

OTIS Výtahy, s.r.o.

**INDEPENDENT AUDITOR'S REPORT
AND FINANCIAL STATEMENTS**

31 DECEMBER 2017

Independent Auditor's Report

To the Shareholder and Executives of OTIS Výťahy, s.r.o.:

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of OTIS Výťahy, s.r.o. (the "Company") as at 31 December 2017, and its financial performance for the year then ended in accordance with the Slovak 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 2017;
- 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. 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 Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants issued by the International Federation of Accountants ("Code of Ethics") and other requirements of legislation that are relevant to our audit of the financial statements in the Slovak Republic. We have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

Reporting on other information in the annual report

Management is responsible for the annual report prepared in accordance with the Accounting Act. The annual report comprises (a) the financial statements and (b) other information.

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

PricewaterhouseCoopers Slovensko, s.r.o., Karadžičova 2, Bratislava, 815 32, Slovak Republic
T: +421 (0) 2 59350 111, F: +421 (0) 2 59350 222, www.pwc.com/sk

The company's ID (IČO) No. 35739347.
Tax Identification No. of PricewaterhouseCoopers Slovensko, s.r.o. (DIČ) 2020270021.
VAT Reg. No. of PricewaterhouseCoopers Slovensko, s.r.o. (IČ DPH) SK2020270021.
Spoločnosť je zapísaná v Obchodnom registri Okresného súdu Bratislava 1, pod vložkou č. 16611/B, oddiel: Sro.
The company is registered in the Commercial Register of Bratislava 1 District Court, ref. No. 16611/B, Section: Sro.

In connection with our audit of the financial statements, our responsibility is to read the annual report and, in doing so, 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.

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

- the information given in the annual report for the year ended 31 December 2017 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 respect.

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 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 our 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.

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.

PricewaterhouseCoopers Slovensko

PricewaterhouseCoopers Slovensko, s.r.o.
SKAU licence No. 161



Havaldá

Ing. Peter HAVALDA
SKAU licence No. 1071

Bratislava, 28 March 2018

FINANCIAL STATEMENTS

of entrepreneurs maintaining accounts under the system of double entry bookkeeping

at 31.12.2017 (in whole euros)

Tax identification number (DIČ) 2020322964 Identification number (IČO) 35683929 SK NACE . .	Financial statements	Accounting entity	Month	Year
	<input checked="" type="checkbox"/> ordinary	small	For the period from	1 2017
	<input type="checkbox"/> extraordinary	<input checked="" type="checkbox"/> large	to	12 2017
	<input type="checkbox"/> interim	(vyznačí sa x)	Preceding period from	1 2016
			to	12 2016

Attached parts of the financial statements

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

Legal name (designation) of the accounting entity

Otis Výťahy, s.r.o.

Registered office of the accounting entity

Street **Rožnavská** Number **2**
 Zip code **830 0** Municipality **Bratislava**
 Designation of the Commercial Register and company registration number
Okresný súd Bratislava I
Oddiel: Sro, Vložka číslo: 10405/B
 Telephone **0** Fax **0**
 Email **0**

Prepared on:

28. 3. 2017

Approved on:

00. 1. 2000

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

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

Designation a	ASSETS b	Line No. c	Current accounting period			Preceding accounting period
			1	Gross - part 1	Net 2	
				Correction - part 2	Net 3	
	TOTAL ASSETS line 02 + line 33 + line 74	01	6 7 7 0 2 6 3		5 5 7 0 6 9 2	
			1 1 9 9 5 7 1			4 0 0 0 6 6 5
A.	Non-current assets line 03 + line 11 + line 21	02	3 4 2 9 8 1		2 1 1 8 4 6	
			1 3 1 1 3 5			1 3 4 3 9 1
A.I.	Non-current intangible assets total (lines 04 to 10)	03	1 1 5 3 5 9		9 4 6 1 0	
			2 0 7 4 9			1 3 5 3
A.I.1.	Capitalized development costs (012) - /072, 091A/	04				
2.	Software (013) - /073, 091A/	05	2 7 1 2 7		8 3 6 8	
			1 8 7 5 9			1 3 5 3
3.	Valuable rights (014) - /074, 091A/	06				
4.	Goodwill (015) - /075, 091A/	07	3 1 2 3 2		3 0 1 9 2	
			1 0 4 0			
5.	Other non-current intangible assets (019, 01X) - /079, 07X, 091A/	08	5 7 0 0 0		5 6 0 5 0	
			9 5 0			
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	1 7 2 7 1 0		6 2 3 2 4	
			1 1 0 3 8 6			2 3 0 3 8
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	1 7 2 7 1 0		6 2 3 2 4	
			1 1 0 3 8 6			2 3 0 3 8

Designation a	ASSETS b	Line No. c	Current accounting period		Preceding accounting period	
			1	Gross - part 1		Net 2
				Correction - part 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	5 4 9 1 2	5 4 9 1 2		
					1 1 0 0 0 0	
A.III.1.	Shares and ownership interests in affiliated accounting entities (061A, 062A, 063A) - /096A/	22	5 4 9 1 2	5 4 9 1 2		
2.	Shares and owner- ship interests with participating interest, except for affiliated accounting entities (062A) - /096A/	23				
3.	Other available-for- sale securities and ownership interests (063A) - /096A/	24				
4.	Loans to affiliated accounting entities (066A) - /096A/	25				
5.	Loans within participating interest, except for affiliated accounting entities (066A) - /096A/	26				
6.	Other loans (067A) - /096A/	27				
7.	Debt securities and other non-current financial assets (065A, 069A,06XA) - /096A/	28				

Designation a	ASSETS b	Line No. c	Current accounting period		Preceding accounting period
			1	Gross - part 1	
				Correction - part 2	Net 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			
					1 1 0 0 0 0
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	6 3 6 9 9 3 2	5 3 0 1 4 9 6	
			1 0 6 8 4 3 6		3 8 5 2 4 4 5
B.I.	Inventory total (lines 35 to 40)	34	6 3 8 8 0 7	5 7 8 4 9 0	
			6 0 3 1 7		4 4 2 1 7 0
B.I.1.	Raw material (112, 119, 11X) - /191, 19X/	35	6 3 8 8 0 7	5 7 8 4 9 0	
			6 0 3 1 7		4 4 2 1 7 0
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	4 3 8 1 6 3	4 3 8 1 6 3	
					2 7 5 5 8 5
B.II.1.	Trade receivables total (lines 43 to 45)	42	1 4 9 8 6 7	1 4 9 8 6 7	
					1 0 9 8 0 5

