type of products, goods, services/Sales area</i>	Slovakia		Outland (EU)		Total	
	2016	2015	2016	2015	2016	2015
Parts and accessories for motor vehicles	-	20,441	31,736,924	11,128,266	31,736,924	11,148,707
Engineering services	-	9,242	4,765,004	1,204,789	4,765,004	1,214,031
Other services	39,858	-	138,468	30,507	178,326	30,507
Tooling	-	-	11,544,270	453,360	11,544,270	453,360
Total net turnover	39,858	29,683	48,184,666	12,816,923	48,224,524	12,846,605

1.2. Change of status for internal-organizational inventories

<i>Item</i>	2016		2015		Change of status for internal-organizational inventories	
	31. 12. 2016	31. 12. 2015	1. 1. 2015		2016	2015
Non- finished production and semi-finished products from own production	638,118	360,068	-		278,050	360,068
Merchandise	670,587	366,185	-		304,402	366,185
Livestock	-	-	-		-	-
Total	1,308,705	726,253	-		582,452	726,253
Shortages and damages					-	-
The status of the finished products when buying a venture					-	(622,919)
Inventory differences					246,192	50,929
Other					15,783	(28,615)
Change of status in internal-organizational inventories in the profit and loss statement					844,427	125,647

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1.3. Proceeds when activating the costs and revenues of economic activity, financial income and revenues of an exceptional range or incidence

Item	2016	2015
Significant items when activating costs	-	-
Other significant items of income from economic activities	196,750	11,484
Finance income, of which:	2	-
Foreign exchange gains, of which:	-	-
foreign exchange gains as of the date on which the financial statements are prepared	-	-
Other significant items of financial revenues	2	-
Revenues of exceptional range or incidence	-	-

VI. **EXPENSES**1. **Expenses from economic activities**1.1. Expenses for services, other costs of economic activities, financial expenses and expenses of an exceptional range or incidence

Item	2016	2015
The cost of the service provided, of which:		
The cost to the auditor, the audit firm, of which:	10,867,937	3,605,105
the cost of the verification of the individual financial statements	26,000	29,200
other assurance audit services	26,000	18,000
related audit services	-	11,200
tax advisory	-	-
non-auditory services	-	-
Other significant items in expenses for provided services, of which:	10,841,937	3,575,905
Repairs and maintenance	85,587	19,382
Travel expenses	85,657	43,544
Representational	102,474	69,907
Expert consultation	732,381	236,061
Servicing fee	776,761	327,260
IT services	139,324	64,571
The cost of sorting	369,421	110,497
Personnel leasing	2,819,294	1,056,510
Counselling	206,472	172,795
Lease	837,819	207,967
Transport	1,013,170	421,163
Training	48,461	13,074
Development expenses	825,414	502,878
Project management	2,364,817	147,559
Telephones	38,342	15,696
Waste management	47,320	12,303
Legal services	15,801	20,443
Other	333,422	134,295
Other significant of expenses from economic activities, of which:	38,583,864	9,924,177
Total sum of personal costs:	7,747,878	2,218,401
Payroll	5,488,198	1,558,210
Other expense for dependent activities	31,219	-
Social insurance	1,349,750	399,476
Health insurance	534,757	161,157
Social security	343,954	99,558
Financial cost, of which:	1,294,912	681,395
Foreign exchange losses, of which:	19,164	376,924
foreign exchange losses as of the date on which the financial statements are prepared	-	-
Other significant items of financial expense, of which:	1,275,748	304,471
paid interest to related accounting entities	1,273,322	304,116
Other cost of financial activities	2,426	355
Expenses of exceptional range or incidence	-	-

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VII. INCOME TAX

Tax rate from revenue for the year 2016 is 22%. The company did not have any relief from taxes.

For the calculation of the deferred tax, the corporate tax rate of 21% was applied, which is in effect from 1 January 2017.

Item	2016	2015
Amount of deferred tax asset charged as an expense or income resulting from changes in the income tax rate	18,497	-
The amount of the deferred tax liability charged as an expense or income resulting from a change in tax rates	-	-
The sum of deferred tax receivables relating to the redemption of tax loss, unused tax deductions and other entitlements, as well as temporary differences from previous accounting periods to which in the previous accounting periods did not recognize deferred tax assets	-	-
The sum of deferred tax liabilities that arise due to not accounting that part of the deferred tax receivable in the current accounting period, which is accounted in previous accounting periods	-	-
The sum of the unclaimed redemption of tax losses, unused tax credits and other claims and deductible temporary differences, which were not accounted for the deferred tax receivable	-	-
The sum of deferred tax from revenue relating to items accounted directly in equity accounts without accounting for the expense and yield accounts	-	-

