

# ANNUAL REPORT 2020



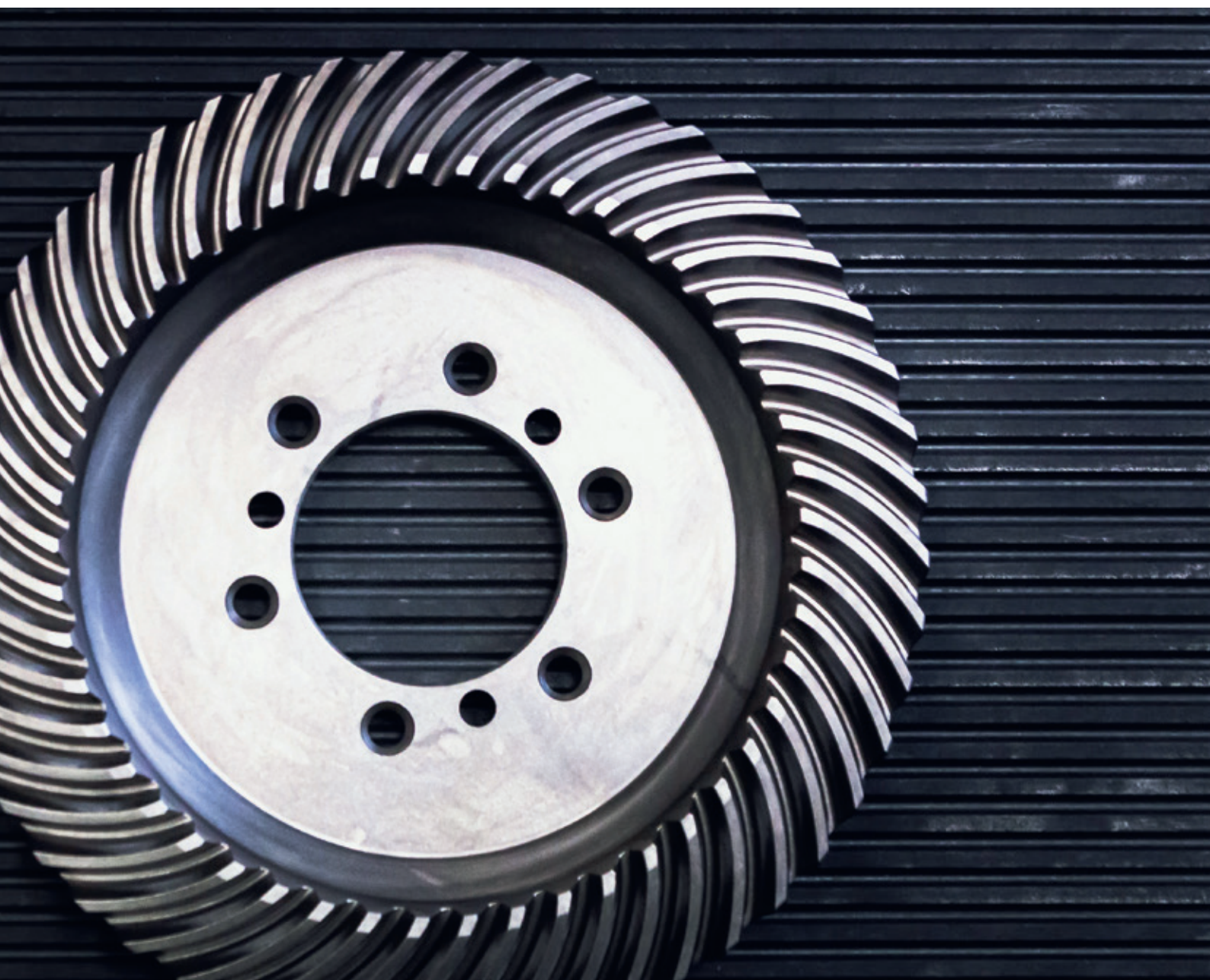
MEMBER  
OF **CSG**  
CZECHOSLOVAK GROUP



**DAKO-CZ**

**BRAKE  
SYSTEMS**

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*We largely contribute  
to safety on railways*

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# BASIC INFORMATION ABOUT THE COMPANY



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Company name: **DAKO-CZ, a.s.**  
Registered Office: **Josefa Daňka 1956, 538 43 Třemošnice**  
Corporate ID: **465 05 091**  
VAT ID: **CZ46505091**

The Company was established by a Memorandum of Association in the form of a notarial deed in accordance with Section 172 of Act no. 513/1991 Coll., the Commercial Code, as amended, and on 5 May 1992, it was recorded in the Register of Companies held by the Regional Court in Hradec Králové, File B, Insert 668.

DAKO-CZ, a.s. has had an established system of quality management in place certified in accordance with the requirements of ISO 9001 since 1996 and it currently meets the requirements of the ČSN EN ISO 9001:2016 standard.

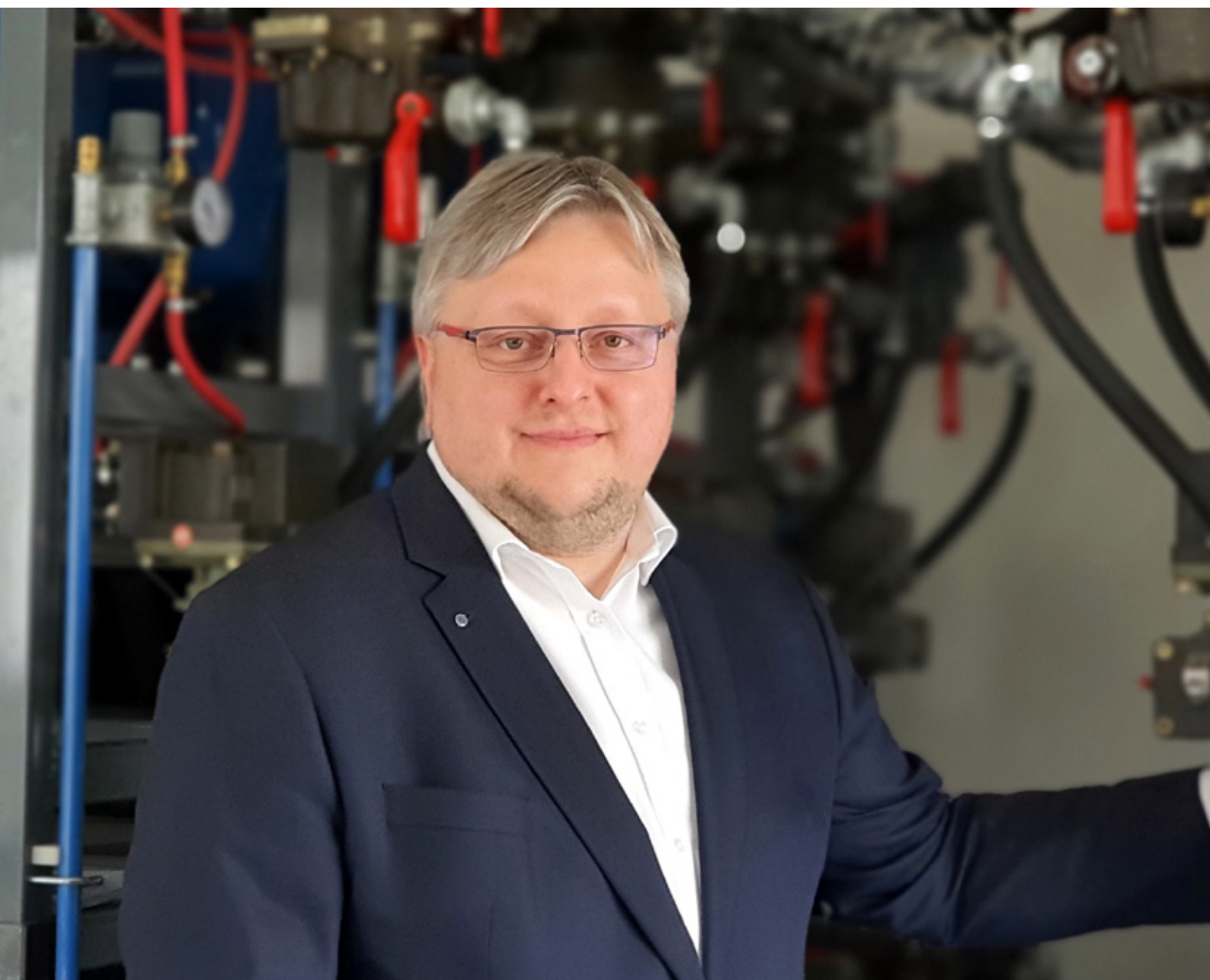
DAKO-CZ, a.s. fully complies with the philosophy of International Railway Industry Standards (IRIS) managed by UNIFE. In 2018, it was certified as compliant with ISO/TS 22163:2017 (IRIS Certification™ rev.03) by TÜV NORD CERT.

DAKO-CZ is a verified company that is certified in the welding process within the scope of the ČSN EN ISO 3834-2 standard and the ČD V95/5 regulation and owns a certificate confirming compliance with DIN EN15085 2.

The production of brake systems and components for railway vehicles in the railway sector places very high demands that DAKO-CZ, a.s. can satisfy.

Legal status: **joint-stock company**

# INTRODUCTION



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DAKO-CZ, a.s. is a leading manufacturer of pneumatic, electromechanical and hydraulic brake systems and components for railway vehicles with a tradition spanning more than 205 years. The Company's primary activities include its own development, research, production and maintenance activities. DAKO-CZ, a.s. supplies brake systems and components for freight vehicles, passenger coaches, suburban units, locomotives, maintenance cars, metro cars and trams. Railway vehicles with DAKO brake systems and components can be seen not only in Europe but also in Asia and in Africa where the Company cooperates with global manufacturers of railway vehicles and rail transport operators.

DAKO-CZ, a.s. holds 13 patents and 11 test models. It carries out its own development activities and has a modern testing laboratory with a design centre. Our qualified employees use modern CNC machines in semi-automated and conventional workplaces. In 2020, DAKO-CZ, a.s. took second place in the Company of the Year of the Pardubice Region competition. The Company invests in the development and advancement of brake systems.

No court, administrative or arbitration proceedings significantly affecting the financial situation of the Company are held.

Information on the Company's results is included in the report of the Board of Directors and in the notes to the financial statements for the year ended 31 December 2020.

The financial statements for the year ended 31 December 2020 were audited by Deloitte Audit s.r.o.

# REPORT OF THE BOARD OF DIRECTORS OF DAKO-CZ, A.S.,

ON THE BUSINESS ACTIVITIES  
AND STATE OF THE ASSETS  
OF THE COMPANY FOR THE YEAR ENDED  
31 DECEMBER 2020

DEAR SHAREHOLDERS, LADIES AND GENTLEMEN,

Allow me to inform you about the economic results and important facts  
that occurred in the past year.



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## FINANCIAL RESULTS AND MAJOR PROJECTS

The profit for 2020 reflects the year that was the most challenging one in the Company's modern history. We implemented numerous measures to protect the health of our employees who ensured maximum possible volume of production to keep the Company operational and secured the timely delivery to our customers. We strived to increase the stability of deliveries within the entire supply chain and strengthened the investment and technological development of the Company. Despite the pandemic situation, we succeeded in developing several fields, such as research and development, sales, production and logistics. From the financial point of view, 2020 was a successful year for us. We once again surpassed the "magic" billion mark in sales, reaching a record level of CZK 1,269 billion. Nevertheless, we are not resting on our laurels: we keep investing in the expansions of our production facilities, machinery and technology as well as logistics. We are improving working conditions for our employees and expanding employee benefits.