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		1 4 9 8 6 7	1 4 9 8 6 7
					1 0 9 8 0 5
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		6 9 9 5	6 9 9 5
8.	Deferred tax asset (481A)	52		2 8 1 3 0 1	2 8 1 3 0 1
					1 6 5 7 8 0
B.III.	Current receivables total (line 54 + lines 58 to 65)	53		3 9 1 4 7 4 5	2 9 0 6 6 2 6
				1 0 0 8 1 1 9	2 1 4 0 6 9 1
B.III.1.	Trade receivables total (lines 55 to 57)	54		2 0 6 6 6 1 3	1 6 0 8 4 9 4
				4 5 8 1 1 9	2 0 7 0 9 2 2
1.a.	Trade receivables from affiliated accounting entities (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	55		2 0 6 6 5 5	2 0 6 6 5 5
1.b.	Trade receivables within participating interest, except for receivables from affiliated accounting entities (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	56			

Designation a	ASSETS b	Line No. c	Current accounting period		Preceding accounting period	
			1	Gross - part 1	Net 2	Net 3
				Correction - part 2		
1.c.	Other trade receivables (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	57		1 8 5 9 9 5 8	1 4 0 1 8 3 9	
				4 5 8 1 1 9	2 0 7 0 9 2 2	
2.	Net value of contract (316A)	58		1 2 1 0 1 5 8	1 2 1 0 1 5 8	
3.	Other receivables from affiliated accounting entities (351A) - /391A/	59		5 5 0 0 0 0		
				5 5 0 0 0 0	6 8 0 0 1	
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 6 7 2 4	8 6 7 2 4	
8.	Receivables related to derivative transactions (373A, 376A)	64				
9.	Other receivables (335A, 33XA, 371A, 374A, 375A, 378A) - /391A/	65		1 2 5 0	1 2 5 0	
					1 7 6 8	
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	1 3 7 8 2 1 7		1 3 7 8 2 1 7	
					9 9 3 9 9 9	
B.V.1.	Cash (211, 213, 21X)	72	5 7 2 9		5 7 2 9	
					4 9 5 9	
2.	Bank accounts (221A, 22X, +/- 261)	73	1 3 7 2 4 8 8		1 3 7 2 4 8 8	
					9 8 9 0 4 0	
C.	Accruals/deferrals total (lines 75 to 78)	74	5 7 3 5 0		5 7 3 5 0	
					1 3 8 2 9	
C.1.	Prepaid expenses - long-term (381A, 382A)	75				
2.	Prepaid expenses - short-term (381A, 382A)	76	3 4 0 0		3 4 0 0	
					3 1 7 9	
3.	Accrued income - long-term (385A)	77				
4.	Accrued income - short-term (385A)	78	5 3 9 5 0		5 3 9 5 0	
					1 0 6 5 0	

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	5 5 7 0 6 9 2	4 0 0 0 6 6 5
A.	Equity line 81 + line 85 + line 86 + line 87 + line 90 + line 93 + line 97 + line 100	80	1 0 5 4 7 6 2	1 5 8 0 1 6 8
A.I.	Share capital total (lines 82 to 84)	81	7 2 1 9 6 8	7 2 1 9 6 8
A.I.1.	Share capital (411 alebo +/- 491)	82	7 2 1 9 6 8	7 2 1 9 6 8
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	7 4 4 9 1	7 4 4 9 1
A.IV.1.	Legal reserve fund and non-distributable fund (417A, 418, 421A, 422)	88	7 4 4 9 1	7 4 4 9 1
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	4 0 5 2 1 2	4 0 5 2 1 2
A.VII.1.	Retained earnings from previous years (428)	98	4 0 5 2 1 2	4 0 5 2 1 2
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	- 1 4 6 9 0 9	3 7 8 4 9 7
B.	Liabilities line 102 + line 118 + line 121 + line 122 + line 136 + line 139 + line 140	101	4 5 0 4 8 7 2	2 4 2 0 1 0 5
B.I.	Non-current liabilities total (line 103 + lines 107 to 117)	102	2 3 9 3 4	1 8 8 3 1
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	2 3 9 3 4	1 8 8 3 1
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	2 0 0 1 2 3	1 5 1 0 8 6
B.II.1.	Legal provisions (451A)	119		
2.	Other provisions (459A, 45XA)	120	2 0 0 1 2 3	1 5 1 0 8 6
B.III.	Long-term bank loans (461A, 46XA)	121		
B.IV.	Current liabilities total (line 123 + lines 127 to 135)	122	4 0 9 3 0 4 3	2 0 4 8 2 1 9
B.IV.1.	Trade liabilities total (lines 124 to 126)	123	2 2 5 0 3 8 9	1 3 8 1 1 8 5
1.a.	Trade liabilities to affiliated accounting entities (321A, 322A, 324A, 325A, 326A, 32XA, 475A, 476A, 478A, 47XA)	124	9 4 0 5 5 5	5 6 7 2 9 5
1.b.	Trade liabilities within participating interest, except for liabilities to affiliated accounting entities (321A, 322A, 324A, 325A, 326A, 32XA, 475A, 476A, 478A, 47XA)	125		
1.c.	Other trade liabilities (321A, 322A, 324A, 325A, 326A, 32XA, 475A, 476A, 478A, 47XA)	126	1 3 0 9 8 3 4	8 1 3 8 9 0
2.	Net value of contract (316A)	127	2 1 6 4 1 9	3 3 5 4 0 9
3.	Other liabilities to affiliated accounting entities (361A, 36XA, 471A, 47XA)	128	1 3 5 0 7 8 0	
4.	Other liabilities within participating interest, except for liabilities to affiliated accounting entities (361A, 36XA, 471A, 47XA)	129		
5.	Liabilities to partners and association (364, 365, 366, 367, 368, 398A, 478A, 479A)	130		
6.	Liabilities to employees (331, 333, 33X, 479A)	131	1 0 0 5 3 7	7 9 8 4 8
7.	Liabilities related to social security (336A)	132	7 0 9 1 4	5 1 9 5 4
8.	Tax liabilities and subsidies (341, 342, 343, 345, 346, 347, 34X)	133	1 0 1 0 8 2	1 9 9 1 9 2
9.	Liabilities related to derivative transactions (373A, 377A)	134	2 7 8 4	4 9 7
10.	Other liabilities (372A, 379A, 474A, 475A, 479A, 47XA)	135	1 3 8	1 3 4
B.V.	Short-term provisions line 137 + line 138	136	1 8 7 7 7 2	2 0 1 9 6 9
B.V.1.	Legal provisions (323A, 451A)	137	3 8 1 0 1	4 2 6 4 6
2.	Other provisions (323A, 32X, 459A, 45XA)	138	1 4 9 6 7 1	1 5 9 3 2 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.	Accruals/deferrals total (lines 142 to 145)	141	1 1 0 5 8	3 9 2
C.1.	Accrued expenses - long-term (383A)	142		
2.	Accrued expenses - short-term (383A)	143		
3.	Deferred income - long-term (384A)	144	6 0 6 0	
4.	Deferred income - short-term (384A)	145	4 9 9 8	3 9 2

