

MSK Matec Slovakia s.r.o.

**Financial Statements and Annual Report
for the year ended 31 December 2021
and Independent Auditor's Report**

March 2022



Independent Auditor's Report

To the Shareholder and Executive of MSK Matec Slovakia s.r.o.:

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of MSK Matec Slovakia s.r.o. (the "Company") as at 31 December 2021, and the Company's financial performance for the year then ended in accordance with the Act on Accounting No. 431/2002, as amended (the "Accounting Act").

What we have audited

The Company's financial statements comprise:

- the balance sheet as at 31 December 2021;
- the income statement for the year then ended;
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements of the Act on Statutory Audit No. 423/2015 and on amendments and supplements to Act on Accounting No. 431/2002, as amended (hereafter the "Act on Statutory Audit") that are relevant to our audit of the financial statements in the Slovak Republic. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the ethical requirements of Act on Statutory Audit.

Reporting on other information including the Annual Report

Management is responsible for the other information. The other information comprises the Annual Report (but does not include the financial statements and our auditor's report thereon).

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, to consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

With respect to the Annual Report, we considered whether it includes the disclosures required by the Accounting Act.

PricewaterhouseCoopers Slovensko, s.r.o., Karadžičova 2, Bratislava, 815 32, Slovak Republic
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The firm's ID No.: 35 739 347. The firm is registered in the Commercial Register of Bratislava I District Court, Ref. No.: 16611/B, Section: Sro.
IČO Spoločnosti je 35 739 347. Spoločnosť je zapísaná v Obchodnom registri Okresného súdu Bratislava I, pod Vložkou č.: 16611/B, Oddiel: Sro.



Based on the work undertaken in the course of our audit, in our opinion:

- the information given in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Annual Report has been prepared in accordance with the Accounting Act.

In addition, in light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Annual Report. We have nothing to report in this regard.

Management's responsibilities for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Accounting Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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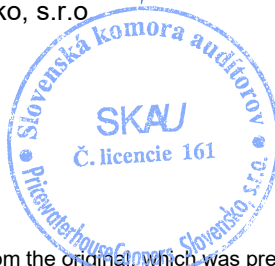
24 March 2022
Bratislava, Slovak Republic

Translation Note:

This version of our report is a translation from the original, which was prepared in Slovak. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Ing. Eva Hupková

Ing. Eva Hupková, FCCA
SKAU licence No. 672



FINANCIAL STATEMENTS

of entrepreneurs maintaining accounts under the system of double entry bookkeeping

at 3 1 . 1 2 . 2 0 2 1 (in whole euros)

Tax identification number (DIČ) 2 0 2 3 8 0 5 1 1 3	Financial statements X ordinary	Accounting entity small	Month from 1	Year 2 0 2 1
Identification number (IČO) 4 7 2 1 9 2 6 2	extraordinary	X large	to 1 2	2 0 2 1
SK NACE 2 8 . 2 9 . 0	interim	(vyznačí sa x)	Preceding period from 1	2 0 2 0
			to 1 2	2 0 2 0

Attached parts of the financial statements

X Balance Sheet (Úč POD 1-01) X Income Statement (Úč POD 2-01) X Notes to the Financial Statements (Úč POD 3-01)
(in whole euros) (in whole euros) (in whole euros or eurocents)

Legal name (designation) of the accounting entity

MSK Mat ec S l o v a k i a s . r . o .

Registered office of the accounting entity

Street Number

K p t . N á l e p k u 2

Zip code Municipality

0 8 2 7 1 L i p a n y

Designation of the Commercial Register and company registration number

D i s t r i c t c o u r t P r e š o v

S e c t i o n : S r o , F i l e n o . : 3 3 5 5 8 / P

Telephone Fax

+ 4 2 1 9 1 8 7 5 0 7 9 1

Email

f i n a n c i e @ m s k m a t e c . s k

Prepared on:

2 4 . 0 3 . 2 0 2 2

Approved on:

24. 3 . 2 0 2 2

Signature of the accounting entity's statutory body or a member of the accounting entity's statutory body or the signature of a sole trader who is the accounting entity:

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

Designation a	ASSETS b	Line No. c	Current accounting period		Preceding accounting period
			1	Gross - part 1	
				Correction - part 2	Net 2
					Net 3
	TOTAL ASSETS line 02 + line 33 + line 74	01			
A.	Non-current assets line 03 + line 11 + line 21	02			
A.I.	Non-current intangible assets total (lines 04 to 10)	03			
A.I.1.	Capitalized development costs (012) - /072, 091A/	04			
2.	Software (013) - /073, 091A/	05			
3.	Valuable rights (014) - /074, 091A/	06			
4.	Goodwill (015) - /075, 091A/	07			
5.	Other non-current intangible assets (019, 01X) - /079, 07X, 091A/	08			
6.	Acquisition of non- current intangible assets (041) - /093/	09			
7.	Advance payments made for non- current intangible assets (051) - /095A/	10			
A.II.	Property, plant and equipment total (lines 12 to 20)	11			
A.II.1.	Land (031) - /092A/	12			
2.	Structures (021) - /081, 092A/	13			
3.	Individual movable assets and sets of movable assets (022) - /082, 092A/	14			

Designation a	ASSETS b	Line No. c	Current accounting period		Preceding accounting period
			1	Gross - part 1	
				Correction - part 2	Net 2
					Net 3
4.	Perennial crops (025) - /085, 092A/	15			
5.	Livestock (026) - /086, 092A/	16			
6.	Other property, plant and equipment (029, 02X, 032) - /089, 08X, 092A/	17			
7.	Acquisition of property, plant and equipment (042) - /094/	18			
8.	Advance payments made for property, plant and equipment (052) - /095A/	19			
9.	Value adjustment to acquired assets (+/- 097) +/- 098	20			
A.III.	Non-current financial assets total (lines 22 to 32)	21			
A.III.1.	Shares and ownership interests in affiliated accounting entities (061A, 062A, 063A) - /096A/	22			
2.	Shares and ownership interests with participating interest, except for affiliated accounting entities (062A) - /096A/	23			
3.	Other available-for-sale securities and ownership interests (063A) - /096A/	24			
4.	Loans to affiliated accounting entities (066A) - /096A/	25			
5.	Loans within participating interest, except for affiliated accounting entities (066A) - /096A/	26			
6.	Other loans (067A) - /096A/	27			
7.	Debt securities and other non-current financial assets (065A, 069A, 06XA) - /096A/	28			

Designation a	ASSETS b	Line No. c	Current accounting period		Preceding accounting period
			1	Gross - part 1	
				Net 2	
				Correction - part 2	Net 3
8.	Loans and other non-current financial assets with remaining maturity of up to one year (066A, 067A, 069A, 06XA) - /096A/	29			
9.	Bank accounts with notice period exceeding one year (22XA)	30			
10.	Acquisition of non-current financial assets (043) - /096A/	31			
11.	Advance payments made for non-current financial assets (053) - /095A/	32			
B.	Current assets line 34 + line 41 + line 53 + line 66 + line 71	33			
B.I.	Inventory total (lines 35 to 40)	34			
B.I.1.	Raw material (112, 119, 11X) - /191, 19X/	35			
2.	Work in progress and semi-finished products (121, 122, 12X) - /192, 193, 19X/	36			
3.	Finished goods (123) - /194/	37			
4.	Animals (124) - /195/	38			
5.	Merchandise (132, 133, 13X, 139) - /196, 19X/	39			
6.	Advance payments made for inventory (314A) - /391A/	40			
B.II.	Non-current receivables total (line 42 + lines 46 to 52)	41			
B.II.1.	Trade receivables total (lines 43 to 45)	42			