MAIN FIGURES	2020 (CZK '000)	2019 (CZK '000)	2018 (CZK '000)	2020/2019 (%)
Profit before tax	291 569	167 253	122 538	174,33
Profit after tax	237 077	135 086	95 407	175,50
Operating profit	218 342	159 355	127 421	137,02
Value added	614 164	503 729	441 235	121,92
Total assets	1 211 552	1 044 955	901 458	115,94
Fixed assets	552 744	459 967	385 140	120,17
EBITDA	251 852	201 615	149 625	124,92
ROE	34,63 %	24,68 %	19,38 %	140,34 %

In 2020, DAKO-CZ, a.s. delivered its products to traditional global partners in the field of railway vehicles, including Tatravagónka a.s., Poprad, Siemens Mobility GmbH or Stadler Rail Group. A significant portion of our deliveries was directed at the Indian market. We succeeded in winning a new customer, the Spanish company Talgo; DAKO-CZ, a.s. will supply brake systems for its train units intended for use in Egypt. Other orders related to our customers in Poland, Slovenia, Austria or Congo. The past year was also marked by new projects and first deliveries, and despite the problems caused by the pandemic, our employees were able to carry them out to the customer's satisfaction. An important milestone for the Company was represented by the opening of a new service centre within our premises in Třemošnice. The centre provides customers with repairs of pneumatic and hydraulic equipment and gives the Company stability and security of jobs even in the event of lower demand in primary production. The service centre is equipped with the latest technology to meet the growing needs of customers to the maximum extent. We are already preparing the next stage of expansion and integration of service capacities in other locations, especially those closer to our customers.

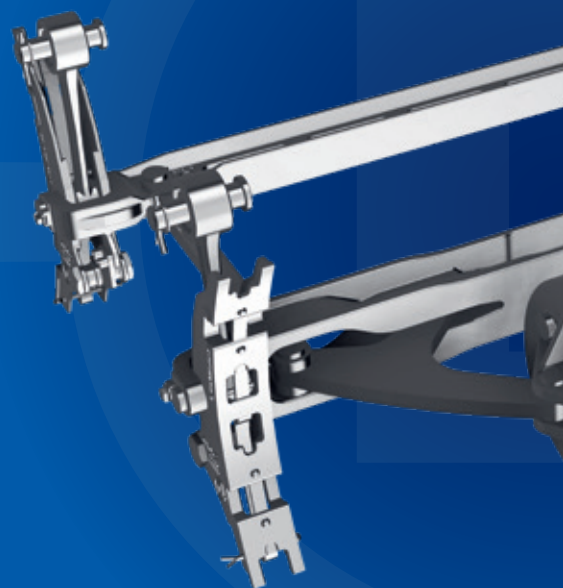
## INFORMATION ON IMPORTANT POST BALANCE SHEET EVENTS

As of the date of preparation of the annual report, the Company is aware of facts that will lead to a change in the shareholder structure. The entire transaction concerns the consolidation of interests in the Company towards a single shareholder. However, neither this nor any other event will have a significant impact on the financial statements as of 31 December 2020.

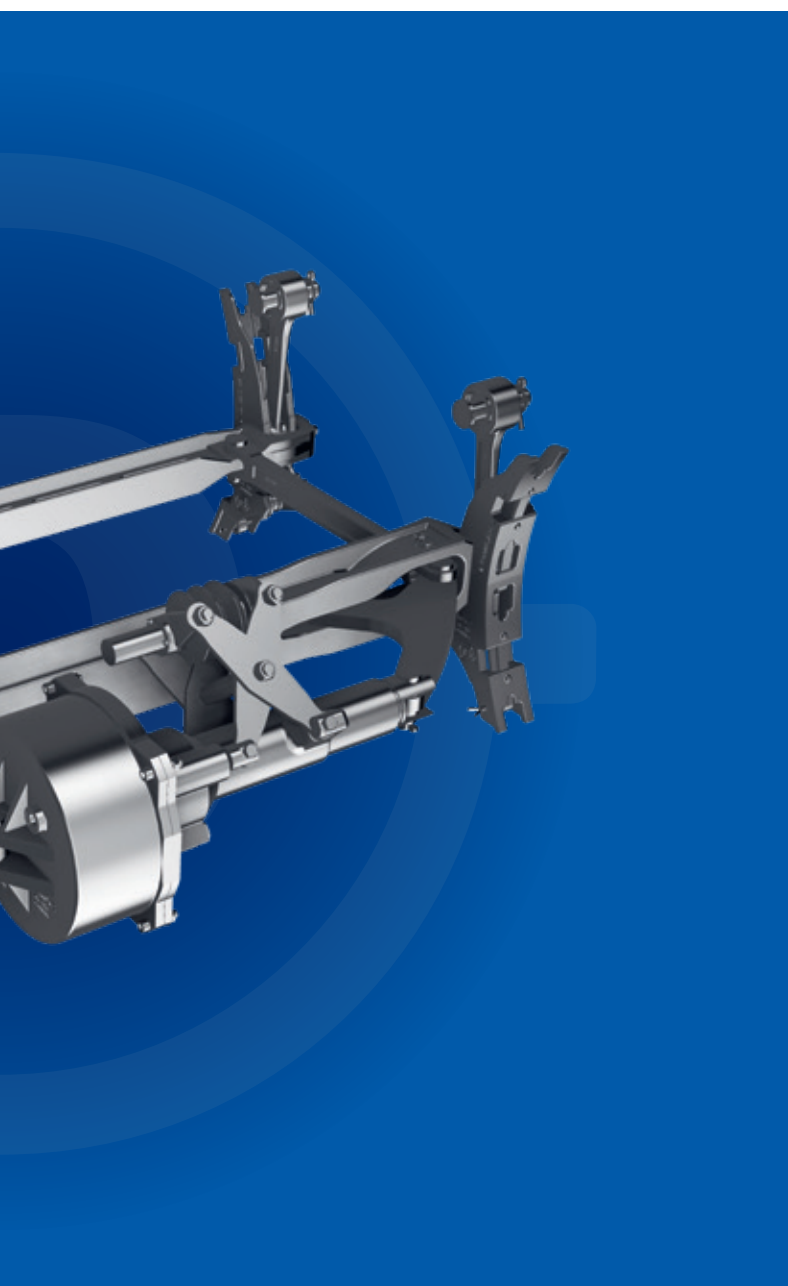
## RESEARCH AND DEVELOPMENT ACTIVITIES

In 2020, a project regarding the delivery of brake components for Siemens passenger coaches of the Austrian national carrier ÖBB was completed. This marked the Company's first order for the Austrian Railways concerning passenger coaches. TALGO, our Spanish customer, successfully received the delivery of brake systems for its passenger coaches, which will be employed in Egypt, marking the first project with this new customer. In addition, we completed several projects for Stadler Rail Group, our long-standing customer; also, apart from the ongoing projects for the Flirt platform, DAKO-CZ provides Stadler Rail Group with brake systems for the Kiss platform and special cog railway vehicles.

The process of international certification of the new anti-slip system in accordance with UIC 541-05, which represents an important



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element of the further development of our product portfolio, was successfully completed.

The design and production phase of the integrated beam brake prototype was concluded and TSI homologation tests are currently underway. In India, we successfully initiated the monitored operation of the first LHB vehicles equipped with the complete DAKO brake system.

We commenced the development of a new line from an innovative electromechanical brake platform, namely three implementation tasks under the Operational Programme Enterprise and Innovations for Competitiveness (OPPIK) Applications grant. All three tasks are functionally linked and aimed at developing a complete brake system of this type for widespread use on the most common constructions.

DAKO-CZ, a.s. has made significant progress in the field of electronics and control of brake systems. We have already concluded the development phase of several projects, where we are currently carrying out type tests or already possess functional samples and prototypes, which are provided to our selected customers for testing and design concerning the integration of individual components and systems.

Another important milestone in our development in this area is the new DAKOsmart platform, which brings together several previously separate projects, the flagship of which being the telemetry system for trucks. The system includes an entirely innovative range of monitored variables and gives our customers the possibility of a high return on investment thanks to sophisticated algorithms for proactive solutions to the problems linked to vehicles and related preventive maintenance.

Equally important in the DAKOsmart platform is the new generator, control and communication unit and other advanced elements that have been developed not only by our development team, but also in cooperation with other research entities in the Czech Republic and abroad.

In connection with the development of new solutions and platforms for DAKO brake systems, a project aimed at expanding the research and development facilities was successfully prepared and launched. This project is co-financed by the OPPIK Potential grant.

We are implementing the extension of the existing research and innovation capacities of DAKO-CZ, a.s. through the acquisition of technological and experimental equipment together with other devices and software. The aim of the project is to increase the professional competence and qualification of the existing department with regard to new research areas of brake systems for suburban and subway units, trucks and trams together with their subsequent application in production and market launch. According to their technological complexity, the existing products of DAKO-CZ, a.s. fall into the medium high-tech category. Our new products will fall into the high-tech category. The implementation of the project will also bring significant positive impacts on the environment due to the reduction of CO<sub>2</sub> emissions.

## INVESTMENT ACTIVITIES

In 2020, DAKO-CZ continued to invest into the key areas of development, production, construction of a new service centre and



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preparation for a significant increase in the current production capacities. The first phase of investments into the DAKO Academy project was of similar importance.

As part of a long-term project for a new production logistics solution, we completed a new assembly hall including social and sanitary facilities for warehouse and logistics employees and initiated an overall reconstruction of the former assembly hall, which will be turned into a semi-automated central warehouse of material and semi-finished products, which, thanks to its position in the middle of the production process, will enable to effectively shorten the logistics processes of production.

Another part of this project is establishing new premises for the welding workstation and acquiring an automated vertical warehouse for metallurgical material. To simplify the handling of material, we reconstructed the overhead crane and purchased seven quick-lift electronic balancers. The project for a new production logistics solution will continue in the upcoming years with further modifications to the Company's key workstations.

The machine fleet was expanded and partially changed. For example, the Company purchased a robotic welding cell for automated welding with two turntables, new specialised presses, modern high-chamber annealing furnace with forced airflow, an advanced CNC grinder and two state-of-the-art, highly effective new-generation CNC machining centres, which will become a part of the Company's backbone machining capacities.

The assembly Workstation in the new hall, which was completely transformed into a linear system,

also underwent substantial development. The Company purchased several new automated test benches. The Company develops and implements in-house automated and assembly lines, which will fully meet the specific conditions of the Company's assembly.

The building of the former prototype workshop was also reconstructed. It was here, in the most favourable location in terms of logistics and external transport accessibility, that we launched a separate service centre including a new paint shop with a paint and drying booth.

As part of the grant programme POTENTIAL VI - Expansion of the research-innovation capacity of DAKO-CZ, a.s., which began in 2019, the Company purchased the DEWETRON measuring control panel system, advanced PCB design software and a dedicated CNC milling centre for the Company's development workstations in 2020. The project will continue with the next phase in 2021.

A separate chapter of the Company's investments is the preparation of the DAKO Academy project for increasing the qualification of the employees, with an initial focus on the training of workers in the machining and assembly stations. The project includes not only the reconstruction of the training premises themselves, but also the acquisition of four CNC training machines, including training software. This environment simulates a real workplace and the control of production machines. Other areas include premises simulating certain assembly workstations, which will be developed further.

This year again, the Company made significant investments in the modernisation of the



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Company's information systems, infrastructure, security features (both physical and cyber ones), and additional strengthening of safety and the control of access and movement of persons in the Company's premises.

In 2020, several events related to the reconstruction of buildings and offices took place. Some of the most important reconstructions included roof renovation in production plants. The construction of additional parking places for employees and visitors was initiated, which reflects the ever-increasing number of employees.

## ENVIRONMENTAL AREA

Environmental protection is one of DAKO-CZ, a.s.'s priorities and represents a significant part of our corporate culture. As part of this approach, the Company implements its own measures in complete compliance with the rulings and recommendations of the relevant state administration authorities.

In the air protection division, the Company verified compliance with emission limits of the air-polluting stationary sources. The installed technology meets the requirements set by legislation.

External monitoring of drinking water, wastewater and groundwater is performed on a regular basis. The Company takes care to review the elimination of old environmental contamination. We meet the limits set by valid legislation. We are bound by effective legislation, which we follow, and fulfil the ISPOP reporting obligations within the legal deadlines.

During 2020, regular training courses took place in the area of environmental protection with respect to the handling of chemical and highly toxic substances, sorting of waste and secondary raw material, ADR training, first aid and rodent extermination in order to increase awareness of the high importance of this matter.