Designation a	Text b	Line No. c	Actual data	
			Current accounting period	Preceding accounting period
			1	2
*	Net turnover (part of account class 6 according to the Act)	01	1 6 0 5 3 5 8 0	1 1 8 6 9 9 1 8
**	Operating income total (lines 03 to 09)	02	1 6 0 0 1 3 3 2	1 1 8 5 8 2 0 0
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	1 5 9 8 8 1 1 3	1 1 8 4 7 2 7 7
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	1 1 5 4	
VII.	Other operating income (644, 645, 646, 648, 655, 657)	09	1 2 0 6 5	1 0 9 2 3
**	Operating expenses total line 11 + line 12 + line 13 + line 14 + line 15 + line 20 + line 21 + line 24 + line 25 + line 26	10	1 6 1 8 3 2 3 9	1 1 3 4 5 3 8 5
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	7 1 8 5 4 1 2	4 6 6 6 4 2 0
C.	Value adjustments to inventory (+/-) (505)	13	1 7 1 3 3	- 7 1 2 6
D.	Services (account group 51)	14	5 6 2 5 6 9 7	4 1 8 1 0 2 7
E.	Personnel expenses total (lines 16 to 19)	15	2 2 5 5 0 6 7	1 7 0 5 8 1 4
E.1.	Wages and salaries (521, 522)	16	1 5 9 9 1 6 5	1 2 2 4 2 3 7
2.	Remuneration of board members of company or cooperative (523)	17		
3.	Social security expenses (524, 525, 526)	18	5 8 2 6 9 5	4 3 9 9 9 5
4.	Social expenses (527, 528)	19	7 3 2 0 7	4 1 5 8 2
F.	Taxes and fees (account group 53)	20	4 3 0 2	3 8 3 8
G.	Amortization and value adjustments to non-current intangible assets and depreciation and value adjustments to property, plant and equipment (line 22 + line 23)	21	7 6 0 1	2 7 9 7
G.1.	Amortization of non-current intangible assets and depreciation of property, plant and equipment (551)	22	7 6 0 1	2 7 9 7
2.	Value adjustments to non-current intangible assets and property, plant and equipment (+/-) (553)	23		
H.	Carrying value of non-current assets sold and raw materials sold (541, 542)	24	2 1 4 8	
I.	Value adjustments to receivables (+/-) (547)	25	5 0 9 2 1 3	6 8 0 3 5
J.	Other operating expenses (543, 544, 545, 546, 548, 549, 555, 557)	26	5 7 6 6 6 6	7 2 4 5 8 0
***	Profit/loss from operations (+/-) (line 02 - line 10)	27	- 1 8 1 9 0 7	5 1 2 8 1 5

Designation a	Text b	Line No. c	Actual data	
			Current accounting period	Preceding accounting period
			1	2
*	Added value (line 03 + line 04 + line 05 + line 06 + line 07) - (line 11 + line 12 + line 13 + line 14)	28	3 1 5 9 8 7 1	3 0 0 6 9 5 6
**	Income from financial activities - total line 30 + line 31 + line 35 + line 39 + line 42 + line 43 + line 44	29	8 3 7 2 0	1 7 6 9 3
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	1 2	6 2
XI.1.	Interest income from affiliated accounting entities (662A)	40	6	1 4
2.	Other interest income (662A)	41	6	4 8
XII.	Exchange rate gains (663)	42	4 7 8 9	2 6 8 1
XIII.	Gains on revaluation of securities and income from derivative transactions (664, 667)	43	2 6 1 7 2	9 0
XIV.	Other income from financial activities (668)	44	5 2 7 4 7	1 4 8 6 0
**	Expenses related to financial activities - total line 46 + line 47 + line 48 + line 49 + line 52 + line 53 + line 54	45	5 8 2 9 8	1 0 0 9 9
K.	Securities and shares sold (561)	46		
L.	Expenses related to current financial assets (566)	47		
M.	Value adjustments to financial assets (+/-) (565)	48		
N.	Interest expense (line 50 + line 51)	49	7 0	3 8
N.1.	Interest expenses related to affiliated accounting entities (562A)	50	7 0	3 8
2.	Other interest expenses (562A)	51		
O.	Exchange rate losses (563)	52	4 4 3 0 2	2 1 3 4
P.	Loss on revaluation of securities and expenses related to derivative transactions (564, 567)	53	8 5 8 7	2 8 3 1
Q.	Other expenses related to financial activities (568, 569)	54	5 3 3 9	5 0 9 6

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	2 5 4 2 2	7 5 9 4
****	Profit/loss for the accounting period before tax (+/-) (line 27 + line 55)	56	- 1 5 6 4 8 5	5 2 0 4 0 9
R.	Income tax (line 58 + line 59)	57	- 9 5 7 6	1 4 1 9 1 2
R.1.	Income tax - current (591, 595)	58	1 0 5 9 4 5	1 9 2 9 5 3
2.	Income tax - deferred (+/-) (592)	59	- 1 1 5 5 2 1	- 5 1 0 4 1
S.	Transfer of net profit/net loss shares to partners (+/- 596)	60		
****	Profit/loss for the accounting period after tax (+/-) (line 56 - line 57 - line 60)	61	- 1 4 6 9 0 9	3 7 8 4 9 7

Notes to financial statements

Prepared at 31 December 2017

I. GENERAL

1. Name and seat

OTIS Výtahy, s.r.o.
Ulica Rožňavská 2
830 00 Bratislava

The company OTIS Výtahy, s.r.o. (the "Company") was established on 3 July 1995 and incorporated in the Commercial Register on 13 February 1996. (Commercial Register of the District Court Bratislava I. in Bratislava, Section Sro, Insert No.:10405/B).

Core business activities of the Company

- purchase of goods for resale to end users (retail) or other trade licence holders (wholesale),
- mediation of business,
- other accommodation services – accommodation services in first class guest houses*, accommodation services in tourist hotels, accommodation services in cottages class* and class **, accommodation services in camps class* or class **, accommodation services in private homes.
- business activities in the area of hazardous waste handling,
- repairs, special inspections and tests listed lifting equipment,
- installation, reconstruction and maintenance of technological lifting equipment.

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 21 June 2017.

4. Legal reason for preparing the financial statements

The financial statements of the Company at 31 December 2017 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 2017 to 31 December 2017.

5. The consolidated group

The consolidated financial statements for the smallest group United Technologies Company of which the Company is part of, is prepared by United Technologies Holdings Italy SRL with its seat at Via Pontaccio 10, 201 21 Milan, Italy. A copy of the consolidated financial statements will be made available upon request at the seat of the above stated company.