Designation a	ASSETS b	Line No. c	Current accounting period		Preceding accounting period
			1	Gross - part 1	
				Correction - part 2	Net 2
					Net 3
1.a.	Trade receivables from affiliated accounting entities (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	43			
1.b.	Trade receivables within participating interest, except for receivables from affiliated accounting entities (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	44			
1.c.	Other trade receivables (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	45			
2.	Net value of contract (316A)	46			
3.	Other receivables from affiliated accounting entities (351A) - /391A/	47			
4.	Other receivables within participating interest, except for receivables from affiliated accounting entities (351A) - /391A/	48			
5.	Receivables from participants, members and association (354A, 355A, 358A, 35XA) - /391A/	49			
6.	Receivables related to derivative transactions (373A, 376A)	50			
7.	Other receivables (335A, 336A, 33XA, 371A, 374A, 375A, 378A) - /391A/	51			
8.	Deferred tax asset (481A)	52			
B.III.	Current receivables total (line 54 + lines 58 to 65)	53			
B.III.1.	Trade receivables total (lines 55 to 57)	54			
1.a.	Trade receivables from affiliated accounting entities (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	55			
1.b.	Trade receivables within participating interest, except for receivables from affiliated accounting entities (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	56			

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Úč POD 1 - 01

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Designation a	ASSETS b	Line No. c	Current accounting period		Preceding accounting period
			1	Gross - part 1	
				Net 2	
				Correction - part 2	Net 3
1.c.	Other trade receivables (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	57			
2.	Net value of contract (316A)	58			
3.	Other receivables from affiliated accounting entities (351A) - /391A/	59			
4.	Other receivables within participating interest, except for receivables from affiliated accounting entities (351A) - /391A/	60			
5.	Receivables from participants, members and association (354A, 355A, 358A, 35XA, 398A) - /391A/	61			
6.	Social security (336A) - /391A/	62			
7.	Tax assets and subsidies (341, 342, 343, 345, 346, 347) - /391A/	63			
8.	Receivables related to derivative transactions (373A, 376A)	64			
9.	Other receivables (335A, 33XA, 371A, 374A, 375A, 378A) - /391A/	65			
B.IV.	Current financial assets total (lines 67 to 70)	66			
B.IV.1.	Current financial assets in affiliated accounting entities (251A, 253A, 256A, 257A, 25XA) - /291A, 29XA/	67			
2.	Current financial assets, not including current financial assets in affiliated accounting entities (251A, 253A, 256A, 257A, 25XA) - /291A, 29XA/	68			
3.	Own shares and own ownership interests (252)	69			
4.	Acquisition of current financial assets (259, 314A) - /291A/	70			

Designation a	ASSETS b	Line No. c	Current accounting period		Preceding accounting period
			1	Gross - part 1	
				Net 2	
				Correction - part 2	Net 3
B.V.	Financial accounts line 72 + line 73	71			
B.V.1.	Cash (211, 213, 21X)	72			
2.	Bank accounts (221A, 22X, +/- 261)	73			
C.	Accruals/deferrals total (lines 75 to 78)	74			
C.1.	Prepaid expenses - long-term (381A, 382A)	75			
2.	Prepaid expenses - short-term (381A, 382A)	76			
3.	Accrued income - long-term (385A)	77			
4.	Accrued income - short-term (385A)	78			

Designation a	EQUITY AND LIABILITIES b	Line No. c	Current accounting period 4	Preceding accounting period 5
	TOTAL EQUITY AND LIABILITIES line 80 + line 101 + line 141	79		
A.	Equity line 81 + line 85 + line 86 + line 87 + line 90 + line 93 + line 97 + line 100	80		
A.I.	Share capital total (lines 82 to 84)	81		
A.I.1.	Share capital (411 alebo +/- 491)	82		
2.	Change in share capital +/- 419	83		
3.	Unpaid share capital (/-/353)	84		
A.II.	Share premium (412)	85		
A.III.	Other capital funds (413)	86		
A.IV.	Legal reserve funds line 88 + line 89	87		
A.IV.1.	Legal reserve fund and non-distributable fund (417A, 418, 421A, 422)	88		
2.	Reserve fund for own shares and own ownership interests (417A, 421A)	89		

Designation a	EQUITY AND LIABILITIES b	Line No. c	Current accounting period 4	Preceding accounting period 5
A.V.	Other funds created from profit line 91 + line 92	90		
A.V.1.	Statutory funds (423, 42X)	91		
2.	Other funds (427, 42X)	92		
A.VI.	Differences from revaluation total (lines 94 to 96)	93		
A.VI.1.	Differences from revaluation of assets and liabilities (+/- 414)	94		
2.	Investment revaluation reserves (+/- 415)	95		
3.	Differences from revaluation in the event of a merger, amalgamation into a separate accounting entity or demerger (+/- 416)	96		
A.VII.	Net profit/loss of previous years line 98 + line 99	97		
A.VII.1.	Retained earnings from previous years (428)	98		
2.	Accumulated losses from previous years (-/429)	99		
A.VIII.	Net profit/loss for the accounting period after tax +/- line 01 - (I. 81 + I. 85 + I. 86 + I. 87 + I. 90 + I. 93 + I. 97 + I. 101 + I. 141)	100		
B.	Liabilities line 102 + line 118 + line 121 + line 122 + line 136 + line 139 + line 140	101		
B.I.	Non-current liabilities total (line 103 + lines 107 to 117)	102		
B.I.1.	Non-current trade liabilities total (lines 104 to 106)	103		
1.a.	Trade liabilities to affiliated accounting entities (321A, 475A, 476A)	104		
1.b.	Trade liabilities within participating interest, except for liabilities to affiliated accounting entities (321A, 475A, 476A)	105		
1.c.	Other trade liabilities (321A, 475A, 476A)	106		
2.	Net value of contract (316A)	107		
3.	Other liabilities to affiliated accounting entities (471A, 47XA)	108		
4.	Other liabilities within participating interest, except for liabilities to affiliated accounting entities (471A, 47XA)	109		
5.	Other non-current liabilities (479A, 47XA)	110		
6.	Long-term advance payments received (475A)	111		
7.	Long-term bills of exchange to be paid (478A)	112		
8.	Bonds issued (473A/-/255A)	113		
9.	Liabilities related to social fund (472)	114		
10.	Other non-current liabilities (336A, 372A, 474A, 47XA)	115		
11.	Non-current liabilities related to derivative transactions (373A, 377A)	116		
12.	Deferred tax liability (481A)	117		

Designation a	EQUITY AND LIABILITIES b	Line No. c	Current accounting period 4	Preceding accounting period 5
B.II.	Long-term provisions line 119 + line 120	118		
B.II.1.	Legal provisions (451A)	119		
2.	Other provisions (459A, 45XA)	120		
B.III.	Long-term bank loans (461A, 46XA)	121		
B.IV.	Current liabilities total (line 123 + lines 127 to 135)	122		
B.IV.1.	Trade liabilities total (lines 124 to 126)	123		
1.a.	Trade liabilities to affiliated accounting entities (321A, 322A, 324A, 325A, 326A, 32XA, 475A, 476A, 478A, 47XA)	124		
1.b.	Trade liabilities within participating interest, except for liabilities to affiliated accounting entities (321A, 322A, 324A, 325A, 326A, 32XA, 475A, 476A, 478A, 47XA)	125		
1.c.	Other trade liabilities (321A, 322A, 324A, 325A, 326A, 32XA, 475A, 476A, 478A, 47XA)	126		
2.	Net value of contract (316A)	127		
3.	Other liabilities to affiliated accounting entities (361A, 36XA, 471A, 47XA)	128		
4.	Other liabilities within participating interest, except for liabilities to affiliated accounting entities (361A, 36XA, 471A, 47XA)	129		
5.	Liabilities to partners and association (364, 365, 366, 367, 368, 398A, 478A, 479A)	130		
6.	Liabilities to employees (331, 333, 33X, 479A)	131		
7.	Liabilities related to social security (336A)	132		
8.	Tax liabilities and subsidies (341, 342, 343, 345, 346, 347, 34X)	133		
9.	Liabilities related to derivative transactions (373A, 377A)	134		
10.	Other liabilities (372A, 379A, 474A, 475A, 479A, 47XA)	135		
B.V.	Short-term provisions line 137 + line 138	136		
B.V.1.	Legal provisions (323A, 451A)	137		
2.	Other provisions (323A, 32X, 459A, 45XA)	138		
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.	Accruals/deferrals total (lines 142 to 145)	141		
C.1.	Accrued expenses - long-term (383A)	142		
2.	Accrued expenses - short-term (383A)	143		
3.	Deferred income - long-term (384A)	144		
4.	Deferred income - short-term (384A)	145		