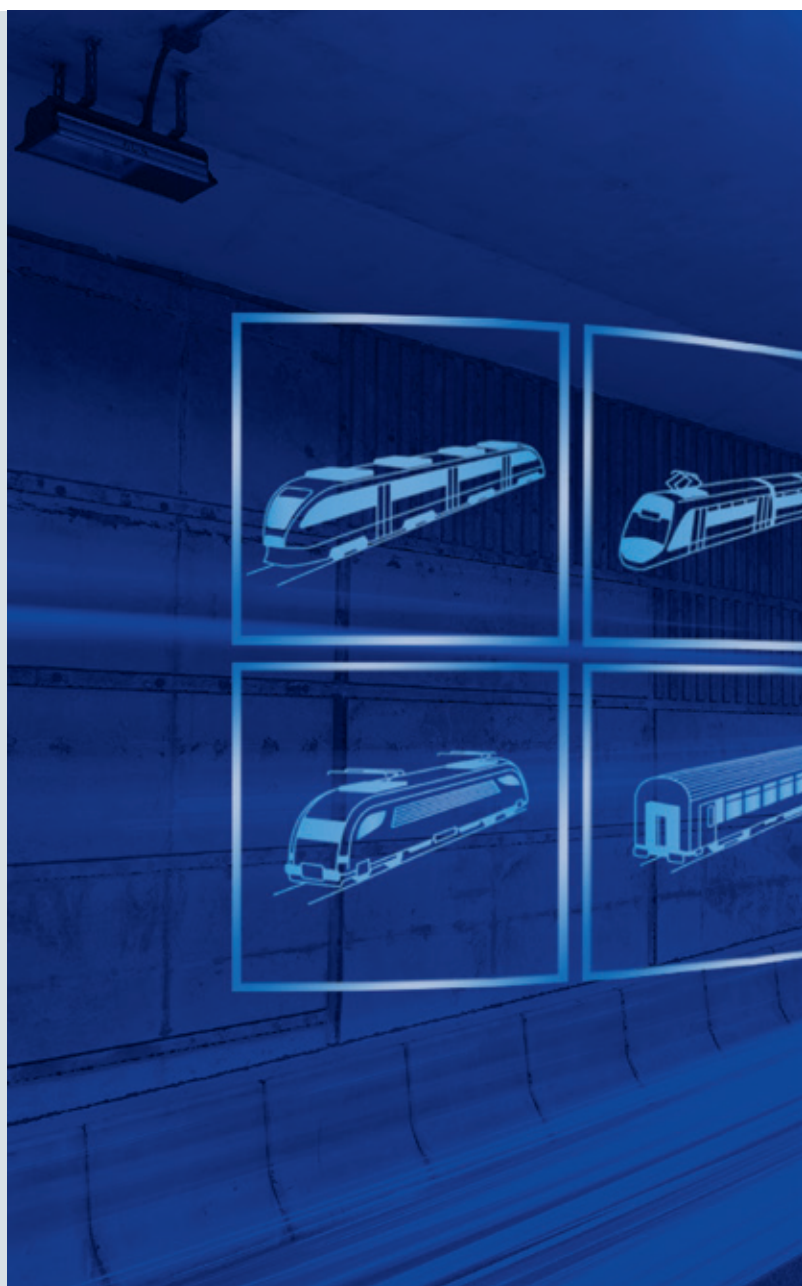
Beyond the current legislative framework, the Company is proactively addressing effective steps to limit the environmental impact of its business, with a special focus on the issue of carbon neutrality.

## LABOUR RELATIONS AND SOCIAL POLICY

DAKO-CZ, a.s. fully complies with the provisions of the Labour Code and related legislation as well as the valid collective agreement of the Company, including the expansion of the system of employee benefits. The Company continues to intensely develop its employees, improve the working environment and the corporate culture.

New processes in recruitment and employee adaptation were confirmed to be appropriate. Primarily, we concentrate on career growth within the Company and we focus on professional development of our core employees, whom we prefer over external applicants when staffing senior positions.

To strengthen recruitment activities, we created the DAKO Academy in 2020, which focuses on the training of new job applicants. The cooperation with secondary schools and universities continues to be successful and despite the pandemic, we





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manage to attract new graduates. Thanks to our established HR marketing strategy, we keep up with the latest trends. We strengthen employer branding on the job market through social media and by supporting various leisure activities of the current and potential employees.

By continuously improving its working conditions, the Company seeks to have satisfied employees and as a result, satisfied customers.

## BUSINESS PLAN

The current results prove that the Company is growing, developing, investing, attracting new customers and hiring new employees. Simply put, we believe the Company is going in the right direction and that it is on the right track.

Our business not only reflects the tradition and past successes but brings a positive understanding of what we do for our customers, employees, partners, the municipality and the surrounding community, making us a trustworthy, stable and transparent partner.

We have not diverted from this route even in 2020. We want to transfer our experience to the field of freight and passenger transport, also in cooperation with the technical capacities we are developing, both in terms of personnel and investment.

This is facilitated by the streamlining of development, production, logistic and control processes, leading to an increase in productivity and maintaining a controlled level of operating expenses. DAKO-CZ, a.s. continues in its long term trend to be a globally growing and

successful producer of brake systems and components for railway vehicles.

## SHARES

As of the balance sheet date, DAKO-CZ, a.s. has issued 187,740 ordinary registered shares in book-entry form in the nominal value of CZK 1,000. In 2020, no changes in the shareholder structure were made. The shares are not publicly tradable.

The Company is not aware of any contracts between shareholders that could complicate the transferability of shares and voting rights.

## BRANCHES ABROAD

DAKO-CZ, a.s. closed its subsidiary in China, which failed to meet the original business potential and overall expectations. However, our interest in creating production capacities in critical foreign territories remains the same and we will continue to strive in our efforts.

A positive trend in this area in 2020 has been the successful completion of the demanding certification process in our Indian subsidiary.

We believe it has a clear long-term potential for our specific production for demanding deployment conditions of our products not only in India but also nearby Asian and African countries.



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TO SAFETY ON RAILWAYS**  
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## PROPOSAL FOR PROFIT DISTRIBUTION

The Board of Directors proposes distributing the profit for 2020 as follows:

Profit for the 2020 reporting period	<b>CZK 237,077 thousand</b>
Total for distribution	<b>CZK 237,077 thousand</b>

**The Board of Directors proposes distributing the profit for 2020 as follows:**

a) transfer of CZK 237,077 thousand to accumulated profits

If we can say that in the demanding year 2020, DAKO-CZ, a.s. fulfilled its set goals and resolution as successfully and with honour as indicated by the assessment in this annual report, I dare say that it has all the prerequisites to continue on this journey, pushing its previous limits in development, technology, production and logistics.

**Dear shareholders, ladies and gentlemen, thank you for your attention and allow me to conclude by thanking all the employees of DAKO-CZ, a.s. for their work and the achieved economic results of the Company.**



# REPORT ON RELATED PARTY TRANSACTION FOR THE YEAR ENDED 31 DECEMBER 2020 DAKO-CZ, A.S.

REGISTERED OFFICE:  
JOSEFA DAŇKA 1956,  
538 43 TŘEMOŠNICE  
CORPORATE ID: 465 05 091

This report on related party transactions between the below entities was prepared pursuant to Section 82 of Act No. 90/2012 Coll., on Business Corporations and Cooperatives.

## ICONTROLLING ENTITIES

The Board of Directors of DAKO-CZ, a.s. is aware that in the period from 1 January 2020 to 31 December 2020, the Company was controlled by the following entities:

CZECHOSLOVAK GROUP a.s., with its seat: Pernerova 691/42, Karlín, 186 00 Prague 8, corporate ID 034 72 302, recorded on 13 October 2014 in the Register of Companies held by the Municipal Court in Prague, file no. B 20071.

The shareholder and controlling entity is Michal Strnad, Tyršova 816, Slatiňany 538 21.

TATRAVAGÓNKA a.s., with its seat: Štefánikova 887/53, Poprad 058 01, corporate ID 316 99 847, recorded on 29 November 1994 in the Register of Companies held by the District Court in Prešov, file no. 191/P.

The shareholders and controlling entities are:

Optifin Invest s.r.o., Rusovská cesta 1, Bratislava 851 01, corporate ID 35 735 457, with an equity investment and share in voting rights of 50.00%.

BUDAMAR LOGISTIC, a.s., Horárska 12, Bratislava 821 09, corporate ID 35 736 046, with an equity investment and share in voting rights of 50.00%.

The ultimate controlling entity of Optifin Invest s.r.o. is Michal Lazar, Strmý vršok 8173/173, Bratislava-Záhorská Bystrica 841 06, and Alexej Beljajev, Ľubovnianska 3195/4, Bratislava Petržalka 851 07.

The ultimate controlling entity of BUDAMAR LOGISTIC, a.s. is Kristen Mikkel Volmer Lind, Rotenbodenstrasse 65, 9497 Triesenberg, Liechtenstein.

## ENTITIES CONTROLLED BY THE CONTROLLED ENTITY

TRANSELCO CZ s.r.o., Corporate ID: 257 33 117, with its seat: Chrudimská 41, Dolní Bučice, 285 71 Vrdu, recorded in the Register of Companies held by the Municipal Court in Prague, File C, Insert 65291. Equity investment 100 %.

DAKO-CZ RE, s.r.o., Corporate ID: 087 41 000, with its seat: Josefa Daňka 1956, 538 43 Třemošnice, recorded in the Register of Companies held by the Regional Court in Hradec Králové, File C 44950. Equity investment 100 %.

DAKO-CZ SERVICE, s.r.o., Corporate ID: 092 43 348, with its seat: Josefa Daňka 1956, 538 43 Třemošnice, recorded in the Register of Companies held by the Regional Court in Hradec Králové, File C 45951. Equity investment 100 %.

The Company participates in the control of the joint venture JWL DAKO-CZ (INDIA) LIMITED with its seat: 11, SATYEN DUTTA ROAD KOLKATA West Bengal 700029 IN. Equity investment: 33 %.

## ROLE OF THE CONTROLLED ENTITY, METHOD AND MEANS OF CONTROL

DAKO-CZ, a.s. is a leading manufacturer of pneumatic, electromechanical and hydraulic brake systems for railway vehicles. The Company manufactures and supplies brake systems and components for freight vehicles and passenger coaches, suburban units, locomotives, trams and metro cars.

The Company is controlled via the general meeting, meetings of the Board of Directors and Supervisory Board of the Company, with the members of the Board of Directors and Supervisory Board including representatives of the controlling entity as well as the controlled entity.

## RELATED PARTIES

The Board of Directors of DAKO-CZ, a.s. is aware that as of 31 December 2020, CZECHOSLOVAK GROUP a.s., with its registered office at Pernerova 691/42, Karlín, 186 00 Prague 8, controls the following companies, with the exception of entities controlled by Mr Michal Strnad:

### ENTITIES CONTROLLED BY CZECHOSLOVAK GROUP A.S.

**14. OKTOBAR d.o.o Kruševac**, Corporate ID: 211 78 772, with its seat: Jasički put br. 2, Kruševac, Serbia;

**ARMY SYSTEMS a.s.**, Corporate ID: 061 35 013, with its seat: Na Poříčí 1071/17, Nové Město, 110 00 Prague 1, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert 22517;

**ARMY TRADE a.s.**, Corporate ID: 061 23 724, with its seat: Na Poříčí 1071/17, Nové Město, 110 00 Prague 1, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert 22516;

**ATLAN GROUP**, spol. s r.o., Corporate ID: 35 754 222, with its seat: Štúrova 925/27, 018 41 Dubnica nad Váhom, Slovakia, recorded in the Register of Companies held by the District Court in Trenčín, File No.: Sro 13718/R;

**ATRAK a.s.**, Corporate ID: 082 08 638, with its seat: Na Poříčí 1071/17, Nové Město, 110 00 Prague 1, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert 24436;

**AVIA Electric a.s.**, Corporate ID: 087 35 654, with its seat: Na poříčí 1071/17, Nové Město, 110 00 Prague 1, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert 24931;<sup>1</sup>

**AVIA Motors s.r.o.**, Corporate ID: 274 22 356, with its seat: Na Poříčí 1071/17, Nové Město, 110 00 Prague 1, recorded in the Register of Companies held by the Municipal Court in Prague, File C, Insert 112025;

**AVIEN**, spol. s.r.o., Corporate ID: 475 39 682, with its seat: Pernerova 691/42, Karlín, 186 00 Prague 8, recorded in the Register of Companies held by the Municipal Court in Prague, File C, Insert 19027;