The consolidated financial statements for the largest group United Technologies Corporation of which the Company is a subsidiary, is prepared by United Technologies Corporation with its seat at Farmington, Connecticut 06032. A copy of the consolidated financial statements will be made available upon request at the seat of the above stated company.

The Company is a parent company and in accordance with § 22 Section 10 of the Accounting Act, it is exempt from the obligation to prepare consolidated financial statements and a consolidated annual report since at the date at which the consolidated financial statements would be prepared, at least two conditions related to the size of the consolidation specified by § 22 Section 10 of the Accounting Act were not met. The business name and registered office of the subsidiary is ZEMA s.r.o., Corporate ID: 31 340 491, with registered office at Fedinova 1134/4, Bratislava.

6. Number of staff

Item	31.12.2017	31.12.2016
Average number of staff	78	73
Number of staff as at balance sheet date of which:	81	72
<i>Management</i>	5	5

7. Date of approval of the Company's auditor

On 29 September, 2015, the General Meeting approved PricewaterhouseCoopers Slovensko, s.r.o. as auditor of the Company's financial statements for the year ended 31 December 2017.

8. The Company's bodies and shareholders

The Company's bodies

	31.12.2017	31.12.2016
Executives:	Ján Hriňa Ladislav Olšavský	Ján Hriňa Ladislav Olšavský
Proxy:	Karel Fořt Jan Kotyza	- -

The Company's shareholders

The structure of the Company's shareholders at 31 December 2017 and at 31 December 2016:

Shareholder	Share of the registered capital		Percentage of voting rights	Other share in equity items other than registered capital %
	Absolute	In %		
United Technologies Holdings Italy SRL	721,968	100	100	100
Total	721,968	100	100	100

9. Merger as at 1 January 2017

Based on decision of the Extraordinary General Meeting of LIFTPROGRES spol. s r.o. (the company being dissolved) dated 11 October 2017, it was decided to cancel this company without liquidation and a contract for the transfer of shares was approved, under which will Otis Výťahy, s.r.o. (the successor company) take over as the universal legal successor of the whole capital, all the rights and obligations, liabilities and receivables of the company being dissolved.

The decisive day is 1 January 1 2017, from which acts of the company being dissolved are considered as acts performed on behalf of the successor company, i.e. OTIS Výťahy, s.r.o.

The dissolving company was deleted from the Business Register on 1 November 2017 due to merger with OTIS Výťahy, s.r.o.

Due to the insignificance of the impact of the merger on the financial statements, the comparative figures were not corrected.

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.

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 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 to assets 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	5	Straight-line	20

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 330 are recorded on the balance sheet and are expensed immediately when put into use. If the expected useful life is more than 1 year and the acquisition costs are between EUR 330 up to EUR 1,700 the assets are depreciated over 2 to 4 years.

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	50	Straight-line	2
Separate movable assets	4,8,12,15	Straight-line	25; 12.5; 8.33; 6.67
Vehicles	4	Straight-line	25
Tangible assets with purchase price from 330 to 1,700 EUR from which:			
- tools	2	Straight-line	50
- office equipment, computers	3,4	Straight-line	33.3; 25

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) Goodwill

Goodwill is recognised upon a purchase or contribution of a business or part thereof provided that the purchase price or recognised amount of the contribution is higher than the fair value of individual identifiable assets and liabilities at which the assets and liabilities are measured in buyer's books or in the books of the acquirer of the contribution. Negative goodwill is credited to acc. 015-Goodwill. When accounting for goodwill, the amount must be determined by which future economic benefits will be increased in relation to goodwill and/or decreased in relation to negative goodwill. If it is probable that any future increase of economic benefits will be lower than the amount of goodwill posted to acc. 015 - Goodwill, the relevant part of goodwill is written off upon purchase or the contribution of the business or part thereof. The resulting negative goodwill is expensed immediately and credited to acc. 551 – Depreciation of non-current intangible and tangible assets with corresponding debit entry to acc. 075 – Accumulated depreciation of goodwill.

Goodwill is recognized upon a merger, fusion or split provided that the book value of the share of the participating entity in the other participating entity is higher than the fair value of assets and liabilities relating to that share. The book value upon merger or split is understood to be the amount of the share measured at fair value. Negative goodwill is credited to acc. 015 – Goodwill. The amount of the increase of future economic benefits resulting from goodwill and/or a decrease of future economic benefits resulting from negative goodwill must be ascertained when accounting for goodwill. If it is probable that any future increase of economic benefits will be higher than the amount of goodwill posted to acc. 015 – Goodwill, the relevant part of goodwill is amortised in full upon a merger, fusion or split. The resulting negative goodwill is expensed in full and credited to acc. 551 – Depreciation of non-current intangible assets and non-current tangible assets with a corresponding debit entry to acc. 075 – Accumulated depreciation of goodwill.

For an in-kind contribution, such as part of a business ("contribution of business"), the acquirer of the contribution accounts for individual identifiable assets and liabilities in the relevant accounts and measures them at fair value. The difference between the fair value of individual identifiable assets and liabilities and the amount of a contribution in-kind ("recognized amount of the contribution") is accounted for, according to its nature, as goodwill or negative goodwill in acc. 015 – Goodwill.

The Company has as at 31 December 2017 goodwill in the amount of EUR 30,000 related to the merger with a subsidiary Liftprogress as at 1 January 2017.

d) 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, whereby fixed inventory on stock price is used when inventories received. Cost of inventory recorded is in inventory analytical accounts divided into standard price and standard price variance from actual cost of purchase (purchase price difference).

A withdrawal from stock is stated at prices of inventories on stock. The resulting valuation difference is system generated as follows:

Valuation difference = (purchase price – fixed inventory on stock price) / pieces of inventory on stock x number of pieces withdrawn from stock.

The average amount of the valuation variance calculated as a difference between the purchase price and fixed inventory on stock price of the total number of each type of inventory on stock is multiplied by the number of pieces withdrawn from stock and this amount increases by the fixed inventory withdrawn price.

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.

e) Contract manufacturing

If the result of contract manufacturing can be reliably estimated and it can be reasonably expected that the contract will not be unprofitable, the revenues and income related to the accounting period are accounted for using the percentage-of-completion method, while the extent to which the contract is completed is determined in aggregate at the balance sheet date as the proportion of costs actually incurred for work performed during contract manufacturing to the total updated budgeted costs for contract manufacturing.

Contract manufacturing costs are recognized when incurred. Costs incurred in the current year but relating to future contract activities are not included when calculating the extent to which the contract is completed.

If the result of contract manufacturing cannot be reliably estimated at the balance-sheet date, revenues are accounted for at the amount of costs incurred in the respective accounting period which will probably be reimbursed (the 'zero-profit method'). The possibility of a reliable estimate of the contract manufacturing result is reviewed at every balance sheet date.