Výkaz ziskov a strát
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Designation a	Text b	Line No. c	Actual data	
			Current accounting period 1	Preceding accounting period 2
*	Net turnover (part of account class 6 according to the Act)	01		
**	Operating income total (lines 03 to 09)	02		
I.	Revenue from the sale of merchandise (604, 607)	03		
II.	Revenue from the sale of own products (601)	04		
III.	Revenue from the sale of services (602, 606)	05		
IV.	Changes in internal inventory (+/-) (account group 61)	06		
V.	Own work capitalized (account group 62)	07		
VI.	Revenue from the sale of non-current intangible assets, property, plant and equipment, and raw materials (641, 642)	08		
VII.	Other operating income (644, 645, 646, 648, 655, 657)	09		
**	Operating expenses total line 11 + line 12 + line 13 + line 14 + line 15 + line 20 + line 21 + line 24 + line 25 + line 26	10		
A.	Cost of merchandise sold (504, 507)	11		
B.	Consumed raw materials, energy consumption, and consumption of other non-inventory supplies (501, 502, 503)	12		
C.	Value adjustments to inventory (+/-) (505)	13		
D.	Services (account group 51)	14		
E.	Personnel expenses total (lines 16 to 19)	15		
E.1.	Wages and salaries (521, 522)	16		
2.	Remuneration of board members of company or cooperative (523)	17		
3.	Social security expenses (524, 525, 526)	18		
4.	Social expenses (527, 528)	19		
F.	Taxes and fees (account group 53)	20		
G.	Amortization and value adjustments to non-current intangible assets and depreciation and value adjustments to property, plant and equipment (line 22 + line 23)	21		
G.1.	Amortization of non-current intangible assets and depreciation of property, plant and equipment (551)	22		
2.	Value adjustments to non-current intangible assets and property, plant and equipment (+/-) (553)	23		
H.	Carrying value of non-current assets sold and raw materials sold (541, 542)	24		
I.	Value adjustments to receivables (+/-) (547)	25		
J.	Other operating expenses (543, 544, 545, 546, 548, 549, 555, 557)	26		
***	Profit/loss from operations (+/-) (line 02 - line 10)	27		

Designation a	Text b	Line No. c	Actual data	
			Current accounting period 1	Preceding accounting period 2
*	Added value (line 03 + line 04 + line 05 + line 06 + line 07) - (line 11 + line 12 + line 13 + line 14)	28		
**	Income from financial activities - total line 30 + line 31 + line 35 + line 39 + line 42 + line 43 + line 44	29		
VIII.	Revenue from the sale of securities and shares (661)	30		
IX.	Income from non-current financial assets total (lines 32 to 34)	31		
IX.1.	Income from securities and ownership interests in affiliated accounting entities (665A)	32		
2.	Income from securities and ownership interests within participating interest, except for income of affiliated accounting entities (665A)	33		
3.	Other income from securities and ownership interests (665A)	34		
X.	Income from current financial assets total (lines 36 to 38)	35		
X.1.	Income from current financial assets in affiliated accounting entities (666A)	36		
2.	Income from current financial assets within participating interest, except for income of affiliated accounting entities (666A)	37		
3.	Other income from current financial assets (666A)	38		
XI.	Interest income (line 40 + line 41)	39		
XI.1.	Interest income from affiliated accounting entities (662A)	40		
2.	Other interest income (662A)	41		
XII.	Exchange rate gains (663)	42		
XIII.	Gains on revaluation of securities and income from derivative transactions (664, 667)	43		
XIV.	Other income from financial activities (668)	44		
**	Expenses related to financial activities - total line 46 + line 47 + line 48 + line 49 + line 52 + line 53 + line 54	45		
K.	Securities and shares sold (561)	46		
L.	Expenses related to current financial assets (566)	47		
M.	Value adjustments to financial assets (+/-) (565)	48		
N.	Interest expense (line 50 + line 51)	49		
N.1.	Interest expenses related to affiliated accounting entities (562A)	50		
2.	Other interest expenses (562A)	51		
O.	Exchange rate losses (563)	52		
P.	Loss on revaluation of securities and expenses related to derivative transactions (564, 567)	53		
Q.	Other expenses related to financial activities (568, 569)	54		

Designation a	Text b	Line No. c	Actual data	
			Current accounting period 1	Preceding accounting period 2
***	Profit/loss from financial activities (+/-) (line 29 - line 45)	55		
****	Profit/loss for the accounting period before tax (+/-) (line 27 + line 55)	56		
R.	Income tax (line 58 + line 59)	57		
R.1.	Income tax - current (591, 595)	58		
2.	Income tax - deferred (+/-) (592)	59		
S.	Transfer of net profit/net loss shares to partners (+/- 596)	60		
****	Profit/loss for the accounting period after tax (+/-) (line 56 - line 57 - line 60)	61		

Notes to financial statements Prepared at 31 December 2021

I. GENERAL

1. Name and seat

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

The company MSK Matec Slovakia s.r.o. (the „Company“) was established on 23. June 2013 and incorporated in the Commercial Register on 29. June 2013 (Commercial Register of the District Court Prešov, Section Sro, Insert No.: 33558/P).

Core business activities of the Company

Main activity of Company is production of cabins for drivers of different vehicles. Except of that Company produces parts for cabins and spare parts. Company also provides engineering related to cabins production.

2. Unlimited liability

The Company is not a shareholder with unlimited liability in other legal entities.

3. Date of approval of the financial statements for the previous accounting period

The General Meeting approved the Company's financial statements for the previous accounting period on 7 October 2021.

4. Legal reason for preparing the financial statements

The financial statements of the Company as at 31 December 2021 have been prepared as ordinary financial statements in accordance with § 17 Sec. 6 of Act No. 431/2002 Coll. on Accounting as amended („Accounting Act“) for the accounting period from 1 January 2021 to 31 December 2021.

5. The consolidated group

The consolidated financial statements for the group MSK Group OY of which the Company is a subsidiary, are prepared as at 31 December 2021 by MSK Group OY with its seat at Pohjanmaanväylä 1661, Ylihärmä 623 75, Finland. A copy of the consolidated financial statements is available upon request at the seat of the above stated company.

6. Number of staff

Item	31.12.2021	31.12.2020
Average number of staff	85	74
Number of staff at balance sheet date of which:	85	74
<i>Management</i>	1	1

7. Date of approval of the Company's auditor

On 8 October 2021, the General Meeting approved PricewaterhouseCoopers Slovensko, s.r.o. as auditor of the Company's financial statements for the year ended 31 December 2021.

8. The Company's bodies and shareholders

The Company's bodies

	31.12.2021	31.12.2020
Executive:	Timo Tapio Lehtioja	Timo Tapio Lehtioja
Procuration:	Samuel Van Loock (since 13.7.2021)	-
	Michal Bujnovský (since 13.7.2021)	-

The Company's shareholders

The structure of the Company's shareholders at 31 December 2021 and at 31 December 2020:

Shareholder	Share of the registered capital		Percentage of voting rights	Other share in equity items other than registered capital %	Amount of contribution to Capital reserves funds from contributions
	Absolute	In %			
MSK GROUP OY	200,000	100	100	100	4,603,000
Total	200,000	100	100	100	4,603,000

II. ACCOUNTING METHODS APPLIED

a) Basis of preparation

The Company's financial statements have been prepared in accordance with the Slovak Accounting Act and related accounting procedures, on a going concern basis.