**AVIRTA a.s.**, Corporate ID: 051 27 548, with its seat: Boleslavská třída 418/54, 288 02 Nymburk, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert 21585;<sup>2</sup>

**Car Star Fleet s.r.o.**, Corporate ID: 051 93 214, with its seat: Českobrodská 42, Dolní Počernice 190 12, Prague 9, recorded in the Register of Companies held by the Municipal Court in Prague, File C, Insert 259624;

**Car Star Immo s.r.o.**, Corporate ID: 043 33 543, with its seat: Českobrodská 42, Dolní Počernice, 190 12 Prague 9, recorded in the Register of Companies held by the Municipal Court in Prague, File C, Insert 246051;

**Car Star Praha s.r.o.**, Corporate ID: 051 98 305, with its seat: Českobrodská 42, Dolní Počernice, 190 12 Prague 9, recorded in the Register of Companies held by the Municipal Court in Prague, File C, Insert 259625;

**CE Ekoline s.r.o.**, Corporate ID: 043 90 121, with its seat: Sokolovská 675/9, Karlín, 186 00 Prague 8, recorded in the Register of Companies held by the Municipal Court in Prague, File C, Insert 242270;<sup>3</sup>

**Ceska letecka servisni d.o.o.**, OIB: 08991167713, with its seat: Jakova Gotovca 25, HR 10360 Sesvete, Croatia;

**CLS Polska SP z.o.o.**, KRS: 0000433767, with its seat: Królowej Marysienki 50A, 02-954 Warsaw;

**CS SOFT a.s.**, Corporate ID: 257 81 723, with its seat: K Letišti 1019/6, Ruzyně, 161 00 Prague 6, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert 15253;

**CSG a.s.**, Corporate ID: 095 88 817, with its seat: Na Poříčí 1017/17, Nové Město, 110 00 Prague 1, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert 25734;<sup>4</sup>

**CSG AEROSPACE a.s.**, Corporate ID: 033 12 208, with its seat: Pernerova 691/42, Karlín, 186 00 Prague 8, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert 19923;

**CSG DEFENCE a.s.**, Corporate ID: 073 33 528, with its seat: Na poříčí 1071/17, Nové Město, 110 00 Prague 1, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert 23675;

<sup>1</sup> Part of the group (fully consolidated) since 18 December 2020; previously associate

<sup>2</sup> Part of the group until 21 September 2020; change of name on 9 June 2020 (formerly TATRA a.s.)

<sup>3</sup> Part of the group until 30 June 2020; change of name on 10 July 2020 (formerly P F Support s.r.o.)

<sup>4</sup> Part of the group since 9 October 2020

**CSG EXPORT a.s.**, Corporate ID: 062 24 971, with its seat: Na poříčí 1071/17, Nové Město, 110 00 Prague 1, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert 22599; <sup>5</sup>

**CSG HEALTH CARE a.s.**, Corporate ID: 093 26 073, with its seat: Na poříčí 1071/17, Nové Město, 110 00 Prague 1, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert 25495; <sup>6</sup>

**CSG INDUSTRY a.s.**, Corporate ID: 060 15 689, with its seat: Na poříčí 1071/17, Nové Město, 110 00 Prague 1, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert 22298;

**CSG Land Systems CZ a.s.**, Corporate ID: 085 84 923, with its seat: Na poříčí 1071/17, Nové Město, 110 00 Prague 1, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert 24764; <sup>7</sup>

**CSG Land System SK a.s.**, Corporate ID: 52 830 381, with its seat: Štúrova 925/27, 018 41 Dubnica nad Váhom, Slovakia, recorded in the Register of Companies held by the District Court in Trenčín, File No.: Sa 10771/R8; <sup>8</sup>

**CSG RAIL a.s.**, Corporate ID: 089 50 181 with its seat: Na poříčí 1071/17, Nové Město, 110 00 Prague 1, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert 25126; <sup>9</sup>

**CSG RECOVERY s.r.o.**, Corporate ID: 095 79 036 with its seat: Na poříčí 1071/17, Nové Město, 110 00 Prague 1, recorded in the Register of Companies held by the Municipal Court in Prague, File C, Insert 338429; <sup>10</sup>

**CSG RDR a.s.**, Corporate ID: 062 88 898 with its seat: Na poříčí 1071/17, Nové Město, 110 00 Prague 1, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert 22708;

**CSG USA, INC.**, FN: 699 94 86 with its seat: 251 Little Falls Drive, 198 08 Wilmington, New Castle, Delaware, USA

**CSGM a.s.**, Corporate ID: 013 84 694, with its seat: Pernerova 691/42, Karlín, 186 00 Prague 8, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert 19596;

**CZECH DEFENCE SYSTEMS a.s.**, Corporate ID: 241 47 133, with its seat: náměstí 14. října 1307/2, Smíchov, 150 00 Prague 5, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert 17410;

**CZECHOSLOVAK EXPORT a.s.**, Corporate ID: 049 86 512, with its seat: Na Poříčí 1071/17, Nové Město, 110 00 Prague 1, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert B 21489;

**CZECHOSLOVAK GROUP a.s.**, Corporate ID: 034 72 302, with its seat: Pernerova 691/42, Karlín, 186 00 Prague 8, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert 20071;

**CZECHOSLOVAKIA TRADE s.r.o.**, Corporate ID: 50 018 175, with its seat: Štúrova 925/27, 018 41 Dubnica nad Váhom, Slovakia, recorded in the Register of Companies held by the District Court in Trenčín, File No.: Sa 10724/R;

**Česká letecká servisní a.s.**, Corporate ID: 251 01137, with its seat: Mladoboleslavská 1081, Kbely, 197 00 Prague 9, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert 4510;

**DAKO-CZ, a.s.**, Corporate ID: 465 05 091, with its seat: Josefa Daňka 1956, 538 43 Třemošnice, recorded in the Register of Companies held by the Regional Court in Hradec Králové, File B, Insert 668;

**DAKO-CZ RE, s.r.o.**, Corporate ID: 087 41 000, with its seat: Josefa Daňka 1956, 538 43 Třemošnice, recorded in the Register of Companies held by the Regional Court in Hradec Králové, File C, Insert 44950;

**DAKO-CZ SERVICE, s.r.o.**, Corporate ID: 092 43 348, with its seat: Josefa Daňka 1956, 538 43 Třemošnice, recorded in the Register of Companies held by the Regional Court in Hradec Králové, File C, Insert 45951; <sup>11</sup>

**DEAL SPV a.s.**, Corporate ID: 089 50 466, with its seat: Na Florenci 1332/23, Nové Město, 110 00 Prague 1, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert 25127; <sup>12</sup>

**DEFENCE EXPORT a.s.**, Corporate ID: 051 72 187, with its seat: Na Poříčí 1071/17, Nové Město, 110 00 Prague 1, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert 21668; <sup>13</sup>

<sup>5</sup> Part of the group since 13 February 2020

<sup>6</sup> Part of the group since 13 July 2020; change of name on 10 September 2020 (formerly NEW PROSPERITY a.s.)

<sup>7</sup> Change of name on 19 December 2020 (formerly CSG Land System CZ a.s.)

<sup>8</sup> Part of the group since 8 February 2020

<sup>9</sup> Part of the group since 13 February 2020

<sup>10</sup> Part of the group since 7 October 2020

<sup>11</sup> Part of the group since 11 June 2020

<sup>12</sup> Part of the group from 13 February 2020 until 5 October 2020

<sup>13</sup> Part of the group until 30 June 2020

**DEFENCE SYSTEMS a.s.**, Corporate ID: 073 33 544, with its seat: Na Poříčí 1071/17, Nové Město, 110 00 Prague 1, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert 23691;

**DPTU SUMBRO TRADE Dooel**, Corporate ID: 664 97 26, with its seat: Samokov bb, 6535 Samokov Makedonski Brod, Macedonia; <sup>14</sup>

**EHC service**, s.r.o., Corporate ID: 36 507 245, with its seat: Sibírska 2, Prešov 080 01, Slovakia, recorded in the Register of Companies held by the District Court in Prešov, File No.: Sro 16386/P;

**ELDIS Pardubice**, s.r.o., Corporate ID: 150 50 742, with its seat: Dělnická 469, Pardubičky, 533 01 Pardubice, recorded in the Register of Companies held by the Regional Court in Hradec Králové, File C, Insert 524;

**ELTON hodinářská a.s.**, Corporate ID: 259 31 474, with its seat: Náchodská 2105, 549 01 Nové Město nad Metují, recorded in the Register of Companies held by the Regional Court in Hradec Králové, File B, Insert 2007;

**ENGINEERING SPV a.s.**, Corporate ID: 069 26 827, with its seat: Na Poříčí 1071/17, Nové Město, 110 00 Prague 1, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert 23253;

**ESPA REAL s.r.o.**, in liquidation, Corporate ID: 259 60 806, with its seat: Průmyslová 393, Pardubice - Černá za Bory, 530 45 Pardubice, recorded in the Register of Companies held by the Regional Court in Hradec Králové, file C, Insert 17594;

**ENVERCOTE a.s.**, Corporate ID: 093 26 928, with its seat: Na poříčí 1071/17, Nové Město, 110 00 Prague 1, recorded in the Register of Companies held by the Municipal Court in Prague, File B, insert 25497; <sup>15</sup>

**EUROPEAN AIR SERVICES s.r.o.**, Corporate ID: 291 31 987, with its seat: Pernerova 691/42, Karlín, 186 00, Prague 8, recorded in the Register of Companies held by the Municipal Court in Prague, File C, Insert 202310;

**EUROPEAN AIR SERVICES SLOVAKIA s. r. o.**, Corporate ID: 52 014 673, with its seat: Košice 1094, 040 15, Košice - mestská časť Poľov, Slovakia, recorded in the Register of Companies held by the District Court in Košice, File No.: Sro 44919/V;

**EXCALIBUR ARMY spol. s r.o.**, Corporate ID: 645 73 877, with its seat: Prague 10 – Vršovice, Kodaňská 521/57, postal code 10100, recorded in the Register of Companies held by the Municipal Court in Prague, File C, Insert 41695;

**EXCALIBUR INTERNATIONAL a.s.**, Corporate ID: 292 89 688, with its seat: Sokolovská 675/9, Karlín, 186 00 Prague 8, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert 20148;

**EXCALIBUR INTERNATIONAL HU Kft.**, Reg. No.: 01-09-327774, with its seat: 1011 Budapest, Fő utca 14-18. PALA-HÁZ. lház. 3. em, Hungary;

**EXCALIBUR USA a.s.**, Corporate ID: 044 07 571, with its seat: Na Poříčí 1071/17, Nové Město, 110 00 Prague 1, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert 20938;

**FABRICA DE MUNICIONES DE GRANADA S.L.**, CIF: B88295209, with its seat: C/Ctra. Murcia, s/n, 181 82 El Fargue, Spain; <sup>16</sup>

**GERLENAIR a.s.**, Corporate ID: 093 26 791, with its seat: Na poříčí 1071/17, Nové Město, 110 00 Prague 1, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert 25496; <sup>17</sup>

**HELI COMPANY s.r.o.**, Corporate ID: 36 492 124, with its seat: Vranovská 72, Prešov 080 01, Slovakia, recorded in the Register of Companies held by the District Court in Prešov, File No.: Sro 14788/P;

**HTH land a.s.**, Corporate ID: 061 43 946, with its seat: Na Poříčí 1071/17, Nové Město, 110 00 Prague 1, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert 22493;

**Hyundai Centrum CB s.r.o.**, Corporate ID: 044 13 687, with its seat: U Staré trati 1733/5, 370 11 České Budějovice 2, recorded in the Register of Companies held by the Regional Court in České Budějovice, File C, Insert 26108;

**Hyundai Centrum Praha .s.r.o. Corporate ID: 291 27 289**, with its seat: Českobrodská 42, Dolní Počernice, 190 12, Prague 9, recorded in the Register of Companies held by the Municipal Court in Prague, File C, Insert 202215;

**Industry Defence**, s.r.o., Corporate ID: 50 926 748, with its seat: Štúrova 925/27, Dubnica nad Váhom 018 41, Slovakia, recorded in the Register of Companies held by the District Court in Trenčín, File No.: Sro 34828/R;