At the balance sheet date, the aggregate difference between payments requested so far for performing the contract manufacturing, and the contract manufacturing value determined by using the percentage-of-completion method or the zero-profit method, are reported on the balance sheet as the net contract value with a corresponding credit to revenues.

The amounts requested by a contractor for work performed during contract manufacturing are recognized as trade receivables with a corresponding credit to contract revenues. Advance payments received by the contractor before the respective work is completed are recognized either as advance payments received, or as long-term advance payments received.

If it is expected at the balance-sheet date that costs will be higher than revenues, then this situation must be immediately accounted for by means of an estimate of the expected loss from contract manufacturing. The amount of the expected loss is determined regardless of whether or not the work on contract manufacturing has started, regardless of the extent to which the contract is completed, or the amount of profits which are expected to be made from other contracts which are not considered to be manufacturing under one contract.

An expected loss from contract manufacturing is recognized as other operating expenses. In an accounting period in which either a loss from contract manufacturing is no more probable or a reduction or offset of a loss from contract manufacturing can be expected, the reduction of other operating expenses is recognized.

f) 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.

g) Financial accounts

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

h) 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).

i) 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.

j) 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 annual clearance of health insurance, unused holidays, unpaid bonuses, warranty repairs, penalties and pension benefits (Note 4).

k) 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.

l) 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.

m) 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. In addition, based on the Collective Agreement with the Trade Unions valid until 2017, the Company must pay an employee upon retirement EUR 270, and a further EUR 5 for each year of service in excess of the limit of 10 years. The Company also pays work and life milestone rewards.

The employees expect that the Company will continue providing these benefits and the Company's management believes that it is not realistic to stop granting them.

n) 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.

o) 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 is not applied on goodwill or negative goodwill on initial recognition. Deferred tax is applied to temporary differences related to goodwill or negative goodwill when the differences arise after its initial recognition (e.g. due to different tax and book depreciation charges) if no temporary differences arose on the initial recognition of goodwill or negative goodwill.

Deferred tax assets and deferred tax liabilities are not recognized for deductible temporary differences and taxable temporary differences related to an asset or liability on initial recognition if the transaction is not a business combination, and affects neither accounting profit nor taxable profit. In subsequent accounting periods, deferred tax assets and deferred tax liabilities are also not recognized for these deductible temporary differences and taxable temporary differences.

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.

p) 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).

q) 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.

r) Financial derivatives

Financial derivatives are stated at their acquisition price when acquired and at their fair value at the balance sheet date.

Fair value changes of hedging derivatives are recorded directly to equity as valuation adjustments from the revaluation of assets and liabilities. Derecognition of hedging derivatives is accounted for as expenses of derivative transactions or income from derivative transactions.

s) 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.

t) 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). Interest income is recognized straight line over the accounting periods using the accrual basis.

The Company's revenues primarily include revenues from the assembly, repairs, reconstruction, inspection and inspection tests of elevators.

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:

Non-current intangible as- sets	Capitalised development costs	Software	Valuable rights	Goodwill	Other non- current intan- gible assets	Non-current assets in the process of acquisition	Advances paid for non-current intangible assets	Total
Acquisition cost								
1.1.2017	-	18,527	-	-	-	-	-	18,527
Additions	-	8,600	-	31,232	57,000	-	-	96,832
Disposals	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
31.12.2017	-	27,127	-	31,232	57,000	-	-	115,359
Accumulated depreciation								
1.1.2017	-	17,174	-	-	-	-	-	17,174
Additions	-	1,585	-	1,040	950	-	-	3,575
Disposals	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
31.12.2017	-	18,759	-	1,040	950	-	-	20,749
Valuation allowances								
1.1.2017	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
31.12.2017	-	-	-	-	-	-	-	-
Net book value								
1.1.2017	-	1,353	-	-	-	-	-	1,353
31.12.2017	-	8,368	-	30,192	56,050	-	-	94,610

Prior period information is presented in the following table:

Non-current intangible as-sets	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								
1.1.2016	-	18,527	-	-	-	-	-	18,527
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
31.12.2016	-	18,527	-	-	-	-	-	18,527
Accumulated depreciation								
1.1.2016	-	16,551	-	-	-	-	-	16,551
Additions	-	623	-	-	-	-	-	623
Disposals	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
31.12.2016	-	17,174	-	-	-	-	-	17,174
Valuation allowances								
1.1.2016	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
31.12.2016	-	-	-	-	-	-	-	-
Net book value								
1.1.2016	-	1,976	-	-	-	-	-	1,976
31.12.2016	-	1,353	-	-	-	-	-	1,353

During the current or prior accounting period, there was no capitalized interest as part of the valuation.

For intangible fixed assets, the lien was not set aside for the creditor at 31 December 2017 and 2016.

The company has not incurred any research and development costs in the current or prior period.

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 as- sets and sets of movable items	Perennial crops	Breeding & draught ani- mals	Other non-current tangible as- sets	Assets under construction	Advances paid for non-current tangible as- sets	Total
Acquisition cost									
1.1.2017	-	-	117,040	-	-	-	-	-	117,040
Additions	-	-	64,264	-	-	-	-	-	64,264
Disposals	-	-	(8,594)	-	-	-	-	-	(8,594)
Transfers	-	-	-	-	-	-	-	-	-
31.12.2017	-	-	172,710	-	-	-	-	-	172,710
Accumulated depreciation									
1.1.2017	-	-	94,002	-	-	-	-	-	94,002
Additions	-	-	24,978	-	-	-	-	-	24,978
Disposals	-	-	(8,594)	-	-	-	-	-	(8,594)
Transfers	-	-	-	-	-	-	-	-	-
31.12.2017	-	-	110,386	-	-	-	-	-	110,386
Valuation allowances									
1.1.2017	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
31.12.2017	-	-	-	-	-	-	-	-	-
Net book value									
1.1.2017	-	-	23,038	-	-	-	-	-	23,038
31.12.2017	-	-	62,324	-	-	-	-	-	62,324

Prior period information is presented in the following table:

Non-current tangible assets	Individual movable as- sets and sets of									Total
	Land	Buildings	movable items	Perennial crops	Breeding & draught ani- mals	Other non-current tangible as- sets	Assets under construction	Advances paid for non-current tangible as- sets		
Acquisition cost										
1.1.2016	-	-	106,147	-	-	-	-	-	-	106,147
Additions	-	-	10,893	-	-	-	-	-	-	10,893
Disposals	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
31.12.2016	-	-	117,040	-	-	-	-	-	-	117,040
Accumulated depreciation										
1.1.2016	-	-	91,829	-	-	-	-	-	-	91,829
Additions	-	-	2,173	-	-	-	-	-	-	2,173
Disposals	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
31.12.2016	-	-	94,002	-	-	-	-	-	-	94,002
Valuation allowances										
1.1.2016	-	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
31.12.2016	-	-	-	-	-	-	-	-	-	-
Net book value										
1.1.2016	-	-	14,318	-	-	-	-	-	-	14,318
31.12.2016	-	-	23,038	-	-	-	-	-	-	23,038

During the current or prior accounting period, there was no capitalized interest as part of the valuation.