	2016			2015		
	Tax base	Tax	Tax in %	Tax base	Tax	Tax in %
Economic result before tax, of which:	(1,481,173)			(1,226,941)		
<i>theoretical tax</i>		(325,638)	22%		(269,927)	22%
Tax unrecovered costs (permanent differences)	1,218,922	268,163	(18) %	192,340	42,315	(3) %
Income not subject to tax (permanent differences)	-	-	-	-	-	-
The effect of unrecognised deferred tax receivable	-	66,906	(1) %	-	-	-
Change of tax rate	-	18,497	(5) %	-	-	-
Tax license	-	-	-	-	-	-
Other	-	(953)	-	-	-	-
Total	122,614	26,975	(2) %	(1,034,601)	(227,612)	19 %
Income tax payable		187,810	(13) %		-	-
Deferred taxes from revenue		(160,835)	11 %		(227,612)	19 %
Total income taxes		26,975	(2) %		(227,612)	19 %

VIII. OTHER ASSETS AND OTHER LIABILITIES**1. Contingent liabilities**

Tax returns remain open and may be subject to inspection for a period of five years. The fact that a certain period or tax return related to this period has been inspected does not affect the exclusion of that period from any further inspection for a period of five years. As a result, as of 31 December 2016, the Company's tax returns for the years 2012 to 2016 are open and may be subject to control.

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2. Off-balance sheet accounts

Item	31.12.2016	31.12.2015
Leased assets (administrative premises)	731,877	175,651
Leased asset (operational lease, motor vehicles)	18,346	3,493
Asset accepted for safekeeping	-	-
Receivables from derivatives	-	-
Liabilities from derivative options	-	-
Written-off receivables	-	-
Receivables from leasing	-	-
Obligations from leasing	-	-
Other items	-	-

The company has part of the administrative premises rented from a third party. The rental contract is concluded until 2024, with the right of refusal option. The annual rent is EUR 731,877.

The company has rented (operating lease) eight motor vehicles. Lease in the year 2016 is EUR 18,346.

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IX. INCOME AND BENEFITS OF MEMBERS OF STATUTORY, SUPERVISORY AND OTHER COMPANY BODIES

Type of income, benefit	The value of income, the benefits of the current members of the authorities			The value of income, the benefits of the former members of the authorities		
	statutory	supervisory	other	statutory	supervisory	other
	2016	2015		2016	2015	
Cash income	-	-	-	-	-	-
Non-cash income	-	-	-	-	-	-
Cash advances	-	-	-	-	-	-
Non-cash advances	-	-	-	-	-	-
Provided loans	-	-	-	-	-	-
Provided guarantees and other security	-	-	-	-	-	-
The total amount of forfeited and written-off loans	-	-	-	-	-	-
The total amount of repaid loans	-	-	-	-	-	-
The total amount of funds for private purposes	-	-	-	-	-	-
Other	-	-	-	-	-	-

The key management are those persons who have the authority and responsibility for planning, managing and controlling the activities of the accounting entity directly or indirectly, including every Executive Director or any other Director of the accounting entity. The average number of key management persons in 2016 was 2.

In the course of 2016, no other significant payments, benefits or loans other than wages and rewards were provided to key management personnel.

No loans, guarantees or other forms of security, nor funds or other private-sector performances for members were provided to the statutory body members or the members of the supervisory authorities in 2016.

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X. RELATED PARTIES

Related parties include shareholders, board members, subsidiaries, and companies in which the shareholding exceeds 20% (subsidiaries and affiliates and joint ventures).

Trades between such persons and the company shall be carried out under normal conditions and at the usual prices. Transactions with related parties shall be decided by the Board of Directors. Comment on this trade is given in the individual parts of the notes.

31 December 2016

Related party	Type of business	Receivables	Liabilities	Costs	Revenues
Parent accounting entity					
Grupo Antolin-Irausa, S.A.	financing	-	24,781,787	2,122,869	-
Other related parties					
GA Bamberg	Purchase of material	-	9,104	287,898	-
Antolin Ebergassing GmbH	Services	-	8,150	163,427	-
Antolin Süddeutschland	Sale of HV	556,311	1,585	30,250	9,379,228
Grupo Antolin-Ingenieria, S.A.	Development services	-	594,325	1,244	-
Antolin Hungary, kft	Sale of HV, purchase of material	236,076	18,629	242,884	4,913,336
Antolin Massen GmbH	Sale of HV	1,194,308	28,413	5,602	1,481,239
Antolin Straubing GmbH	Sale of HV, purchase of material	491,615	39,351	609,566	7,724,313
Grupo Antolin Turnov	Services	-	101,308	102,850	-
Antolin Interiors	Development services	-	-	70,176	-
Deutschland GmbH		-	-		-