<sup>14</sup> Part of the group until 22 November 2020

<sup>15</sup> Part of the group since 13 July 2020

<sup>16</sup> Part of the group since 21 May 2020

<sup>17</sup> Part of the group since 13 July 2020



**INTEGRA CAPITAL a.s.**, Corporate ID: 275 28 103, with its seat: Pernerova 691/42, Karlín, 186 00 Prague 8, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert 21504;

**JOB AIR Technic, a.s.**, Corporate ID: 277 68 872, with its seat: Gen. Fajtla 370, 742 51 Mošnov, recorded in the Register of Companies held by the Regional Court in Ostrava, File B, Insert 3029;

**KARBOX Holding s.r.o.**, Corporate ID: 276 01 374, with its seat: Tovární 1553, 535 01, Přelouč, recorded in the Register of Companies held by the Regional Court in Hradec Králové, File C, Insert 23915;

**KARBOX s.r.o.**, Corporate ID: 260 02 370, with its seat: Tovární 1553, 535 01 Přelouč, recorded in the Register of Companies held by the Regional Court in Hradec Králové, File C, Insert 19384;

**LIAZ TRUCKS a.s.**, Corporate ID: 067 10 697, with its seat: Na Poříčí 1071/17, Nové Město, 110 00 Prague 1, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert 23100;

**LOSTR a.s.**, Corporate ID: 051 97 104, with its seat: Na Poříčí 1071/17, Nové Město, 110 00 Prague 1, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert 21657;

**MADE CS a.s.**, Corporate ID: 050 57 779, with its seat: Na Poříčí 1071/17, Nové Město, 110 00 Prague 1, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert 21533;

**MERIT SPV a.s.**, Corporate ID: 069 77 545, with its seat: Na Poříčí 1071/17, Nové Město, 110 00 Prague 1, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert 23278;

**Mostárna Industrial Park a.s.**, Corporate ID: 073 33 552, with its seat: Na poříčí 1071/17, Nové Město, 110 00 Prague 1, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert 23677;<sup>18</sup>

**MSM Banská Bystrica, a.s.**, Corporate ID: 44 739 630, with its seat: Štúrova 925/27, 018 41 Dubnica nad Váhom, Slovakia, recorded in the Register of Companies held by the District Court in Trenčín, File No.: Sa10742/R;

**MSM BUSINESS DEVELOPMENT s.r.o.**, Corporate ID: 52 283 241, with its seat: Štúrova 925/27, 018 41 Dubnica nad Váhom, Slovakia, recorded in the Register of Companies held by the District Court in Trenčín, File No.: Sro 37975/R;

**MSM GROUP s.r.o.**, Corporate ID: 46 553 509, with its seat: Štúrova 925/27, 018 41 Dubnica nad Váhom, Slovakia, recorded in the Register of Companies held by the District Court in Trenčín, File No.: Sro 31504/R;

**MSM holding, s.r.o.**, Corporate ID: 48 006 122, with its seat: Štúrova 925/27, 018 41 Dubnica nad Váhom, Slovakia, recorded in the Register of Companies held by the District Court in Trenčín, File No.: Sro 31197/R;

**MSM LAND SYSTEMS s.r.o.**, Corporate ID: 36 396 711, with its seat: Kasárenská 8, 911 05 Trenčín, Slovakia, recorded in the Register of Companies held by the District Court in Trenčín, File No.: Sro 34630/R;

**MSM Martin, s.r.o.**, Corporate ID: 36 422 991, with its seat: Štúrova 925/27, 018 41 Dubnica nad Váhom, Slovakia, recorded in the Register of Companies held by the District Court in Trenčín, File No.: Sro 30764/R;

**MSM Nováky a.s.**, Corporate ID: 35 820 322, with its seat: Duklianska 60, 972 71 Nováky, Slovakia, recorded in the Register of Companies held by the District Court in Trenčín, File No.: Sa 10564/R;

**MSM TATRA Special Vehicles, s.r.o.**, Corporate ID: 50 755 749, with its seat: Štúrova 925/27, 018 41 Dubnica nad Váhom, Slovakia, recorded in the Register of Companies held by the District Court in Trenčín, File No.: Sro 34330/R;

**New Space Technologies s.r.o.**, Corporate ID: 019 54 717, with its seat: Zerzavice 2146, 686 01, Staré Město, recorded in the Register of Companies held by the Regional Court in Brno, File C, Insert 96819;<sup>19</sup>

**NIKA Development a.s.**, Corporate ID: 275 28 910, with its seat: Na Poříčí 1071/17, Nové Město, 110 00 Prague 1, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert B 23310;

**PPS VEHICLES, s.r.o.**, Corporate ID: 36 032 646, with its seat: Tajovského 7, 962 12 Detva, Slovakia, recorded in the Register of Companies held by the District Court in Banská Bystrica, File No.: Sro 5603/S;

**PROGRESS SPV a.s.**, Corporate ID: 067 10 875, with its seat: Na Poříčí 1071/17, Nové Město, 110 00 Prague 1, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert 23102;

<sup>18</sup> SPart of the group until 15 December 2020; change of name on 9 June 2020 (formerly CSG RAIL a.s.)

<sup>19</sup> Part of the group until 31 August 2020

**RADIATIK a.s.**, Corporate ID: 027 51 402, with its seat: Na poříčí 1071/17, Nové Město, 110 00 Prague 1, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert 19664;<sup>20</sup>

**Real Info d.o.o. Kruševac**, Corporate ID: 208 77 529, with its seat: Jasički Put 2, 370 00 Kruševac, Serbia;

**REAL TRADE PRAHA a.s.**, Corporate ID: 256 42 740, with its seat: náměstí 14. října 1307/2, Smíchov, 150 00 Prague 5, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert 5185;

**RETIA**, a.s., Corporate ID: 252 51 929, with its seat: Pardubice – Zelené Předměstí, Pražská 341, 530 02, recorded in the Register of Companies held by the Regional Court in Hradec Králové, File B, Insert 1440;<sup>21</sup>

**ReDat Recording**, a.s., Corporate ID: 056 48 114, with its seat: Pražská 341, Zelené Předměstí, 530 02 Pardubice, recorded in the Register of Companies held by the Regional Court in Hradec Králové, File B, Insert 3523;<sup>22</sup>

**Rosco Bohemia a.s.**, Corporate ID: 041 82 626, with its seat: Na poříčí 1071/17, Nové Město, 110 00 Prague 1, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert 20739;<sup>23</sup>

**SBS ZVS**, s.r.o., Corporate ID: 36 306 070, with its seat: Štúrova 1, 018 41 Dubnica nad Váhom, Slovakia, recorded in the Register of Companies held by the District Court in Trenčín, File No.: Sro 11273/R;

**SHER Technologies a.s.**, Corporate ID: 275 28 171, with its seat: No. 101, 533 32 Čepí, recorded in the Register of Companies held by the Regional Court in Hradec Králové, File B, Insert 2669;

**Skyport a.s.**, Corporate ID: 078 80 383, with its seat: Laglerové 1075/4, Ruzyně, 161 00 Prague 6, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert 24188;<sup>24</sup>

**Skyport Catering s.r.o.**, Corporate ID: 036 80 835, with its seat: : Laglerové 1075/4, Ruzyně, 161 00 Prague 6, recorded in the Register of Companies held by the Municipal Court in Prague, File C, Insert 236200;<sup>25</sup>

**Skyport Holding a.s.**, Corporate ID: 278 80 176, with its seat: Laglerové 1075/4, 161 00 Prague 6, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert 11728;<sup>26</sup>

**Skyport RE a.s.**, Corporate ID: 053 32 923, with its seat: Laglerové 1075/4, Ruzyně, 161 00 Prague 6, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert 21782;<sup>27</sup>

**Slovak Aviation Factory s.r.o.**, Corporate ID: 50 885 201, with its seat: Štúrova 925/27, 018 41 Dubnica nad Váhom, Slovakia, recorded in the Register of Companies held by the District Court in Trenčín, File No.: Sro 34705/R;

**Slovak Training Academy**, s.r.o., Corporate ID: 47 055 952, with its seat: Štúrova 925/27, 018 41 Dubnica nad Váhom, Slovakia, recorded in the Register of Companies held by the District Court in Trenčín, File No.: Sro 30298/R;

**Space T a.s.**, Corporate ID: 086 55 600, with its seat: Na Poříčí 1071/17, Nové Město, 110 00 Prague 1, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert 24808;

**SPV REAL ESTATE a.s.**, Corporate ID: 068 12 716, with its seat: Na poříčí 1071/17, Nové Město, 110 00 Prague 1, recorded in the Register of Companies held by the Municipal Court in Prague, File B 23230;<sup>28</sup>

**SPVRTP CZ s.r.o.**, Corporate ID: 069 81 119, with its seat: Na poříčí 1071/17, Nové Město, 110 00 Prague 1, recorded in the Register of Companies held by the Municipal Court in Prague, File C, Insert 291189;

**STA TECHNOLOGY**, s.r.o., Corporate ID: 50 479 717, with its seat: Štúrova 925/27, 018 41 Dubnica nad Váhom, Slovakia, recorded in the Register of Companies held by the District Court in Trenčín, File No.: Sro 33646/R

**TABLON SPV a.s.**, Corporate ID: 089 50 504, with its seat: Na poříčí 1071/17, Nové Město, 110 00 Prague 1, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert 25128;<sup>29</sup>

**TATRA a.s.**, Corporate ID: 092 69 649, with its seat: Na poříčí 1071/17, Nové Město, 110 00 Prague 1, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert 25371;<sup>30</sup>

<sup>20</sup> DChange of name on 19 December 2020 – formerly ARS Europe a.s.

<sup>21</sup> Part of the group since 19 June 2020

<sup>22</sup> Part of the group since 19 June 2020

<sup>23</sup> Part of the group until 17 March 2020

<sup>24</sup> Part of the group until 27 December 2020; change of name on 1 July 2020 (formerly CSG a.s.)

<sup>25</sup> Part of the group until 27 December 2020;

<sup>26</sup> Part of the group until 21 December 2020; change of name on 1 July 2020 (formerly Skyport a.s.)

<sup>27</sup> Part of the group until 20 December 2020; change of name on 20 October 2020 (formerly DEFENCE TRADE a.s.)

<sup>28</sup> Part of the group until 31 March 2020

<sup>29</sup> Part of the group since 13 February 2020

<sup>30</sup> Part of the group since 22 June 2020

**TATRA AVIATION a.s.**, Corporate ID: 039 99 203, with its seat: Kodaňská 521/57, Vršovice, 101 00 Prague 10, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert 20535;

**TATRA DEFENCE SYSTEMS s.r.o.**, Corporate ID: 089 93 289, with its seat: Sokolovská 675/9, Karlín, 186 00 Prague 8, recorded in the Register of Companies held by the Municipal Court in Prague, File C, Insert 328828;<sup>31</sup>

**TATRA DEFENCE VEHICLE a.s.**, Corporate ID: 241 52 269, with its seat: Kodaňská 521/57, Vršovice, 101 00 Prague 10, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert 17463;

**TATRA Holdings s.r.o.**, Corporate ID: 273 88 913, with its seat: Klimentská 1216/46, 110 02 Prague 1, recorded in the Register of Companies held by the Municipal Court in Prague, File C, Insert 11820;

**TATRA MANUFACTURE a.s.**, Corporate ID: 051 27 394, with its seat: Na Poříčí 1071/17, Nové Město, 110 00 Prague 1, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert 21580;

**TECHNOLOGY CS a.s.**, Corporate ID: 057 74 888, with its seat: Na poříčí 1017/17, Nové Město, 110 00 Prague 1, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert 22200;<sup>32</sup>

**TECHPARK Hradubická a.s.**, Corporate ID: 275 19 546, with its seat: No. 101, 533 32 Čepí, recorded in the Register of Companies held by the Regional Court in Hradec Králové, File B, Insert 2620;

**TRADITION CS a.s.**, Corporate ID: 060 79 598, with its seat: Na Poříčí 1017/17, 110 00 Prague 1, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert 22466;

**TRANSELCO CZ, s.r.o.**, Corporate ID: 257 33 117, with its seat: U Vápenky 562, 538 43, Třemošnice, recorded in the Register of Companies held by the Municipal Court in Prague, File C, Insert 65291;