For tangible fixed assets, the lien was not set aside for the creditor at 31 December 2017 and 2016.

3. Non-current financial assets

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

[illegible]

Prior period information is provided in the following table:

Non-current financial assets	Shares and ownership interests in affiliates	Shares and ownership interests in participating inter-ests, except for shares and ownership interests in affiliates	Other realisable securities and ownership inter-ests	Loans to affiliated undertak-ings	Loans to undertak-ings in which the company has a participat- ing interest, except for loans to affiliated undertak- ings	Debt securities and other non-current financial assets	Loans and other non-current financial assets with time to maturity not ex-ceeding one year	Bank ac- counts with a notice period exceeding one year	Acquisition of non-current financial assets	Advance payments for non-current financial assets	Total
Acquisition cost											
1.1.2016	-	-	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	110,000	-	110,000
Disposals	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-
31.12.2016	-	-	-	-	-	-	-	-	110,000	-	110,000
Valuation allowances											
1.1.2016	-	-	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-
31.12.2016	-	-	-	-	-	-	-	-	-	-	-
Carrying amount											
1.1.2016	-	-	-	-	-	-	-	-	-	-	-
31.12.2016	-	-	-	-	-	-	-	-	110,000	-	110,000

Controlling influence, joint controlling influence and significant influence

The Company holds certain non-current financial assets in other accounting entities and through these placements the Company exercises its controlling influence, joint controlling influence or significant influence.

The amount of equity at 31 December 201, the result of operations for the current period and other information about these accounting entities is presented in the following table:

Business name and seat	Percentage of share in registered capital	Percentage of voting rights	Amount of equity	Profit/loss	Carrying amount of the non-current financial assets
Controlling influence					
	90%	90%	(445,139)	(233,533)	54,912
Total					54,912

4. Inventories

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

Inventories	1.1.2017	Set-up of VA	Release of VA due to extinction of title	Release of VA due to derecognition of assets	31.12.2017
Material	43,183	17,134	-	-	60,317
Total inventories	43,183	17,134	-	-	60,317

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 excessive inventories on stock.

Prior period information is presented in the table below:

Inventories	1.1.2016	Set-up of VA	Release of VA due to extinction of title	Release of VA due to derecognition of assets	31.12.2016
Material	50,309	-	-	7,126	43,183
Total inventories	50,309	-	-	7,126	43,183

5. Construction contracts and construction contracts for real estate designated for sale**Construction contracts**

General information about construction contracts is presented below.

Item	2017	2016	Total 31.12.2017	Total 31.12.2016
Amounts billed for work performed on construction contracts	10,997,943	8,267,505	10,997,943	8,267,505
Adjustments to billed amounts using the percentage of completion or zero profit method	1,210,158	(167,549)	993,739	(335,409)
Expected loss from open contracts	(216,419)	(167,860)	(216,419)	(167,860)
Contractual revenues	11,991,682	8,195,242	11,991,682	8,195,242
Costs of construction contract	(10,207,571)	(7,567,900)	(10,207,571)	(7,567,900)
Gross profit / loss	1,084,111	627,342	1,084,111	627,342

Information about construction contracts that were not completed as at 31 December 2017 is presented in the following table:

Amount	Total 31.12.2017	Total 31.12.2016
Total costs incurred	2,379,867	647,393
Total profits recognised	(11,866)	38,395
Total loss recognised	(216,419)	(167,860)
Total	2,151,582	427,083

Amount	Total 31.12.2017	Total 31.12.2016
Amount of advances received	569,101	214,854

6. Receivables

Movements in the valuation allowance for receivables during the accounting period are shown in the following table:

Receivables	1.1.2017	Set-up of valuation allowance	Release of valuation allowance due to cease of justification	Release of VA due to de- recognition of the assets	31.12.2017
Current trade receivables, of which:	498,906	662,859	(123,531)	(30,115)	1,008,119
Other trade receivables	498,906	112,859	(123,531)	(30,115)	458,119
Trade receivables from affiliated undertakings	-	550,000	-	-	550,000
Current receivables total	498,906	662,859	(123,531)	(30,115)	1,008,119

Prior period information is presented in the following table:

Receivables	1.1.2016	Set-up of valuation allowance	Release of valuation allowance due to cease of justification	Release of VA due to de-recognition of the assets	31.12.2016
Current trade receivables, of which:	430,871	105,327	(27,729)	(9,563)	498,906
Other trade receivables	430,871	105,327	(27,729)	(9,563)	498,906
Current receivables total	430,871	105,327	(27,729)	(9,563)	498,906

Long-term receivables of the Company are within the due period. The ageing structure of receivables of the Company at 31 December 2017 is presented in the following table:

Item	Within due period	Overdue	Total receivables
Trade receivables, of which:	861,731	1,204,881	2,066,613
Trade receivables from affiliated undertakings	54,917	151,738	206,655
Other trade receivables	806,814	1,053,143	1,859,958
Other non-current receivables, of which:	1,081,713	550,000	1,631,713
Net value of contract	993,739	-	993,739
Trade receivables from affiliated undertakings	-	550,000	550,000
Tax assets and subsidies	86,724	-	86,724
Other receivables	1,250	-	1,250
Current receivables total	1,943,444	1,754,881	3,698,326

Prior period information is presented in the following table:

Item	Within due period	Overdue	Total receivables
Trade receivables, of which:	1,423,567	1,146,261	2,569,828
Other trade receivables	1,423,567	1,146,261	2,569,828
Other non-current receivables, of which:	69,769	-	69,769
Other receivables from affiliated undertakings	68,001	-	68,001
Other receivables	1,768	-	1,768
Current receivables total	1,493,336	1,146,261	2,639,597

The Company has no receivables secured by a lien or subject to a limited right to deal with.

Allowance was created to doubtful receivables with risk, that receivables will not be paid.

The Company created a provision for other receivables overdue from ZEMA s.r.o. as at 31 December 2017, as the Company considers it unlikely to be paid.

7. 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 6.