The Company keeps its books on the accrual basis of accounting which means that all revenues and costs are recognized when generated or incurred (and not when cash is received or paid), and they are recorded in the books and reported in the financial statements of the periods to which they relate.

All monetary amounts in the financial statements are stated in whole euros, unless stated otherwise.

The Company consistently applied the accounting methods and the general accounting principles.

Changes in the accounting method, the reason for the changes, and their impact on equity, income statement, assets and liabilities are described (in the relevant sections) in more detail below.

b) Non-current intangible and tangible assets

Acquired non-current assets are stated at cost, which includes the acquisition price and the related acquisition costs (such as customs duty, transport, assembly, and insurance).

The value of acquired non-current tangible assets in use is reduced by a valuation allowance to reflect their wear-and-tear.

Internally generated, non-current assets are stated at their own cost, which includes all direct costs spent on production or other activities, as well as indirect costs related to production or other activities.

The depreciation plan for non-current intangible assets has been prepared on the basis of their expected economic useful lives relating to the recovery of future economic benefits from these assets. Depreciation begins as of the first day of the month following the month in which the asset was first put into use. Non-current intangible assets with an acquisition cost (or their own cost) not exceeding EUR 2,400 are not recorded on the balance sheet and are expensed immediately when put into use.

The expected economic useful life, the depreciation method and the annual depreciation rate for non-current intangible assets are presented in the following table:

	Expected economic useful life in years	Depreciation method	Annual depreciation rate in %
Software with value 3,000 EUR and more	5	linear	20
Software in value 2,400 to 3,000 EUR	1	linear	100

The depreciation plan for non-current tangible assets has been prepared on the basis of their expected economic useful lives relating to the recovery of future economic benefits from these assets. Depreciation begins as of the first day of the month following the month in which the asset was first put into use. Non-current tangible assets with an acquisition cost (or their own cost) not exceeding EUR 1,700 are not recorded on the balance sheet and are expensed immediately when put into use.

The expected economic useful life, the depreciation method and the annual depreciation rate for non-current tangible assets are presented in the following table:

	Expected economic useful life in years	Depreciation method	Annual depreciation rate in %
Buildings, halls, and structures	20	Linear	5
Separate movable assets			
<i>Machinery and equipment</i>	4-12	Linear	8,33-25
<i>Vehicles</i>	4-5	Linear	20-25
Non-current tangible assets at cost EUR 1,700 – EUR 3,000	1	Linear	100

If, during a stock-count, temporary decrease in value-in-use of a non-current asset was identified that is significantly lower than its carrying amount (after deducting the accumulated depreciation), a valuation allowance is set up to reflect the asset's lower value-in-use

c) Inventories

Acquired inventories are stated at cost, which includes the acquisition price and the related acquisition costs (such as customs duty, transport, insurance and commission) less discounts. A discount granted to inventories already sold or used is accounted for as the reduction of costs of inventories sold or used. The Company used method A for the accounting treatment of inventories. For stock withdrawal, the standard prices are used. At the same time, deviations related to other acquisition costs or price differences are released to consumption. At the end of the accounting period, inventories are revalued to actual prices.

As of January 1, 2021, the Company changed the inventory valuation method where stock withdrawal was accounted for with the FIFO method due to the alignment of the accounting policy with the MSK Group OY. The impact of this change was assessed as immaterial.

Work in progress, semi-finished and finished goods are stated at production cost. This cost includes direct costs (direct material, direct wages and other direct costs) and the part of indirect costs closely related to the production of inventories internally (factory overhead expenses). Factory overhead expenses are included in the production cost, depending on the extent to which these inventories are finished.

If the acquisition or production cost of inventories is higher than their net realizable value at the balance sheet date, a valuation allowance for inventories is set up in the amount of the difference between their book value and their net realizable value. Net realizable value is the estimated sales price of inventories less the estimated costs for their completion and costs related to their sale.

d) Receivables

When initially recognized, receivables are stated at their nominal value. A valuation allowance is set up for bad and doubtful debts, for which a default risk exists.

If the remaining period to maturity of a receivable is longer than one year, a valuation allowance representing the difference between its nominal and present value is set up. The present value of a receivable is calculated as the sum of future discounted cash receipts

e) Financial accounts

Financial accounts consist of cash, bank account balances, and current financial assets where the risk of changes in the value of these assets is negligibly low.

f) Prepaid expenses and accrued income

Prepaid expenses and accrued income are recognized at an amount reflecting the accrual principle (matching income and expense in the same accounting period).

g) Valuation allowances

Valuation allowances are recorded based on the accounting principle of prudence if it can be justifiably assumed that the value of an asset has been impaired when compared to its value in the books. A valuation allowance is recognized in the amount of a justified assumption for an impairment of an asset when compared to its value in the books.

h) Provisions

Provisions are liabilities representing the Company's present obligation resulting from past events, if it is probable that its settlement will reduce the Company's resources in the future. Provisions are liabilities of uncertain timing or amount, and are stated at the expected amount of the existing liability at the balance-sheet date.

The set-up of a provision is posted to the respective expense account or asset account to which the liability relates. The use of a provision is debited to the respective provision account, with a corresponding credit to the respective liability account. The release of an unnecessary provision, or a part thereof, is accounted for using an accounting entry inverse to the recognition of the set-up of the provision.

The provision for bonuses, rebates, discounts, and for returning the purchase price in the event of a complaint, is recorded as a reduction of income originally generated with a corresponding credit entry to the provision account.

The Company set up provisions for audit of financial statements, untaken holiday and other unbilled services.

i) Liabilities

When initially recognized, liabilities are stated at their nominal value. Assumed liabilities are stated at cost. If reconciliation procedures reveal that the actual amount of liabilities differs from the amount stated in the books, these liabilities are stated in the books and financial statements at this actual amount.

j) Employee benefits

Wages, salaries, contributions to the Slovak state pension and social insurance plans, paid annual leave and paid sick leave, bonuses and other non-monetary benefits (such as medical care) are recognized in the accounting period when incurred.

Long-term employee benefits

According to the Slovak Labour Code, every employee is entitled to a retirement bonus amounting to an average of one-month's salary.

k) Income tax due

Corporate income tax is expensed in the period when the tax liability arises. In the accompanying income statement, the tax expense is calculated on the basis of the profit/(loss) before taxes adjusted for tax-deductible and tax non-deductible items due to permanent and temporary adjustments to the tax base and any tax losses carried forward. The tax liability is stated net of corporate income tax advances that the Company paid during the year. If corporate income tax advances paid during the year exceed the tax liability for the period, the Company records an income tax receivable.

l) Deferred income tax

Deferred income tax arises from:

- a) temporary differences between the carrying amount of assets and liabilities presented in the balance sheet and their tax base;
- b) the possibility to carry forward a tax loss to future periods, i.e. the possibility to deduct the tax loss from the tax base in the future; and
- c) the possibility to transfer unused tax deductions and other tax claims to future periods.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

To determine deferred income tax, tax rates expected to apply at the date on which the deferred tax is settled are used.

m) Deferred revenues and accrued expenses

Deferred revenues and accrued expenses are stated at their nominal value and are stated at an amount reflecting the accrual principle (matching income and expenses in the same accounting period).

n) Lease (Entity is the lessee)

Operating lease

The lease costs of assets under operating lease contracts are expensed as incurred over the period of the lease.

o) Foreign currency

Assets and liabilities in foreign currency (with the exception of prepayments received and granted) are converted to euros using the reference exchange rate set and published by the European Central Bank or the National Bank of Slovakia on the day preceding the day of the accounting event, or on the balance-sheet date. The resulting foreign exchange differences are recorded to the income statement.

p) Revenue recognition

Revenues from the sale of goods are recognized upon transferring risks and rewards of ownership of the goods, usually when the goods are delivered. If the Company agrees to transport goods to a specific location, revenue is recognized when the goods are passed to the customer at the destination point.