**TRIBLAN a.s.**, Corporate ID: 092 37 321, with its seat: Na poříčí 1071/17, Nové Město, 110 00 Prague 1, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert 25379;<sup>33</sup>

**TRUCK SERVICE GROUP s.r.o.**, Corporate ID: 601 10 759, with its seat: Tovární 1553, 535 01 Přelouč, recorded in the Register of Companies held by the Regional Court in Hradec Králové, File C, Insert 5438;<sup>34</sup>

**Vagonka Louny a.s.**, Corporate ID: 086 48 697, with its seat: Husova 402, 440 01 Louny, recorded in the Register of Companies held by the Regional Court in Ústí nad Labem, File B, Insert 2764;<sup>35</sup>

**MRWheels a.s.**, Corporate ID: 086 55 642, with its seat: Ruská 2929/101a, Vítkovice, 703 00 Ostrava, recorded in the Register of Companies held by the Regional Court in Ostrava, File B, Insert 11221;<sup>36</sup>

**Virte, a. s.**, Corporate ID: 35 917 491, with its seat: Štúrova 925/27, 018 41 Dubnica nad Váhom, Slovakia, recorded in the Register of Companies held by the District Court in Trenčín, File No.: Sa 10739/R;

**VÍTKOVICKÁ DOPRAVA a.s.**, Corporate ID: 259 09 339, with its seat: 1. máje 3302/102a, Moravská Ostrava, 703 00 Ostrava, recorded in the Register of Companies held by the Regional Court in Ostrava, File B, Insert 2595;

**VMT Trade s.r.o.**, Corporate ID: 50 927 477, with its seat: Štúrova 925/27, 018 41 Dubnica nad Váhom, Slovakia, recorded in the Register of Companies held by the District Court in Trenčín, File No.: Sro 40688/R;

**VÝVOJ Martin, a.s.**, Corporate ID: 36 381 829, with its seat: Komenského 19, 036 01 Martin, Slovakia, recorded in the Register of Companies held by the District Court in Žilina, File No.: Sa 10119/L;

**Whare factory, s.r.o.**, Corporate ID: 027 00 042, with its seat: Českobrodská 42, Dolní Počernice, 190 12 Prague 9, recorded in the Register of Companies held by the Municipal Court in Prague, File C, Insert 222555;

**ZVS Ammunition, a.s.**, Corporate ID: 50 704 575, with its seat: Štúrova 925/27, 018 41 Dubnica nad Váhom, Slovakia, recorded in the Register of Companies held by the District Court in Trenčín, File No.: Sa 10719/R;

**ZVS holding, a.s.**, Corporate ID: 36 305 600, with its seat: Štúrova 925/27, 018 41 Dubnica nad Váhom, Slovakia, recorded in the Register of Companies held by the District Court in Trenčín, File No.: Sa 10152/R;

**ZVS IMPEX, akciová spoločnosť**, Corporate ID: 36 302 848, with its seat: Štúrova 925/27, 018 41 Dubnica nad Váhom, Slovakia, recorded in the Register of Companies held by the District Court in Trenčín, File No.: Sa 10104/R; and

<sup>31</sup> *SPart of the group since 3 March 2020*

<sup>32</sup> *Part of the group since 19 June 2020*

<sup>33</sup> *Part of the group since 10 June 2020*

<sup>34</sup> *Part of the group since 13 March 2020*

<sup>35</sup> *Part of the group until 9 December 2020*

<sup>36</sup> *Part of the group until 27 February 2020; change of name on 23 April 2020 (formerly VALUE SPV a.s.)*

**ZVS-Armory**, s.r.o., Corporate ID: 46 100 466, with its seat: Priemyselná 7, 971 01 Prievidza, Slovakia, recorded in the Register of Companies held by the District Court in Trenčín, File No.: Sro 32061/R.

## ENTITIES THE ULTIMATE CONTROLLING PERSON OF WHICH IS MICHAL STRNAD

**ABLESTAR a.s.**, Corporate ID: 092 37 488, with its seat: Na poříčí 1071/17, Nové Město, 110 00 Prague 1, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert 25381; <sup>37</sup>

**ACCENT SPV a.s.**, Corporate ID: 089 50 041, with its seat: Na poříčí 1071/17, Nové Město, 110 00 Prague 1, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert 25125; <sup>38</sup>

**ARMY SPV a.s.**, Corporate ID: 068 61 202, with its seat: Na Poříčí 1071/17, Nové Město, 110 00 Prague 1, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert 23219;

**ASSET SPV a.s.**, Corporate ID: 069 79 505, with its seat: Na Poříčí 1071/17, Nové Město, 110 00 Prague 1, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert 23337;

**CASERMANIX s.r.o.**, Corporate ID: 016 18 377, with its seat: Na Poříčí 1071/17, Nové Město, 110 00 Prague 1, recorded in the Register of Companies held by the Municipal Court in Prague, File C, Insert 209337;

**Cognus Solutions**, s.r.o., Corporate ID: 028 45 474, with its seat: Na Poříčí 1071/17, Nové Město, 110 00 Prague 1, recorded in the Register of Companies held by the Municipal Court in Prague, File C, Insert 224442;

**CGS AUTOMOTIVE a.s.**, Corporate ID: 078 80 316, with its seat: Na Poříčí 1071/17, Nové Město, 110 00 Prague 1, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert 24189;

**DEFENCE SPV a.s.**, Corporate ID: 068 61 318, with its seat: Na Poříčí 1071/17, Nové Město, 110 00 Prague 1, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert 23220;

**DEVELOP SPV a.s.**, Corporate ID: 065 94 786, with its seat: Na Poříčí 1071/17, Nové Město, 110 00 Prague 1, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert 22989;

**HELA GROUP s.r.o.**, Corporate ID: 242 56 382, with its seat: Na Poříčí 1071/17, Nové Město, 110 00 Prague 1, recorded in the Register of Companies held by the Municipal Court in Prague, File C, Insert 197399;

**INDUSTRY INNOVATION a.s.**, Corporate ID: 017 71 892, with its seat: Na Poříčí 1071/17, Nové Město, 110 00 Prague 1, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert 19432;

**INDUSTRY SPV a.s.**, Corporate ID: 061 85 878, with its seat: Na Poříčí 1071/17, Nové Město, 110 00 Prague 1, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert 22602;

**INDUSTRYIN a.s.**, Corporate ID: 055 95 240, with its seat: Na Poříčí 1071/17, Nové Město, 110 00 Prague 1, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert 21960;

**INNOVATION CS a.s.**, Corporate ID: 018 52 515, with its seat: Na Poříčí 1071/17, Nové Město, 110 00 Prague 1, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert 22092;

**KOVOSVIT MAS Foundry**, a.s., Corporate ID: 069 78 347, with its seat: náměstí Tomáše Bati 419, 391 02 Sezimovo Ústí, recorded in the Register of Companies held by the Regional Court in České Budějovice, File B, Insert 2407; <sup>39</sup>

**KOVOSVIT MAS Machine Tools**, a.s., Corporate ID: 073 33 536, with its seat: náměstí Tomáše Bati 419, 391 02 Sezimovo Ústí, recorded in the Register of Companies held by the Regional Court in České Budějovice, File B, Insert 2406; <sup>40</sup>

**KOVOSVIT MAS Management**, a.s., Corporate ID: 073 98 778, with its seat: náměstí Tomáše Bati 419, 391 02 Sezimovo Ústí, recorded in the Register of Companies held by the Regional Court in České Budějovice, File B, Insert 2408; <sup>41</sup>

**PROJECT SPV a.s.**, Corporate ID: 061 85 771, with its seat: Na Poříčí 1071/17, Nové Město, 110 00 Prague 1, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert 22601;

<sup>37</sup> Part of the structure since 10 June 2020

<sup>38</sup> Part of the structure since 13 February 2020

<sup>39</sup> Part of the structure until 1 October 2020

<sup>40</sup> Part of the structure until 1 October 2020

<sup>41</sup> Part of the structure until 1 October 2020

**Skyport a.s.**, Corporate ID: 078 80 383, with its seat: Laglerové 1075/4, Ruzyně, 161 00 Praha 6, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert 24188; <sup>42</sup>

**Skyport s.r.o.**, Corporate ID: 313 73 844, with its seat: Letisko M. R. Štefánika, 820 01 Bratislava, Slovakia, recorded in the Register of Companies held by the District Court in Bratislava I., File No.: Sro 7125/B;

**Skyport Catering s.r.o.**, Corporate ID: 036 80 835, with its seat Laglerové 1075/4, Ruzyně, 161 00 Prague 6, recorded in the Register of Companies held by the Municipal Court in Prague, File C, Insert 236200; <sup>43</sup>

**Skyport Holding a.s.**, Corporate ID: 278 80 176, with its seat: Laglerové 1075/4, Ruzyně, 161 00 Prague 6, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert 11728; <sup>44</sup>

**Skyport RE a.s.**, Corporate ID: 053 32 923, with its seat: Laglerové 1075/4, Ruzyně, 161 00 Prague 6, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert 21782; <sup>45</sup>

**SKYPORT GROUP (UK) PLC**, with its seat: Lion House Red Lion Street, London WC1R 4BG

**SYNERGY CS a.s.**, Corporate ID: 060 72 585, with its seat: Na Poříčí 1071/17, Nové Město, 110 00 Prague 1, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert 22465;

**TESLA CS a.s.**, Corporate ID: 068 61 041, with its seat: Na Poříčí 1071/17, Nové Město, 110 00 Prague 1, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert 23216;

**TESLA RADARS a.s.**, Corporate ID: 068 61 083, with its seat: Na Poříčí 1071/17, Nové Město, 110 00 Prague 1, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert 23217; and

**VEHICLE SPV a.s.**, Corporate ID: 065 94 794, with its seat: Na Poříčí 1071/17, Nové Město, 110 00 Prague 1, recorded in the Register of Companies held by the Municipal Court in Prague, File B, Insert 22988

## RELATION BETWEEN DAKO-CZ, A.S. AND TATRAVAGÓNKA A.S.

The following contracts were concluded between the companies:

- Master contract on the sale of products and goods.

Business relations were carried out under arm's length conditions of the time and place that would otherwise exist between independent entities, and DAKO-CZ, a.s. incurred no detriment by concluding the contracts.

## RELATION BETWEEN DAKO-CZ, A.S. AND CZECHOSLOVAK GROUP A.S.

The following contract was concluded between the companies:

- Contract on the assignment of receivables.

The contract was concluded under arm's length conditions of the time and place, and DAKO-CZ, a.s. incurred no detriment by concluding the contract.

Business relations were carried out under arm's length conditions of the time and place that would otherwise exist between independent entities, and DAKO-CZ, a.s. incurred no detriment by concluding the contracts.

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<sup>42</sup> Part of the structure since 28 December 2020

<sup>43</sup> Part of the structure since 28 December 2020

<sup>44</sup> Part of the structure since 21 December 2020

<sup>45</sup> Part of the structure since 21 December 2020

## LIST OF ACTS MADE IN 2020 AT THE INCENTIVE OR IN THE INTEREST OF THE CONTROLLING ENTITY OR ENTITIES CONTROLLED BY IT, IN CASE SUCH ACTS RELATED TO ASSETS EXCEEDING 10 % OF THE CONTROLLED ENTITY'S EQUITY ACCORDING TO THE MOST RECENT SET OF FINANCIAL STATEMENTS

A list of acts made between related parties as part of regular business activities is included in the Notes to the Financial Statements for the Year Ended 31 December 2020.

## OTHER MEASURES ADOPTED IN THE INTEREST OR AT THE INITIATIVE OF RELATED PARTIES

No measures in favour of related parties were adopted in the reporting period in the interest or at the initiative of related parties.

## ASSESSMENT OF ADVANTAGES AND DISADVANTAGES ARISING FROM RELATIONS BETWEEN RELATED PARTIES

Generally, it can be stated that the relations between related parties principally lead to advantages. They primarily include:

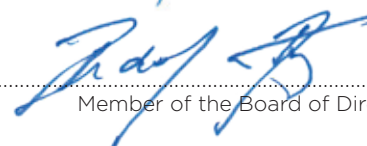
- The use of synergies within the group, especially in the area of purchasing, marketing – promotion, use of solutions prepared in several group companies; and
- Provision of services in the area of management, data processing/IT, HR, training, investment, controlling and finance.