8. Financial accounts

Information about financial accounts, except for current financial assets, is provided in the following table:

Item	31.12.2017	31.12.2016
Cash and cash equivalents	5,729	4,959
Current bank accounts	1,372,488	989,040
Total	1,378,217	993,999

9. Prepaid expenses and accrued income

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

Item	31.12.2017	31.12.2016
Deferred expenses - short-term of which:	3,400	3,179
- Insurance	1,096	787
- Licences	1,173	274
- UTILI Interests	9	-
- Rent	963	963
- Other	39	88
- Parking fees	120	150
- Phones	-	917
Accrued income - short-term	53,950	10,650
Total	57,350	13,829

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	2017	2016
Opening balance	18,831	14,851
Appropriations charged to costs	15,457	9,856
Total social fund set-up	15,457	9,856
Use	10,354	5,876
Closing balance	23,934	18,831

3. Liabilities

Structure of liabilities by remaining time to maturity at 31 December 2017:

Item	Liabilities				Total liabilities
	More than five years	From one to five years	Due within one year	Overdue liabilities	
Other liabilities, of which:	-	-	23,934	-	23,934
Social fund payables	-	-	23,934	-	23,934
Non-current liabilities - total	-	-	23,934	-	23,934
Current trade liabilities of which:	-	-	1,998,060	252,329	2,250,389
Trade liabilities to affiliated undertakings	-	-	912,583	27,972	940,555
Other trade liabilities	-	-	1,085,477	224,357	1,309,834
Other current liabilities of which:	-	-	1,626,235	-	1,626,235
Other liabilities to affiliated undertakings	-	-	1,350,780	-	1,350,780
Liabilities to employees	-	-	100,537	-	100,537
Liabilities from social insurance	-	-	70,914	-	70,914
Tax liabilities and subsidies	-	-	101,082	-	101,082
Liabilities from derivative transactions	-	-	2,784	-	2,784
Other liabilities	-	-	138	-	138
Current liabilities - total	-	-	3,624,295	252,329	3,876,624

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	
Non-current liabilities, of which:	-	-	-	-	-
Other liabilities, of which	-	-	18,831	-	18,831
Social fund payables	-	-	18,831	-	18,831
Non-current liabilities, of which:	-	-	18,831	-	18,831
Current trade liabilities of which:	-	-	1,226,923	154,262	1,381,185
Trade liabilities to affiliated undertakings	-	-	551,606	15,689	567,295
Other trade liabilities	-	-	675,317	138,573	813,890
Other current liabilities of which:	-	-	667,034	-	667,034
Net value of a contract	-	-	335,409	-	335,409
Liabilities to employees	-	-	79,848	-	79,848
Liabilities from social insurance	-	-	51,954	-	51,954
Tax liabilities and subsidies	-	-	199,192	-	199,192
Liabilities from derivative transactions	-	-	497	-	497
Other liabilities	-	-	134	-	134
Current liabilities - total	-	-	1,893,957	154,262	2,048,219

Other liabilities to affiliated undertakings as at 31 December 2017 amounting to EUR 1,348,000 represent a short-term loan from the Group (Note 5).

Liabilities are not secured by a lien or other form of security.

4. Provisions

An overview of changes in provisions for 2017 is shown in the following table:

Item	1.1.2017	Set-up	Use	Release	31.12.2017
Long-term provisions of which:	151,086	183,230	56,742	77,451	200,123
<i>Other long-term provisions of which:</i>	<i>151,086</i>	<i>183,230</i>	<i>56,742</i>	<i>77,451</i>	<i>200,123</i>
Long-term warranty repairs	122,492	161,295	56,742	65,749	161,296
Retirement and jubilee benefits	20,756	2,346	0	0	23,102
Credit notes provision	6,189	12,772	0	6,189	12,772
Contract penalties	1,649	6,817	0	5,513	2,953
Short-term provisions of which:	201,969	402,937	357,102	60,032	187,772
<i>Legal short-term provisions of which:</i>	<i>42,646</i>	<i>46,101</i>	<i>50,003</i>	<i>643</i>	<i>38,101</i>
Compensation for unused holiday, including social security	33,896	30,051	33,896	-	30,051
Other	8,750	16,050	16,107	643	8,050
<i>Other short-term provisions of which:</i>	<i>159,323</i>	<i>356,836</i>	<i>307,099</i>	<i>59,389</i>	<i>149,671</i>
Warranty repairs	60,634	65,020	60,634	-	65,020
Employee bonuses	94,077	270,913	245,562	47,480	71,948
Severance pay	-	7,890	-	-	7,890
Others	4,612	13,013	903	11,909	4,813
Total provisions	353,055	592,167	413,844	137,483	387,895

Prior period information is presented in the following table:

Item	1.1.2016	Set-up	Use	Release	31.12.2016
Long-term provisions of which:	119,097	275,509	135,030	108,490	151,086
<i>Other long-term provisions of which:</i>	<i>119,097</i>	<i>135,681</i>	<i>91,097</i>	<i>12,595</i>	<i>151,086</i>
Long-term warranty repairs	91,097	122,492	91,097	-	122,492
Retirement and jubilee benefits	23,804	-	-	3,048	20,756
Credit notes provision	4,196	6,189	-	4,196	6,189
Contract penalties	-	7,000	-	5,351	1,649
Short-term provisions of which:	233,032	387,720	228,394	190,389	201,969
<i>Legal short-term provisions of which:</i>	<i>47,821</i>	<i>57,446</i>	<i>16,033</i>	<i>46,588</i>	<i>42,646</i>
Compensation for unused holiday, including social security	46,471	33,896	-	46,471	33,896
Other	1,350	23,550	16,033	117	8,750
<i>Other short-term provisions of which:</i>	<i>185,211</i>	<i>330,274</i>	<i>212,361</i>	<i>143,801</i>	<i>159,323</i>
Warranty repairs	44,134	60,634	44,134	-	60,634
Employee bonuses	133,966	250,202	151,250	138,841	94,077
Severance pay	-	13,826	13,826	-	-
Others	7,111	5,612	3,151	4,960	4,612
Total provisions	352,129	663,229	363,424	298,879	353,055

5. Loans received

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

Item	Currency	Annual interest rate in %	Maturity date	Principal in currency		Principal in EUR	
				31.12.2017	31.12.2016	31.12.2017	31.12.2016
Short-term bank loans of which:						-	-
UTILI IRELAND	EUR	0.01	24. January 2018	1,348,000	-	1,348,000	-
Total						1,348,000	-

The management does not expect repayment of the loan in the course of 2018 and discusses this with the Group.