Revenues from the sale of services are recognized in the accounting period in which the services are rendered, taking into account the extent to which the given transaction is completed. This extent is assessed based on the actual services provided as a proportion of the total services agreed.

Sales revenues are stated net of VAT, discounts and deductions (such as rebates, bonuses and credit notes).

The Company's revenues primarily include revenues from the sale of products (drivers cabins).

III. INFORMATION TO SUPPORT BALANCE SHEET ITEMS

ASSETS

1. Non-current assets

An overview of changes in non-current intangible assets for the current and prior periods is presented in the table below:

	Capitalised development costs	Software	Valuable rights	Goodwill	Other non-current intangible assets	Non-current assets in the process of acquisition	Advances paid for non-current intangible assets	Total
Non-current intangible assets								
Acquisition cost								
1.1.2021	0	145,689	0	0	0	0	0	145,689
Additions	0	0	0	0	0	30,390	0	30,390
Disposals	0	0	0	0	0	0	0	0
Transfers	0	30,390	0	0	0	-30,390	0	0
31.12.2021	0	176,079	0	0	0	0	0	176,079
Accumulated depreciation								
1.1.2021	0	108,825	0	0	0	0	0	108,825
Additions	0	29,655	0	0	0	0	0	29,655
Disposals	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0	0
31.12.2021	0	138,480	0	0	0	0	0	138,480
Valuation allowances								
1.1.2021	0	0	0	0	0	0	0	0
Additions	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0	0
31.12.2021	0	0	0	0	0	0	0	0
Net book value								
1.1.2021	0	36,864	0	0	0	0	0	36,864
31.12.2021	0	37,599	0	0	0	0	0	37,599

Prior period information is presented in the following table:

Non-current intangible assets	Capitalised development costs	Software	Valuable rights	Goodwill	Other non-current intangible assets	Non-current assets in the process of acquisition	Advances paid for non-current intangible assets	Total
Acquisition cost								
1.1.2020	0	145,689	0	0	0	0	0	145,689
Additions	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0	0
31.12.2020	0	145,689	0	0	0	0	0	145,689
Accumulated depreciation								
1.1.2020	0	79,677	0	0	0	0	0	79,677
Additions	0	29,148	0	0	0	0	0	29,148
Disposals	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0	0
31.12.2020	0	108,825	0	0	0	0	0	108,825
Valuation allowances								
1.1.2020	0	0	0	0	0	0	0	0
Additions	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0	0
31.12.2020	0	0	0	0	0	0	0	0
Net book value								
1.1.2020	0	66,012	0	0	0	0	0	66,012
31.12.2020	0	36,864	0	0	0	0	0	36,864

No non-current intangible assets were pledged in favour of third parties. All non-current intangible assets are fully available for the Company's use.

2. Non-current tangible assets

An overview of changes in non-current tangible assets for current period is presented in the table below:

Non-current tangible assets	Land	Buildings	Individual movable assets and sets of movable items	Perennial crops	Breeding & draught animals	Other non-current tangible assets	Assets under construction	Advances paid for non-current tangible assets	Total
Acquisition cost									
1.1.2021	0	8,200	556,672	0	0	0	16,784	62,650	644,306
Additions	0	0	0	0	0	0	500,136	974,632	1,474,768
Disposals	0	0	0	0	0	0	166,726	64,953	231,679
Transfers	0	0	143,859	0	0	0	-78,905	0	64,954
31.12.2021	0	8,200	700,531	0	0	0	271,289	972,329	1,952,349
Accumulated depreciation									
1.1.2021	0	4,261	222,282	0	0	0	0	0	226,543
Additions	0	684	90,815	0	0	0	0	0	91,499
Disposals	0	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0	0	0
31.12.2021	0	4,945	313,097	0	0	0	0	0	318,042
Valuation allowances									
1.1.2021	0	0	0	0	0	0	0	0	0
Additions	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0	0	0
31.12.2021	0	0	0	0	0	0	0	0	0
Net book value									
1.1.2021	0	3,939	334,390	0	0	0	16,784	62,650	417,763
31.12.2021	0	3,255	387,434	0	0	0	271,289	972,329	1,634,307

Prior period information is presented in the following table:

Non-current tangible assets	Land	Buildings	Individual movable assets and sets of movable items	Perennial crops	Breeding & draught animals	Other non-current tangible assets	Assets under construction	Advances paid for non-current tangible assets	Total
Acquisition cost									
1.1.2020	0	8,200	418,340	0	0	0	5,295	0	431,835
Additions	0	0	0	0	0	0	149,821	62,650	212,471
Disposals	0	0	0	0	0	0	0	0	0
Transfers	0	0	138,332	0	0	0	-138,332	0	0
31.12.2020	0	8,200	556,672	0	0	0	16,784	62,650	644,306
Accumulated depreciation									
1.1.2020	0	3,577	145,929	0	0	0	0	0	149,506
Additions	0	684	76,353	0	0	0	0	0	77,037
Disposals	0	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0	0	0
31.12.2020	0	4,261	222,282	0	0	0	0	0	226,543
Valuation allowances									
1.1.2020	0	0	0	0	0	0	0	0	0
Additions	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0	0	0
31.12.2020	0	0	0	0	0	0	0	0	0
Net book value									
1.1.2020	0	4,623	272,411	0	0	0	5,295	0	282,329
31.12.2020	0	3,939	334,390	0	0	0	16,784	62,650	417,763

No non-current tangible assets were pledged in favour of third parties. All non-current tangible assets are fully available for the Company's use.

3. Inventories

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

Inventories	1.1.2021	Set-up of VA	Release of VA due to extinction of title	Release of VA due to derecognition of assets	31.12.2021
Material	451,130	0	19,970	0	431,160
Work in progress and semi-finished products	12,556	5,342	0	0	17,898
Total inventories	463,686	5,342	19,970	0	449,058

A valuation allowance was set up to reflect a decrease in the net realisable value of inventories. The net realisable value of inventories was impaired mainly as a result of excessive inventories on stock and change of obsolete stock calculation.

Inventories are not pledged in favour of third parties and are fully available for the Company's use.

Prior period information is presented in the table below:

Inventories	1.1.2020	Set-up of VA	Release of VA due to extinction of title	Release of VA due to derecognition of assets	31.12.2020
Material	417,875	33,255	0	0	451,130
Work in progress and semi-finished products	6,832	5,724	0	0	12,556
Total inventories	424,707	38,979	0	0	463,686

4. Receivables

The ageing structure of receivables of the Company at 31 December 2021 is presented in the following table:

Item	Within due period	Overdue	Total receivables
Current trade receivables, of which:	1,481,220	41,301	1,522,521
Trade receivables from affiliated undertakings	25,713	0	25,713
Other trade receivables	1,455,507	41,301	1,496,808
Other current receivables, of which:	540,592	0	540,592
Tax assets and subsidies	528,575	0	528,575
Other receivables	12,017	0	12,017
Current receivables total	2,021,812	41,301	2,063,113

Prior period information is presented in the following table:

Item	Within due period	Overdue	Total receivables
Current trade receivables, of which:	1,293,717	152,596	1,446,313
Trade receivables from affiliated undertakings	6,331	0	6,331
Other trade receivables	1,287,386	152,596	1,439,982
Other current receivables, of which:	382,803	0	382,803
Tax assets and subsidies	375,298	0	375,298
Other receivables	7,505	0	7,505
Current receivables total	1,676,520	152,596	1,829,116

The Company uses cash-pooling account managed by Group. Balance of this account as at 31 December 2021 is payable in amount of 245,394 EUR (31 December 2020: receivable of EUR 108). Cash-pooling account is open in Nordea Bank Abp. Bank has a general pledge on Company's receivables on cash-pooling account which represents a collateral related to overdraft facility on Group cash-pooling account.