31 December 2015

Related party	Type of business	Receivables	Liabilities	Costs	Revenues
Parent accounting entity					
IT services		-	-	3,936	-
Service fees		-	-	69,000	-
Counselling		-	-	133,590	-
Long-term commitments within proportionate participation		-	-	-	-
Subsidiary accounting entity		-	304,116	-	-
Common accounting entity		-	-	-	-
Associated accounting entity		-	-	-	-
Key management of the accounting entity or its parent unit		-	-	-	-
Other related parties		-	-	-	-
Revenues from the sales of parts and accessories for motor vehicles		1,387,212	-	-	8,776,980
Engineering services		-	-	-	63,893
Project management		-	-	153,523	-
Development expenses		-	-	172,092	-
Expert consultation		-	-	6,282	-
Service fees		-	-	258,260	-
Counselling		-	-	36,703	-
Costs of interest		-	-	304,116	-
Other		-	-	1,172	-

XI. THE FACTS WHICH OCCURRED AFTER THE DATE ON WHICH THE FINANCIAL STATEMENTS ARE COMPILED AND UNTIL THE ASSEMBLY DATE OF THE FINANCIAL STATEMENTS

After December 2016, and up to the date of drawing up the financial statements, there were no events that would significantly affect the assets and liabilities of the company, except for those mentioned above, which are the result of ordinary activities.

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(data in the tables are given in whole euros, unless indicated otherwise)

XII. SUMMARY OF CHANGES IN EQUITY31 December 2016

<i>Item</i>	<i>Status As at 1 January 2016</i>	<i>Accruals</i>	<i>Decreases</i>	<i>Transfers</i>	<i>Status As at 31 December 2016</i>
Registered capital	5,000	-	-	2,204,000	2,209,000
Own stock and own trading shares	-	-	-	-	-
Change of the share capital	2,204,000	3,500,000	-	(2,204,000)	3,500,000
Receivables in an own subscribed property	-	-	-	-	-
Emission premium	-	-	-	-	-
Other capital funds	-	-	-	-	-
Legal reserve fund (indivisible fund) from capital investments	-	-	-	-	-
Differences from revaluation of assets and liabilities	-	-	-	-	-
Valuation differences from capital holdings	-	-	-	-	-
Valuation differences from revaluation of the mergers, fusions and divisions	-	-	-	-	-
Legal reserve fund	-	-	-	-	-
Indivisible fund	-	-	-	-	-
Statutory funds and other funds	-	-	-	-	-
Retained profit from previous years	-	-	-	-	-
Accumulated loss of previous years	-	(999,330)	-	-	(999,330)
The result of the management of the current financial period	(999,330)	(1,507,985)	999,330	-	(1,507,985)
Dividends paid	-	-	-	-	-
Other equity items	-	-	-	-	-
Account 491 – Ownership of a natural person – entrepreneur	-	(8,942)	-	-	(8,942)

The share capital of the Company as at 31 December 2016 is EUR 5,709,000 (as at 31 December 2015: EUR 2,209,000).

Share capital increased by EUR 3,500,000 during the 2016 accounting period. This increase was not recorded in the Business Register as at 31 December 2016, so in the statements it is recorded in the "Changes in share capital" line.

Share capital was paid in full and registered in the Business Register on 25 January 2017.

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31 December 2015

Item	Status				Status As at 31 December 2015
	As at 16 May 2015	Accruals	Decreases	Transfers	
Registered capital	5,000	-	-	-	5,000
Own stock and own trading shares	-	-	-	-	-
Change of the share capital	-	2,204,000	-	-	2,204,000
Receivables in an own subscribed property	-	-	-	-	-
Emission premium	-	-	-	-	-
Other capital funds	-	-	-	-	-
Legal reserve fund (indivisible fund) from capital investments	-	-	-	-	-
Differences from revaluation of assets and liabilities	-	-	-	-	-
Valuation differences from capital holdings	-	-	-	-	-
Valuation differences from revaluation of the mergers, fusions and divisions	-	-	-	-	-
Legal reserve fund	-	-	-	-	-
Indivisible fund	-	-	-	-	-
Statutory funds and other funds	-	-	-	-	-
Retained profit from previous years	-	-	-	-	-
Accumulated loss of previous years	-	-	-	-	-
The result of the management of the current financial period	-	(999,330)	-	-	(999,330)
Dividends paid	-	-	-	-	-
Other equity items	-	-	-	-	-
Account 491 – Ownership of a natural person – entrepreneur	-	-	-	-	-

The initial equity status of EUR 5,000 represents the initial contribution of a shareholder to equity when the Company was established.