The Board of Directors is not aware of any significant disadvantages or risks arising from the above relations.

In Třemošnice on 30. March 2021



.....  
Chairman of the Board of Directors



.....  
Member of the Board of Directors

# 205

**DAKO-CZ 1816-2021**

**2021**

We are here **205** years together with you!

**2020**

opening of a service center and completion of the construction of a new production hall, homologation of anti-skid sets according to UIC and second place in the competition Company of the Year

**2019**

year when the company first exceeded the turnover of one billion CZK

**2013**

start of cooperation with Stadler Rail Group - the first deliveries of brake systems for Łódź project

**2004**

start of cooperation with Siemens, the first deliveries of brake components for metro Oslo

**2002**

creation of a separate company DAKO-CZ, Inc. and renewal of the international homologation of the DAKO brake system - CVInD switchboard

**1967**

naming of the Třemošnice plant at DAKO

**1816**

foundation of the ironworks by Josef Zvěřina

**1956**

international approval of the brake system according to UIC DAKO - switchboards CV, CV1, CVID

**1957**

DAKO business mark, **DAKO = DANěk + KO**volis



Deloitte Audit s.r.o.  
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Registered by the Municipal Court  
in Prague, Section C, File 24349  
ID. No.: 49620592  
Tax ID. No.: CZ49620592

## INDEPENDENT AUDITOR'S REPORT To the Shareholders of DAKO-CZ, a.s.

Having its registered office at: Josefa Daňka 1956, 538 43 Třemošnice

### Opinion

We have audited the accompanying financial statements of DAKO-CZ, a.s. (hereinafter also the "Company") prepared on the basis of accounting regulations applicable in the Czech Republic, which comprise the balance sheet as of 31 December 2020, and the profit and loss account, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of DAKO-CZ, a.s. as of 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with accounting regulations applicable in the Czech Republic.

### Basis for Opinion

We conducted our audit in accordance with the Act on Auditors and Auditing Standards of the Chamber of Auditors of the Czech Republic, which are International Standards on Auditing (ISAs), as amended by the related application guidelines. Our responsibilities under this law and regulation are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information in the Annual Report

In compliance with Section 2(b) of the Act on Auditors, the other information comprises the information included in the Annual Report other than the financial statements and auditor's report thereon. The Board of Directors is responsible for the other information.

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 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. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with applicable law or regulation, in particular, whether the other information complies with law or regulation in terms of formal requirements and procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with these requirements could influence judgments made on the basis of the other information.

Based on the procedures performed, to the extent we are able to assess it, we report that:

- The other information describing the facts that are also presented in the financial statements is, in all material respects, consistent with the financial statements; and
- The other information is prepared in compliance with applicable law or regulation.

In addition, our responsibility is to report, based on the knowledge and understanding of the Company obtained in the audit, on whether the other information contains any material misstatement of fact. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement of fact.

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#### Responsibilities of the Company's Board of Directors and Supervisory Board for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with accounting regulations applicable in the Czech Republic and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Supervisory Board is responsible for overseeing the Company's financial reporting process.

#### 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 the above law or regulation, 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 the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 Board of Directors and the Supervisory Board 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.

In Ostrava on 30 April 2021

Audit firm:

Deloitte Audit s.r.o.  
registration no. 079

Statutory auditor:

Vratislav Moša  
registration no. 2330

# FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 DAKO-CZ, A.S



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Lukáš Andryšek  
Chairman of the Board of Directors



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Rudolf Bureš  
Member of the Board of Directors

		31.12.2020			31.12.2019
		Gross	Adjustment	Net	Net
<b>BALANCE SHEET</b>		<b>DAKO-CZ, a.s.</b>			
<b>full version</b>		<b>Corporate ID 465 05 091</b>			
As of		Josefa Daňka 1956			
31.12.2020		538 43 Třemošnice			
(in CZK thousand)					
	<b>TOTAL ASSETS</b>	<b>1 745 208</b>	<b>533 656</b>	<b>1 211 552</b>	<b>1 044 955</b>
<b>B.</b>	<b>Fixed assets</b>	<b>1 029 188</b>	<b>476 444</b>	<b>552 744</b>	<b>459 967</b>
<i>B.I.</i>	<i>Intangible fixed assets</i>	<b>46 602</b>	<b>32 600</b>	<b>14 002</b>	<b>13 965</b>
<i>B.I.2.</i>	<i>Valuable rights</i>	<b>41 503</b>	<b>32 600</b>	<b>8 903</b>	<b>8 605</b>
<i>B.I.2.1.</i>	Software	34 917	28 853	6 064	5 151
<i>B.I.2.2.</i>	Other valuable rights	6 586	3 747	2 839	3 454
<i>B.I.5.</i>	<i>Prepayments for intangible fixed assets and intangible fixed assets under construction</i>	<b>5 099</b>		<b>5 099</b>	<b>5 360</b>
<i>B.I.5.2.</i>	Intangible fixed assets under construction	5 099		5 099	5 360
<i>B.II.</i>	<i>Tangible fixed assets</i>	<b>938 427</b>	<b>443 844</b>	<b>494 583</b>	<b>392 119</b>
<i>B.II.1.</i>	<i>Land and structures</i>	<b>347 702</b>	<b>116 868</b>	<b>230 834</b>	<b>167 097</b>
<i>B.II.1.1.</i>	Land	2 310		2 310	2 310
<i>B.II.1.2.</i>	Structures	345 392	116 868	228 524	164 787
<i>B.II.2.</i>	sets of tangible movable assets	434 081	252 527	181 554	154 591
<i>B.II.4.</i>	<i>Other tangible fixed assets</i>	<b>118 467</b>	<b>74 449</b>	<b>44 018</b>	<b>41 434</b>
<i>B.II.4.3.</i>	Other tangible fixed assets	118 467	74 449	44 018	41 434
<i>B.II.5.</i>	<i>Prepayments for tangible fixed assets and tangible fixed assets under construction</i>	<b>38 177</b>		<b>38 177</b>	<b>28 997</b>
<i>B.II.5.1.</i>	Prepayments for tangible fixed assets	19 429		19 429	925
<i>B.II.5.2.</i>	Tangible fixed assets under construction	18 748		18 748	28 072
<i>B.III.</i>	<i>Non-current financial assets</i>	<b>44 159</b>		<b>44 159</b>	<b>53 883</b>
<i>B.III.1.</i>	Equity investments - controlled or controlling entity	44 139		44 139	53 863
<i>B.III.5.</i>	Other non-current securities and investments	20		20	20
<b>C.</b>	<b>Current assets</b>	<b>703 171</b>	<b>57 212</b>	<b>645 959</b>	<b>572 490</b>
<i>C.I.</i>	<i>Inventories</i>	<b>377 059</b>	<b>27 075</b>	<b>349 984</b>	<b>261 759</b>
<i>C.I.1.</i>	Material	120 826	10 505	110 321	70 473
<i>C.I.2.</i>	Work in progress and semifinished goods	169 923	6 072	163 851	128 605
<i>C.I.3.</i>	<i>Products and goods</i>	<b>85 456</b>	<b>10 498</b>	<b>74 958</b>	<b>62 081</b>
<i>C.I.3.1.</i>	Products	67 150	8 602	58 548	49 395
<i>C.I.3.2.</i>	Goods	18 306	1 896	16 410	12 686
<i>C.I.5.</i>	Prepayments for inventories	854		854	600
<i>C.II.</i>	<i>Receivables</i>	<b>284 343</b>	<b>30 137</b>	<b>254 206</b>	<b>251 897</b>
<i>C.II.1.</i>	Long-term receivables				<b>1 408</b>
<i>C.II.1.1.</i>	Trade receivables				945
<i>C.II.1.5.</i>	<i>Receivables - other</i>				<b>463</b>
<i>C.II.1.5.4.</i>	Sundry receivables				463
<i>C.II.2.</i>	<i>Short-term receivables</i>	<b>284 343</b>	<b>30 137</b>	<b>254 206</b>	<b>250 489</b>
<i>C.II.2.1.</i>	Trade receivables	259 030	30 137	228 893	198 723
<i>C.II.2.2.</i>	Receivables - controlled or controlling entity	8 147		8 147	32 771
<i>C.II.2.4.</i>	<i>Receivables - other</i>	<b>17 166</b>		<b>17 166</b>	<b>18 995</b>
<i>C.II.2.4.3.</i>	State - tax receivables	15 575		15 575	12 281
<i>C.II.2.4.4.</i>	Short-term prepayments made	1 282		1 282	443
<i>C.II.2.4.6.</i>	Sundry receivables	309		309	6 271
<i>C.IV.</i>	<i>Cash</i>	<b>41 769</b>		<b>41 769</b>	<b>58 834</b>
<i>C.IV.1.</i>	Cash on hand	126		126	98
<i>C.IV.2.</i>	Cash at bank	41 643		41 643	58 736
<b>D.</b>	<b>Other assets</b>	<b>12 849</b>		<b>12 849</b>	<b>12 498</b>
<i>D.1.</i>	Deferred expenses	12 594		12 594	12 498
<i>D.3.</i>	Accrued income	255		255	

		31.12.2020	31.12.2019
	<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>1 211 552</b>	<b>1 044 955</b>
<b>A.</b>	<b>Equity</b>	<b>684 506</b>	<b>547 429</b>
A.I.	<i>Share capital</i>	187 740	187 740
A.I.1.	Share capital	187 740	187 740
A.III.	<i>Funds from profit</i>	<b>35 661</b>	<b>35 661</b>
A.III.1.	Other reserve funds	35 661	35 661
A.IV.	<i>Retained earnings (+/-)</i>	<b>224 028</b>	<b>188 942</b>
A.IV.1.	Accumulated profits or losses brought forward (+/-)	224 028	188 942
A.V.	<i>Profit or loss for the current period (+/-)</i>	<b>237 077</b>	<b>135 086</b>
<b>B.+C.</b>	<b>Liabilities</b>	<b>526 133</b>	<b>495 981</b>
<b>B.</b>	<b>Reserves</b>	<b>59 487</b>	<b>59 185</b>
B.II.	Income tax reserve	24 085	16 029
B.IV.	Other reserves	35 402	43 156
<b>C.</b>	<b>Payables</b>	<b>466 646</b>	<b>436 796</b>
C.I.	<i>Long-term payables</i>	<b>98 277</b>	<b>51 220</b>
C.I.2.	Payables to credit institutions	78 954	36 226
C.I.8.	Deferred tax liability	19 323	14 994
C.II.	<i>Short-term payables</i>	<b>368 369</b>	<b>385 576</b>
C.II.2.	Payables to credit institutions	195 590	209 025
C.II.3.	Short-term prepayments received	843	11 282
C.II.4.	Trade payables	148 186	132 595
C.II.8.	<i>Other payables</i>	<b>23 750</b>	<b>32 674</b>
C.II.8.3.	Payables to employees	13 496	12 732
C.II.8.4.	Social security and health insurance payables	7 604	7 907
C.II.8.5.	State - tax payables and subsidies	2 271	3 537
C.II.8.6.	Estimated payables	80	8 155
C.II.8.7.	Sundry payables	299	343
<b>D.</b>	<b>Other liabilities</b>	<b>913</b>	<b>1 545</b>
D.1.	Accrued expenses	913	1 518
D.2.	Deferred income		27