6. Accrued expenses and deferred income

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

Item	31.12.2017	31.12.2016
Deferred income, of which:	11,058	392
short-term	4,998	392
long-term	6,060	-
Total	11,058	392

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	2017	2016
Sale of own work and goods of which:	15,988,113	11,847,277
Sale of services	4,006,431	3,652,035
Revenues from construction contracts	11,991,682	8,195,242
Other income	55,467	22,641
Total net turnover	16,053,580	11,869,918

REVENUES**2. Revenues from the sale of own work and goods**

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

Country	Installation of elevators and escalators		Service of of elevators and escalators		Other Services		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
Slovakia	11,991,682	8,195,242	4,006,431	3,644,574	0	0	15,988,113	11,839,816
Czech Republic	0	0	0	0	0	7,461	0	7,461
Total	11,991,682	8,195,242	4,014,195	3,644,574	-	7,461	15,988,113	11,847,277

3. 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	2017	2016
Other material items of other operating income of which:	13,219	10,923
Receivables written-off	511	3,204
Other	12,708	7,719
Financial income of which:	83,720	17,693
<i>Foreign exchange gains of which:</i>	4,789	2,681
<i>Other material financial income of which:</i>	78,931	15,012
Interest income	12	62
Income from revaluation	26,172	90
Other	52,747	14,860

EXPENSES**4. 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	2017	2016
Costs of services received of which:	5,625,697	4,181,027
<i>From an Auditor or audit firm of which:</i>	10,355	10,900
Audit of the financial statements	10,355	10,900
<i>Other material items of costs of services received of which:</i>	5,615,342	4,170,127
Support services from OTIS	626,029	442,438
Travel expenses	80,488	53,967
Transport	1,519	714
Leasing	314,459	269,127
Rental fee	144,379	129,419
Legal, economic and other consulting	46,632	42,269
Advertisement and marketing costs	6,561	7,613
External product processing	-	25,620
IT costs - CSC	65,588	60,215
Telecommunication costs	43,234	40,250
External cooperation	4,083,933	2,940,774
Technical inspections	110,910	82,146
Repairs and maintenance	10,362	9,036
Other	81,248	66,539
Other material items of income from operations of which:	1,085,879	792,615
Shortages and damages	3,928	923
Receivables written off	33,112	9,563
Set-up and use/release of valuation allowance for receivables	509,213	68,035
Contribution to TAC	518,020	435,833
Credit notes and warranties provision	21,606	247,027
Other	-	31,234
Financing costs of which:	58,298	10,099
<i>Foreign exchange losses</i>	44,302	2,134
<i>Other material items of financial expenses of which:</i>	13,996	7,965
Financial derivate costs	8,587	2,831
Interest costs	70	38
Other	5,339	5,096

5. Personnel costs

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

Item	2017	2016
Personnel costs of which:	2,255,067	1,705,814
Wages and salaries	1,599,165	1,224,237
Social and health insurance	582,695	439,995
Social security	73,207	41,582

6. Taxes

Information about temporary differences and the calculation of deferred tax:

Item	31.12.2016	Recognised in equity	Recorded as expense of income	31.12.2017
Non-current assets	(7,549)	-	(2,149)	(9,698)
Inventories	43,183	-	17,134	60,317
Receivables	181,669	-	543,542	720,547
Provisions	574,555	-	(8,342)	566,213
Other	1,850	-	300	2,150
Total	789,428	-	550,101	1,339,529
Tax rate (in %)	21%			21%
Deferred tax asset/ (liability) calculated	165,780	-	115,521	281,301
Deferred tax asset recognized	165,780	-	115,521	281,301

There was a change in tax law at the end of year 2016. Based on which, a corporate income tax will change from 22% to 21% with effective date from 1 January 2017.

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

Item	2017		2016	
	Tax base	Tax	Tax base	Tax
Profit/(loss) before taxes of which:	(156,485)		520,409	
Expected tax		(32,862)		114,490
Tax non-deductible expenses				22
	110,747	23,257	179,547	39,509
Non-taxable income	(138)	(29)	(14,759)	(3,247)
Change in tax rate				(7,983)
Other			(3,895)	(857)
Total		(9,576)		141,912
Current income tax		105,945		192,953
Deferred income tax		(115,521)		(51,041)
Total income tax		(9,576)		141,912

VIII. 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.

IX. 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	1.1.2017	Additions	Disposals	Transfers	31.12.2017
Share capital	721,968	-	-	-	721,968
Legal reserve fund and non-distributable reserve	74,491	-	-	-	74,491
Retained earnings	405,212	-	-	-	405,212
Profit/loss for current accounting period	378,497	(146,909)	(378,497)	-	(146,909)
Total equity	1,580,168	(146,909)	(378,497)	-	1,054,762

Item	1.1.2016	Additions	Disposals	Transfers	31.12.2016
Share capital	721,968	-	-	-	721,968
Legal reserve fund and non-distributable reserve	74,491	-	-	-	74,491
Retained earnings	-	-	-	405,212	405,212
Profit/loss for current accounting period	405,212	378,497	-	(405,212)	378,497
Total equity	1,201,671	378,497	-	-	1,580,168

2. Distribution of profit for the preceding year of 2016

The 2016 accounting profit amounting to EUR 378,497 was distributed as follows:

Item	2016
Dividends paid	378,497
Total	378,497

3. Settlement of loss for the current year of 2017

At the balance sheet date, the statutory body of the Company had not presented a proposal for settlement of 2017 loss.

X. CASH FLOWS STATEMENT

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

- a) 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,
- b) 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.

The Company applied the indirect method when creating the cash flow statement:

Item	2017	2016
Net result before tax	(156,485)	520,409
<i>Adjustments for non-cash transactions:</i>		
Depreciation of non-current assets	7,601	2,797
Inventories write-off	3,928	11,727
Receivables write-off	33,112	9,563
Change in provision for receivables	509,213	67,935
Change in provision for inventories	17,133	(7,125)
Change in provisions	34,840	925
Net Interest expense	58	(24)
Loss / (gain) from the sale of non-current assets	-	-
Profit from operating activities before changes in working capital	449,400	606,207
<i>Changes in working capital:</i>		
Decrease (increase) of trade and other receivables and prepayments	(570,175)	293,001
Decrease (increase) of inventories	(157,381)	(124,215)
(Decrease) increase of payables and accruals	503,848	(216,827)
Operating cash flows	225,692	558,166
Cash flows from operating activities		
Operating cash flows	225,692	558,166
Interest paid	(70)	(38)
Interest received	12	62
Corporate income tax paid	(244,357)	(124,957)
Dividends paid	(378,497)	-
Other items not included in operating activities	(2,287)	-
Net cash from operating activities	399,507	433,233
Cash flows from investing activities		
Purchase of non-current assets	1,407	(12,338)
Receipts from the sale of non-current assets	0	-
Acquisition of financial investments	(86,463)	(110,000)
Long term loans granted	(550,000)	(68,001)
Net cash from investing activities	(635,056)	(190,339)
Cash flows from financing activities		
Receipts / repayments of borrowings from Group companies	1,418,781	(505,027)
Net cash from financing activities	1,418,781	(505,027)
Increase (decrease) of cash and cash equivalents	384,218	(262,133)
Cash and cash equivalents at the beginning of the accounting period	993,999	1,256,132
Cash and cash equivalents at the end of the accounting period	1,378,217	993,999