In the course of the year 2015, the company increased the equity by means of shareholder cash deposit into the share capital amounting to EUR 2,204,000. This increase was not registered in the Commercial Register of the SR as at 31 December 2015. This change was registered in the Commercial Register of the SR on 14 April 2016.

Since the accounting period of 2015 is the year of the first accounting period in the Company's existence, it does not list an overview of equity movement for the previous accounting period.

XIII. SUMMARY OF CASH FLOWS

Summary of cash flows is presented in the appendix, table 1.

Finances include cash, cash equivalents, current account funds, an overdraft account, and part of the "Money on the Road" account balance.

Cash equivalents are a short-term financial assets exchangeable for a pre-determined amount of cash at which there is no risk of significant change in value over the next three months as at the balance sheet date.

The structure of the finances and cash equivalents:

Item	Account	31.12.2016	31.12.2015
Cash	211	1,056	673
Stamps and vouchers	213	1,911	20
Bank accounts	221	204,155	2,193,688
Overdraft facility	221	-	-
Cash and cash equivalents		206,772	2,194,381
Financial accounts total			
Difference		-	-

The company used the indirect method for the reporting of cash flows from operating activities.

Appendices:

Table no. 1 - Cash flow statement

Table 1 - Cash Flow Statement

Item	Description	Actual amount in EUR	
		Current Reporting Period	Previous Reporting Period
Cash flows from operating activities			
Z/S	Profit/loss from ordinary activities before income tax (+/-)		
A.1.		(1 481 010)	(1 226 942)
	Non-cash transactions affecting profit/loss from ordinary activities before income tax (+/-)		
	Amortisation and depreciation of non-current intangible and tangible assets (+)	4 945 345	(319 076)
	Change in provisions for liabilities (+/-)	1 923 959	699 331
	Change in provisions for assets (+/-)	439 491	(1 053 677)
	Change in expense and revenues accruals (+/-)	29 530	37 569
	Dividends and other profit sharing charged to revenues (-)	752 152	(450 209)
	Interest charged to expenses (+)	-	-
	Interest charged to income (-)	1 273 322	304 116
	Other non-cash items (+/-)	(2)	-
A.2.	Effect of changes in working capital on profit/loss from ordinary activities	526 893	143 794
	Change in receivables from operations (-/+)	(13 124 097)	(316 233)
	Change in payables from operations (+/-)	(16 475 079)	9 608
	Change in inventories (-/+)	1 588 828	3 075 781
		1 762 154	(3 401 622)
	Cash flow from operating activities, except for income and expenditures listed separately in other sections of the cash flow statement (+/-), (total Z/S+A.1.+A.2.)	(9 659 762)	(1 862 251)
	Interest received (+)	2	-
	Interest paid (-)	-	-
A.	Net cash flow from operating activities	(304 116)	-
		(9 963 876)	(1 862 251)
Cash flow from investing activities			
	Expenditures for acquisition of non-current intangible assets (-)	(311 838)	-
	Expenditures for acquisition of non-current tangible assets (-)	(1 326 294)	(365 789)
	Expenditures for acquisition of part of the business	-	(12 296 609)
	Cash and cash equivalents obtained during acquisition of part of the business	-	-
B.	Net cash flow from investing activities	-	408 138
		(1 638 132)	(12 254 260)
Cash flows from financing activities			
C.1.	Cash flows in equity		
	Income on subscribed shares and ownership interests (+)	-	2 204 000
C.2.	Cash flows arising on non-current and current payables from financing activities		
	Income on borrowings received (+)	9 614 399	14 101 892
C.	Net cash flows from financing activities	9 614 399	14 101 892
D.	Net increase or net decrease in cash and cash equivalents (+/-) (aggregate A+B+C)	9 614 399	16 305 892
E.	Cash and cash equivalents at the beginning of the reporting period	(1 987 609)	2 189 381
F.	Cash and cash equivalents at the end of the reporting period prior to reflecting foreign exchange gains/losses quantified as at the reporting date (+/-)	2 194 381	5 000
G.	Foreign exchange gains/losses quantified to cash and cash equivalents as at the reporting date (+/-)	206 772	2 194 381
H.	Cash and cash equivalents at the end of the reporting period adjusted for foreign exchange gains/losses quantified as at the reporting date (+/-) (total of D + E + G)	-	-
		206 772	2 194 381