Except for receivables described in paragraph above, no other receivables are pledged in favour of third parties or are not fully available for the Company's use.

5. Deferred tax asset

Information about deferred tax asset calculation and other additional information relating to deferred tax asset is presented in the Notes, Part IV section 7.

6. Financial accounts

Financial accounts are available for the Company's use in full.

7. Prepaid expenses and accrued income

The structure of prepaid expenses and accrued income is presented in the following table:

Item	31.12.2021	31.12.2020
Deferred expenses - short-term of which:	67,407	74,221
Other	36,559	31,887
License ERP	29,712	26,446
Insurance	1,136	1,505
New projects	0	14,383
Total	67,407	74,221

EQUITY AND LIABILITIES

1. Equity

Movements in equity and other additional information about equity is shown in the Notes, Part IX.

2. Social fund

The set up and use of the social fund during the accounting period are shown in the following table:

Item	2021	2020
Opening balance	4,532	6,619
Appropriations charged to costs	6,833	5,229
Total social fund set-up	6,833	5,229
Use	1,643	7,316
Closing balance	9,722	4,532

3. Liabilities

Structure of liabilities by remaining time to maturity at 31 December 2021:

Item	Liabilities				Total liabilities
	More than five years	From one to five years	Due within one year	Overdue liabilities	
Other non-current liabilities, of which:	0	509,722	0	0	509,722
Liabilities to affiliated undertakings	0	500,000	0	0	500,000
Social fund payables	0	9,722	0	0	9,722
Non-current liabilities - total	0	509,722	0	0	509,722
Current trade liabilities of which:	0	0	1,899,353	442,453	2,341,806
Trade liabilities to affiliated undertakings	0	0	90,444	22,623	113,067
Other trade liabilities	0	0	1,808,909	419,830	2,228,739
Other current liabilities of which:	0	0	2,255,066	0	2,255,066
Other liabilities to affiliated undertakings	0	0	2,095,737	0	2,095,737
Liabilities to employees	0	0	88,877	0	88,877
Liabilities from social insurance	0	0	57,334	0	57,334
Tax liabilities and subsidies	0	0	13,118	0	13,118
Current liabilities - total	0	0	4,154,419	442,453	4,596,872

Prior period information is presented in the following table:

Item	Liabilities				Total liabilities
	More than five years	From one to five years	Due within one year	Overdue liabilities	
Other non-current liabilities, of which:	0	4,532	0	0	4,532
Social fund payables	0	4,532	0	0	4,532
Non-current liabilities - total	0	4,532	0	0	4,532
Current trade liabilities of which:	0	0	1,693,566	42,510	1,736,076
Trade liabilities to affiliated undertakings	0	0	18,623	0	18,623
Other trade liabilities	0	0	1,674,943	42,510	1,717,453
Other current liabilities of which:	0	0	133,053	0	133,053
Liabilities to employees	0	0	74,222	0	74,222
Liabilities from social insurance	0	0	47,851	0	47,851
Tax liabilities and subsidies	0	0	10,137	0	10,137
Other liabilities	0	0	843	0	843
Current liabilities - total	0	0	1,826,619	42,510	1,869,129

Company does not have liabilities secured by a lien or otherwise secured liabilities.

4. Provisions

An overview of changes in provisions for 2021 is shown in the following table:

Item	1.1.2021	Set-up	Use	Release	31.12.2021
Short-term provisions of which:	81,478	134,015	81,478	0	134,015
<i>Legal short-term provisions of which:</i>	<i>50,504</i>	<i>61,518</i>	<i>50,504</i>	<i>0</i>	<i>61,518</i>
Untaken holiday	50,504	61,518	50,504	0	61,518
<i>Other short-term provisions of which:</i>	<i>30,974</i>	<i>72,497</i>	<i>30,974</i>	<i>0</i>	<i>72,497</i>
Financial statements audit	6,500	20,000	6,500	0	20,000
Other	24,474	12,175	24,474	0	12,175
Employee bonuses	0	40,322	0	0	40,322
Total provisions	81,478	134,015	81,478	0	134,015

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

Item	1.1.2020	Set-up	Use	Release	31.12.2020
Short-term provisions of which:	50,725	91,578	60,825	0	81,478
<i>Legal short-term provisions of which:</i>	<i>43,975</i>	<i>50,504</i>	<i>43,975</i>	<i>0</i>	<i>50,504</i>
Untaken holiday	43,975	50,504	43,975	0	50,504
<i>Other short-term provisions of which:</i>	<i>6,750</i>	<i>41,074</i>	<i>16,850</i>	<i>0</i>	<i>30,974</i>
Financial statements audit	6,750	16,600	16,850	0	6,500
Other	0	24,474	0	0	24,474
Total provisions	50,725	91,578	60,825	0	81,478

5. Loans received

An overview of loans received is presented in the following table:

Item	Currency	Annual interest rate in %	Maturity date	Principal in EUR	
				31.12.2021	31.12.2020
Long-term loans of which:				500 000	0
MSK Group OY	EUR	2.5%	after 31 December 2022	500 000	0
Short-term loans of which:				1 850 000	0
MSK Group OY	EUR	2.5%	upon request	1 850 000	0
Total				2 350 000	0

IV. INFORMATION SUPPORTING THE INCOME STATEMENT ITEMS

1. Net turnover

Information about the structure of net turnover of the Company is presented in the table below:

Item	2021	2020
Sale of own work and goods of which:	18,546,587	15,075,502
Sale of own products	18,524,471	15,049,960
Sale of services	22,076	20,196
Sale of goods	40	5,346
Total net turnover	18,546,587	15,075,502

REVENUES

2. Revenues from the sale of own work and goods

Revenues from the sale of own work and goods by segments, i.e. by type of good, product, service, other activities and by geographic territories are presented in the following table:

Country	Type of products, goods, services		Cabins and parts of cabins		Sales from merchandise		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Slovakia	0	2,536	4,237	-376	0	0	4,237	2,160
EU	22,076	17,660	17,194,532	15,050,336	40	5,346	17,216,648	15,073,342
Other	0	0	1,325,702	0	0	0	1,325,702	0
Total	22,076	20,196	18,524,471	15,049,960	40	5,346	18,546,587	15,075,502

3. Changes in work in progress

Changes in work in progress shown in the income statement represent increase of EUR 451,676. Based on balance sheet items increase amounts to EUR 446,335, as stated in the table below:

	31.12.2021	31.12.2020	1.1.2020	Change	
				2021	2020
Work in progress and semi-finished products	794,669	388,481	361,742	406,188	26,739
Finished goods	260,658	220,511	92,664	40,147	127,847
Animals	0	0	0	0	0
Total	1,055,327	608,992	454,406	446,335	154,586
Other				5,341	5,724
Change in the income statement				451,676	160,310

4. Other income from operating activities

Information about income from the capitalisation of costs and income from operating and financing activities is presented in the table below:

Item	2021	2020
Other material items of other operating income of which:	265,910	373,123
Sale of material	176,704	235,553
Other	89,206	137,570
Financial income of which:	508	2,170
Foreign exchange gains	507	2,170
Other financial income	1	0

EXPENSES

5. Costs of operating and financial activities

An overview of costs of operating and financial activities, except for personnel costs is presented in the table below:

Item	2021	2020
Costs of services received of which:	3,292,079	2,558,975
<i>From an Auditor or audit firm of which:</i>	<i>25,014</i>	<i>17,100</i>
Audit of the financial statements	20,100	17,100
Other assurance services	4,914	0
<i>Other material items of costs of services received of which:</i>	<i>3,267,065</i>	<i>2,541,875</i>
Licenses	21,347	0
Transport	357,847	355,799
Rent	273,925	271,318
Legal, finance and other advisory	17,939	53,852
IT cost	129,041	78,259
Telecommunication cost	10,582	8,209
Group fees	157,674	157,465
Maintenance	16,262	10,332
Travel cost	7,803	4,707
Representation cost	13,528	5,230
Cooperation	1,473,973	1,068,933
Contractor cost	674,738	454,794
Shared services	0	5,183
Cost of repairs at customers	12,621	40,993
Others	99,785	26,801
Other material items of income from operations of which:	162,733	217,781
Sale of material	142,812	199,644
Insurance	16,585	10,909
Other	3,336	7,228
Financing costs of which:	39,549	13,451
Foreign exchange losses	5,962	2,283
<i>Other material items of financial expenses of which:</i>	<i>33,587</i>	<i>11,168</i>
Interest	26,567	5,153
Bank fees	6,921	5,956
Other	99	59

6. Personnel costs

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

Item	2021	2020
Personnel costs of which:	1,880,750	1,530,206
Salaries	1,350,308	1,089,693
Social insurance	338,728	272,478
Health insurance	136,880	110,108
Social security	51,396	55,029
Other social insurance	3,438	2,898

7. Taxes

Information about temporary differences and the calculation of deferred tax:

Item	31.12.2020	Recognised in equity	Recorded as expense of income	31.12.2021
Non-current assets	15,888	0	3,366	19,254
Inventories	451,130	0	-2,072	449,058
Provisions	30,974	0	41,189	72,163
Tax loss carried forward	110,798	0	-110,798	0
Other	-90,338	0	223,702	133,364
Total	518,452	0	155,387	673,839
Tax rate (in %)	21%	21%	21%	21%
Deferred tax asset calculated	108,875	0	32,631	141,506
Deferred tax asset recognized	108,875	0	32,631	141,506

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

Item	2021			2020		
	Tax base	Tax	Tax in %	Tax base	Tax	Tax in %
Profit/(loss) before taxes of which:	66,417			-186,852		
Expected tax		13,948	21.0%		-39,239	21.0%
Tax non-deductible expenses	74,562	15,658		46,947	9,859	
Non-taxable income	0	0		-29,880	-6,275	
Tax loss carried forward	-110,798	-23,268		0	0	
Other	-62,673	-13,161		119,446	25,084	
Total		-6,823	-10.3%		-10,571	5.7%
Current income tax		25,808	38.9%		0	0.0%
Deferred income tax		-32,631	-49.1%		-10,571	5.7%
Total income tax		-6,823	-10.3%		-10,571	5.7%

V. POST BALANCE SHEET EVENTS

After the end of 2021, political tensions in the region escalated into a war between the Russian Federation and Ukraine. This conflict has severely affected global events, adversely impacted commodity prices and financial markets, and attributed to increased volatility within the business environment. The situation remains very unstable, and the impact of imposed sanctions, restrictions on the business activities of companies operating in the region, and the consequences for the economic environment as a whole (primarily restrictions on supply and demand chains) can be expected. However, the extent of the consequences of these events on the Company cannot currently be fully anticipated.

The Company expects and notices significant increases in the prices of steel, copper and energy, as well as other commodities. The management of the Company expects decrease in orders from customers by approximately 5%.

After 31 December 2021 no other events occurred that would require recognition or disclosure in the 2021 financial statements.

VI. RELATED PARTY TRANSACTIONS

1. Transactions between the Company and its related parties

Transaction	Related party	2021	2020
Purchase of assets	Other related parties	150,000	15,000
Purchase of inventories	Other related parties	9,778	1,543
Sale of inventories	Other related parties	160,853	110,650
Purchase of services	Other related parties	4,158	847
Purchase of services	Parent company	157,674	202,956
Sale of services	Other related parties	6,182	4,200
Interest expense	Parent company	26,566	5,153
Other	Other related parties	0	1,050
Purchase of inventories	Parent company	5,116	0
Sale of services	Parent company	8,262	0
Received short-term loan	Parent company	1,850,000	0
Received long-term loan	Parent company	500,000	0
Change of cashpool balance	Parent company	-245,286	0
Balance	Related party	31.12.2021	31.12.2020
Trade liabilities	Parent company	113,067	18,623
Trade receivables	Other related parties	14,445	6,331
Trade receivables	Parent company	11,268	0
Short-term loans	Parent company	1,850,000	0
Long-term loans	Parent company	500,000	0
Cash-pooling liability	Parent company	245,394	0
Cash-pooling receivable	Parent company	0	108

VII. OTHER INFORMATION

The Company was not granted an exclusive right or a special right to provide services of public interest.

The provisions of § 23d paragraph 6 of the Accounting Act do not apply to the Company.

VIII. OVERVIEW OF MOVEMENTS IN EQUITY

1. Equity

An overview of movements in equity during the current accounting period is presented in the following tables:

Item	1.1.2021	Additions	Disposals	Transfers	31.12.2021
Share capital	200,000	0	0	0	200,000
Other capital reserves	4,603,000	0	0	0	4,603,000
Legal reserve fund and non-distributable reserve	9,679	0	0	0	9,679
Loss carried forward	-849,840	0	0	-176,281	-1,026,121
Profit/loss for current accounting period	-176,281	73,240	0	176,281	73,240
Total equity	3,786,558	73,240	0	0	3,859,798

Item	1.1.2020	Additions	Disposals	Transfers	31.12.2020
Share capital	200,000	0	0	0	200,000
Other capital reserves	4,603,000	0	0	0	4,603,000
Legal reserve fund and non-distributable reserve	3,288	0	0	6,391	9,679
Loss carried forward	-971,279	0	1	121,440	-849,840
Profit/loss for current accounting period	127,831	-176,281	0	-127,831	-176,281
Total equity	3,962,840	-176,281	1	0	3,786,558

2. Settlement of loss for the preceding year of 2020

The accounting loss for the 2020 accounting period amounting to EUR 176,281 was transferred to loss carried forward.

3. Distribution of profit for the current year of 2021

At the balance sheet date, the statutory body of the Company had not presented a proposal for distribution of 2021 profit.

IX. CASH FLOWS STATEMENT

The following expressions have the following meanings as regards information in the cash flow statement:

- Cash: cash, cash equivalents, cash in bank or branches of foreign banks, bank overdrafts and cash in transit relating to a transfer between a current account and cash on hand or between two current accounts,
- Cash equivalents: cash equivalents, financial assets exchangeable for a fixed amount of cash where, at the balance sheet date, there is no risk of a significant change in value in the next three months, i.e. term bank deposits with a notice period not exceeding three months, liquid securities designated for trading, priority shares acquired by the accounting entity and payable within three months of the balance sheet date.

Item	2021	2020
Net result before tax	66,417	-186,852
<i>Adjustments for non-cash transactions:</i>		
Depreciation of non-current assets	121,155	106,184
Inventories write-off	432	0
Change in provision for inventories	-14,628	38,979
Change in provisions	52,537	30,753
Net Interest expense	26,566	5,153
Profit from operating activities before changes in working capital	252,479	-5,783
<i>Changes in working capital:</i>		
Decrease (increase) of trade and other receivables and prepayments	-244,718	339,059
Decrease (increase) of inventories	-1,938,810	166,835
(Decrease) increase of payables and accruals	637,196	-200,182
Operating cash flows	-1,293,853	299,929
Cash flows from operating activities		
Operating cash flows	-1,293,853	299,929
Interest paid	-26,566	-5,153
Corporate income tax paid	-8,273	-48,010
Net cash from operating activities	-1,328,692	246,766
Cash flows from investing activities		
Purchase of non-current assets	-1,338,434	-212,470
Net cash from investing activities	-1,338,434	-212,470
Cash flows from financing activities		
Receipts / repayments of borrowings from Group companies – cash-pooling	245,737	0
Receipts / repayments of borrowings from Group companies	2,350,000	
Net cash from financing activities	2,595,737	0
Foreign exchange differences of cash and cash equivalents	0	0
Increase (decrease) of cash and cash equivalents	-71,389	34,296
Cash and cash equivalents at the beginning of the accounting period	78,577	44,281
Cash and cash equivalents at the end of the accounting period	7,188	78,577

Annual report 2021

(1. 1. 2021 – 31. 12. 2021)

1.1. General information and development

General information about company MSK Matec Slovakia s.r.o. (the "Company"):

Business Name and Registered Address: MSK Matec Slovakia s.r.o., Kpt. Nálepku 2, 082 71 Lipany

Main activities of the company according to commercial register:

Metal working	(from: 29.06.2013)
Simple metal working	(from: 29.06.2013)
Painting, varnishing and industrial coating	(from: 29.06.2013)
Engineering and construction work in mechanical engineering	(from: 29.06.2013)
Designing in mechanical engineering	(from: 29.06.2013)
Installation, maintenance and repair of electrical equipment	(from: 29.06.2013)
Installation, maintenance and repair of special electrical equipment	(from: 29.06.2013)
Manufacture of machinery for the industry	(from: 29.06.2013)
Manufacture of plastics in primary forms	(from: 29.06.2013)
Bookkeeping	(from: 29.06.2013)
Activities of business, organizational and economic consultants	(from: 29.06.2013)
Advertising and marketing services	(from: 29.06.2013)
Administrative Services	(from: 29.06.2013)
Management and maintenance of residential and non-residential property in the scope of free trade	(from: 29.06.2013)
Agents sale, rental and purchase of property (real estate activities)	(from: 29.06.2013)
Intermediary activities – related to material purchase	(from: 29.06.2013)
Intermediary activities – related to services	(from: 29.06.2013)
Intermediary activities – related to production	(from: 29.06.2013)
Purchase of goods for sale to final consumer (retail) or other business operators (wholesale)	(from: 29.06.2013)

List of members of statutory bodies of the company:

Statutory representative:	Timo Tapio Lehtioja
Procurist	Samuel Van Loock (registered 13.7.2021)
Procurist	Michal Bujnovský (registered 13.7.2021)

List of members of the Supervisory Body:

The Company has no supervisory board and the supreme body with the powers of the supervisory body is the general meeting of the shareholders.

The structure of the shareholders, indicating the share of the share capital, the proportion of the voting rights and the share in other equity if they differ from the share of the share capital:

100% owner is Finnish company MSK Group OY.

MSK Group OY (200,000 EUR) – 100%

The shareholders' voting rights correspond to the share of their stake in the overall share capital of the company.

Establishment of the Company: The Company was formed on the day of registration in the Commercial register on June 29, 2013.

Evaluation of the company's activity and results:

In period from January to December 2021, the Company recorded a profit of EUR 73,240 at gross margin 26.1%. The net turnover of the company was in amount of EUR 18,547 million. Increase of turnover was mainly because of development of new projects and stabilisation of production.

Inventory turnover increased to 137 days (2020 it was 103 days) what had influence also on liquidity of the company, which was worse mostly at the end of the period. Main influence on solvency and liquidity of the company was increase of inventory and not stable supply chain.

Debt ratio slightly increased from 34.1% to 57.6%, where all the loans are from mother company and are dedicated to finance investments to new technologies.

Other finance ratios are presented in the following table.

Profitability		2021		2020	
Gross profit margin	$\frac{\text{Gross profit}}{\text{Turnover}} = \frac{4\,833\,906}{18\,546\,587} = 26,1 \%$			$\frac{3\,746\,216}{15\,075\,502} = 24,8 \%$	
Liquidity		2021		2020	
Current ratio	$\frac{\text{Current assets}}{\text{Current liabilities}} = \frac{7\,428\,501}{4\,730\,887} = 1,6$			$\frac{5\,287\,070}{1\,950\,607} = 2,7$	
Quick ratio	$\frac{\text{Current assets-inventor}}{\text{Current liabilities}} = \frac{2\,279\,214}{4\,730\,887} = 0,5$			$\frac{2\,090\,789}{1\,950\,607} = 1,1$	
Activity		2021		2020	
Receivables days (DSO)	$\frac{\text{Trade receivables}}{\text{Sales / days}} = \frac{1\,522\,521}{50\,813} = 30,0 \text{ days}$			$\frac{1\,446\,313}{41\,303} = 35,0 \text{ days}$	
Payables days	$\frac{\text{Trade payables}}{\text{Cost of sales / days}} = \frac{2\,341\,806}{37\,569} = 62,3 \text{ days}$			$\frac{1\,736\,076}{31\,039} = 55,9 \text{ days}$	
Inventory on hand	$\frac{\text{Inventory}}{\text{Cost of sales / days}} = \frac{5\,149\,287}{37\,569} = 137,1 \text{ days}$			$\frac{3\,196\,281}{31\,039} = 103,0 \text{ days}$	
Financing		2021		2020	
Debt ratio	$\frac{\text{Total liabilities}}{\text{Total assets}} = \frac{5\,240\,609}{9\,100\,407} = 57,6 \%$			$\frac{1\,955\,139}{5\,741\,697} = 34,1 \%$	

1.2. Events after the end of the accounting period

After the end of 2021, political tensions in the region escalated into a war between the Russian Federation and Ukraine. This conflict has severely affected global events, adversely impacted commodity prices and financial markets, and attributed to increased volatility within the business environment. The situation remains very unstable, and the impact of imposed sanctions, restrictions on the business activities of companies operating in the region, and the consequences for the economic environment as a whole (primarily restrictions on supply and demand chains) can be expected. However, the extent of the consequences of these events on the Company cannot currently be fully anticipated.

The Company expects and notices significant increases in the prices of steel, copper and energy, as well as other commodities. The management of the Company expects decrease in orders from customers by approximately 5%.

After 31 December 2021 no other events occurred that would require recognition or disclosure in the 2021 financial statements and annual report.

1.3. Forecast of future development

The Company intends and plans to continue operating on a going concern basis. In the following year, the Company expects increase in turnover to 24 million EUR with profit position gained.

The Company has optimistic forecast of orders from customers.

MSK Matec Slovakia s.r.o. mainly manufactures driver cabins for various machines. The main customer of the company remains VOLVO CE. In the coming year, we expect stabilized sales volumes to current customers VOLVO, RAVO, LIEBHERR and VOLVO Motherwell (Terex). The company is actively looking for new customers.

In 2022, the Company plans to partially move its operations to new facility with aim of new technology usage (powder and wet painting).

The Company employed on average 85 employees in 2021. As at 31 December 2021 the number of employees was 85. This number should increase during the next year due to planned transfer of production to new premises in Sabinov and related insourcing of new technology – powder and wet paint shop.

The Company's activities have no negative impact on the environment and the health of employees. The Company adheres to all legal obligations related to impact on the environment.

1.4. Research & Development

The Company did not invest in research and development.



1.5. Own shares and trading shares

The Company has not acquired any treasury shares, temporary certificates, ownership interests, or treasury shares, temporary certificates, and ownership interests of the parent entity.

1.6. Proposal for distribution of profit or loss settlement

At the balance sheet date, the statutory body of the Company had not presented a proposal for profit distribution for the period ended 31 December 2021. The profit distribution will be decided by shareholder.

1.7. Specific regulations

The Company is under no obligation to provide information under special regulations other than on the basis of which it has prepared this Annual Report and has provided all the information it has the obligation to state in the Annual Report.

1.8. Organizational units abroad

The Company has no permanent establishment in another country.

2. Independent Auditor's Report on Audit of Financial Statements for the year 2021

Independent Auditor's Report on Audit of Financial Statements for the year 2021 is an integral part of this annual report.

3. The Company's financial statements for the year 2021

The Company's financial statements for the year 2021 is an integral part of this annual report.