<b>PROFIT AND LOSS ACCOUNT</b> structured by the nature of expense method		DAKO-CZ, a.s. Corporate ID 465 05 091	
Year ended 31.12.2020 (in CZK thousand)		Josefa Daňka 1956 538 43 Třemošnice	
		Year ended 31.12.2020	Year ended 31.12.2019
I.	Sales of products and services	1 042 947	985 795
II.	Sales of goods	225 753	158 256
A.	Purchased consumables and services	<b>717 301</b>	<b>675 470</b>
A.1.	Costs of goods sold	175 562	120 428
A.2.	Consumed material and energy	365 801	361 786
A.3.	Services	175 938	193 256
B.	Change in internally produced inventory (+/-)	-46 663	-20 292
C.	Own work capitalised (-)	-16 101	-14 856
D.	Staff costs	<b>317 339</b>	<b>290 629</b>
D.1.	Payroll costs	235 291	215 487
D.2.	Social security and health insurance costs and other charges	<b>82 048</b>	<b>75 142</b>
D.2.1.	Social security and health insurance costs	76 041	70 119
D.2.2.	Other charges	6 007	5 023
E.	Adjustments to values in operating activities	<b>36 019</b>	<b>26 338</b>
E.1.	Adjustments to values of intangible and tangible fixed assets	<b>33 510</b>	<b>31 969</b>
E.1.1.	Adjustments to values of intangible and tangible fixed assets - permanent	33 510	29 990
E.1.2.	Adjustments to values of intangible and tangible fixed assets - temporary		1 979
E.2.	Adjustments to values of inventories	1 509	-6 831
E.3.	Adjustments to values of receivables	1 000	1 200
III.	Other operating income	<b>9 841</b>	<b>39 336</b>
III.1.	Sales of fixed assets	810	1 542
III.2.	Sales of material	3 477	5 363
III.3.	Sundry operating income	5 554	32 431
F.	Other operating expenses	<b>52 304</b>	<b>66 743</b>
F.1.	Net book value of sold fixed assets	1 201	674
F.2.	Material sold	274	2 582
F.3.	Taxes and charges	794	1 170
F.4.	Reserves relating to operating activities and complex deferred expenses	-7 755	27 594
F.5.	Sundry operating expenses	57 790	34 723
*	<b>Operating profit or loss (+/-)</b>	<b>218 342</b>	<b>159 355</b>
IV.	Income from non-current financial assets - equity investments	87 583	
IV.1.	Income from equity investments - controlled or controlling entity	87 583	
G.	Costs of equity investments sold	10 756	
VI.	Interest income and similar income	<b>4 692</b>	<b>2 893</b>
VI.1.	Interest income and similar income - controlled or controlling entity	4 680	2 853
VI.2.	Other interest income and similar income	12	40
I.	Adjustments to values and reserves relating to financial activities	-827	827
J.	Interest expenses and similar expenses	<b>5 976</b>	<b>4 372</b>
J.1.	Interest expenses and similar expenses - controlled or controlling entity	24	4
J.2.	Other interest expenses and similar expenses	5 952	4 368
VII.	Other financial income	31 838	20 255
K.	Other financial expenses	34 981	10 051
*	<b>Financial profit or loss (+/-)</b>	<b>73 227</b>	<b>7 898</b>
**	<b>Profit or loss before tax (+/-)</b>	<b>291 569</b>	<b>167 253</b>
L.	Income tax	<b>54 492</b>	<b>32 167</b>
L.1.	Due income tax	50 163	35 372
L.2.	Deferred income tax (+/-)	4 329	-3 205
**	<b>Profit or loss net of tax (+/-)</b>	<b>237 077</b>	<b>135 086</b>
***	<b>Profit or loss for the current period (+/-)</b>	<b>237 077</b>	<b>135 086</b>
*	Net turnover for the current period	1 402 654	1 206 535

<b>STATEMENT OF CHANGES IN EQUITY</b>		<b>DAKO-CZ, a.s. Corporate ID 465 05 091</b>						
Year ended 31.12.2020 (in CZK thousand)		Josefa Daňka 1956 538 43 Třemošnice						
	Share capital	Capital funds	Funds from profit, reserve fund	Accumulated profits or losses brought forward	Other profit or loss from prior years	Profit share prepayments declared	Profit or loss for the current period	TOTAL EQUITY
<b>Balance at 31 December 2018</b>	187 740		35 661	175 079	-1 544		95 407	492 343
Distribution of profit or loss				13 863	1 544		-15 407	
Profit shares paid							-80 000	-80 000
Profit or loss for the current period							135 086	135 086
<b>Balance at 31 December 2019</b>	187 740		35 661	188 942			135 086	547 429
Distribution of profit or loss				35 086			-35 086	
Profit shares paid							-100 000	-100 000
Profit or loss for the current period							237 077	237 077
<b>Balance at 31 December 2020</b>	187 740		35 661	224 028			237 077	684 506

<b>CASH FLOW STATEMENT</b>		<b>DAKO-CZ, a.s.</b>	
Year ended 31.12.2020 (in CZK thousand)		Corporate ID 465 05 091  Josefa Daňka 1956 538 43 Třemošnice	
		Year ended 31.12.2020	Year ended 31.12.2019
<b>P.</b>	<b>Opening balance of cash and cash equivalents</b>	58 834	28 755
	<b>Opening balance of cash and cash equivalents after transformation</b>		
	<b><i>Cash flows from ordinary activities (operating activities)</i></b>		
Z.	Profit or loss before tax	291 569	167 253
A.1.	Adjustments for non-cash transactions	-15 060	29 035
A.1.1.	Depreciation of fixed assets	33 510	29 990
A.1.2.	Change in provisions and reserves	-5 245	6 901
A.1.3.	Profit/(loss) on the sale of fixed assets	391	-868
A.1.4.	Revenues from profit shares	-45 000	
A.1.5.	Interest expense and interest income	1 284	1 479
A.1.6.	Adjustments for other non-cash transactions		-8 467
<b>A.*</b>	<b>Net operating cash flow before changes in working capital</b>	<b>276 509</b>	<b>196 288</b>
A.2.	Change in working capital	-118 561	31 175
A.2.1.	Change in operating receivables and other assets	-29 531	12 769
A.2.2.	Change in operating payables and other liabilities	704	45 925
A.2.3.	Change in inventories	-89 734	-27 519
<b>A.**</b>	<b>Net cash flow from operations before tax</b>	<b>157 948</b>	<b>227 463</b>
A.3.	Interest paid	-5 976	-4 371
A.4.	Interest received	4 692	2 893
A.5.	Income tax paid from ordinary operations	-42 107	-32 844
A.6.	Received profit shares	45 000	
<b>A.***</b>	<b>Net operating cash flows</b>	<b>159 557</b>	<b>193 141</b>
	<b><i>Cash flows from investing activities</i></b>		
B.1.	Fixed assets expenditures	-132 596	-102 895
B.2.	Proceeds from fixed assets sold	810	1 542
B.3.	Loans and borrowings to related parties	25 871	-12 189
<b>B.***</b>	<b>Net investment cash flows</b>	<b>-105 915</b>	<b>-113 542</b>
	<b><i>Cash flow from financial activities</i></b>		
C.1.	Change in payables from financing	29 293	30 480
C.2.	Impact of changes in equity	-100 000	-80 000
C.2.6.	Profit shares/ dividends paid	-100 000	-80 000
<b>C.***</b>	<b>Net financial cash flows</b>	<b>-70 707</b>	<b>-49 520</b>
<b>F.</b>	<b>Net increase or decrease in cash and cash equivalents</b>	<b>-17 065</b>	<b>30 079</b>
<b>R.</b>	<b>Closing balance of cash and cash equivalents</b>	<b>41 769</b>	<b>58 834</b>

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 DAKO-CZ, A.S.



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Lukáš Andryšek  
Chairman of the Board of Directors



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Rudolf Bureš  
Member of the Board of Directors



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## 1 GENERAL INFORMATION

Financial amounts are stated in thousands of Czech crowns, unless specified otherwise.

**Balance sheet date:** 31 December 2020

**Date of preparation of the financial statements:** 30 April 2021

### 1.1 DESCRIPTION OF THE REPORTING ENTITY (HEREINAFTER THE “COMPANY”)

Name: DAKO-CZ, a.s.  
Corporate ID: 465 05 091  
Registered office: Josefa Daňka 1956, 538 43 Třemošnice  
Legal status: joint-stock company  
Date of incorporation: 5 May 1992 by registration in the Register of Companies maintained by the Regional Court in Hradec Králové under file no. 668, section B

### 1.2 2.PRIMARY BUSINESS ACTIVITIES:

- Machining;
- Production, trade and services not listed in Appendices 1 to 3 to the Trade Licencing Act;
- Operation of railway transportation on the railway siding “Vlečka DAKO, a.s.”;
- Installation, repair, review and tests of electric equipment;
- Locksmithing, tool-making;
- Tinsmithing, bodywork repair;
- Repairs of other vehicles and machines;
- Blacksmithing, farriering;
- Joinery, floor layering;
- Development, production, repair, modification, transportation, sale, lending, safekeeping and destruction of weapons;
- Installation, repair, review and tests of gas equipment; filling canisters with gas;
- Installation, repair, review and tests of pressure equipment and gas canisters;
- Activities of accounting consultants, bookkeeping, keeping of tax records.

### 1.3 3.ENTITIES HOLDING MORE THAN 20 % OF SHARE CAPITAL

**CZECHOSLOVAK GROUP a.s.**, Pernerova 691/42, Karlín, 186 00 Prague 8. The sole shareholder of this company is Michal Strnad, Tyršova 816, 538 21 Slatiňany. Equity investment of 51 %.

**TATRAVAGÓNKA a.s.**, Štefánikova 887/53, 058 01 Poprad. The shareholders of this company are Optifin Invest s.r.o., Rusovská cesta 1, Bratislava 851 01, and BUDAMAR LOGISTIC, a.s., Horárska 12, Bratislava 821 09. Equity investment of 49 %.

The consolidated financial statements of the widest group of companies that the Company is part of as a consolidated entity are prepared by CZECHOSLOVAK GROUP a.s. with its registered office at Pernerova 691/42, Karlín, 186 00 Prague 8. The consolidated financial statements are available in the registered office of the consolidating company.

## 1.4 CHANGE IN THE REGISTER OF COMPANIES

### OTHER EVENTS:

on 6 February 2020

Removed:

Spin-off plant:

1. Name of the spin-off plant: DAKO-CZ, a.s., odštěpný závod Louny.
2. Seat of the spin-off plant: Husova 402, 440 01 Louny.
3. Legal form: spin-off plant.
4. Business activities:
  - Inspection, checking and testing of specified technical equipment in operation.
  - Production, trade and services not included in Appendices 1 to 3 to the Trade Licencing Act.
  - Joinery, flooring.
  - Tinsmithery and vehicle bodies repair.
  - Forging, horseshoeing.
  - Manufacture, installation, repair of electrical machines and appliances, electronic and telecommunication equipment.
  - Machining.
  - Repair of other means of transport and work machineries.
  - Installation, repair, inspection and testing of gas equipment and filling of vessels with gas.
  - Installation, repair, inspection and testing of lifting equipment.
  - Installation, repair, inspection and testing of electrical equipment.
  - Installation, repair, inspection and testing of pressure equipment and gas vessels.
  - Locksmithery, tool-making.
5. Head of the spin-off plant: Vojtěch Vágner, born on 20 July 1986, address: Louny, Havlíčkova 2400.
6. Manner of representation: the head of the spin-off plant acts on its behalf on an individual basis.
7. Incorporator: DAKO-CZ, a.s., with its seat: Josefa Daňka 1956, 538 43 Třemošnice, Corporate ID 465 05 091, recorded in the Register of Companies held by the Regional Court in Hradec Králové, File B, Insert 668.

On 5 November 2019, DAKO-CZ, a.s., Corporate ID 465 05 091, as the seller, and Vagónka Louny, a.s. (now: Vagonka Louny a.s.), Corporate ID 086 48 697, as the buyer, concluded Agreement on the transfer of part of the plant, the spin-off plant of DAKO-CZ, a.s., odštěpný závod Louny.

## 1.5 MEMBERS OF STATUTORY AND SUPERVISORY BODIES AS OF THE BALANCE SHEET DATE

### STATUTORY BODY - BOARD OF DIRECTORS:

Chairwoman of the Board of Directors: Dagmar Matúšová

Member of the Board of Directors: Juraj Hudáč  
Lukáš Andryšek  
Alexej Beljajev  
Jaromír Štverák

### SUPERVISORY BOARD:

Chairman of the Supervisory Board: Michal Strnad

Member of the Supervisory Board: Miloš Čičmanec

## 1.6 ORGANISATIONAL STRUCTURE OF THE COMPANY

The joint-stock company has one organisational unit. It is headed by the general manager who leads specialised directors – heads of divisions (economic, business, R&D, technical, purchasing, logistics, production, HR and quality). The individual divisions are further divided into sections and plants, which are further divided into departments.

## 1.7 EQUITY INVESTMENTS IN SUBSIDIARIES

Business Name	Seat	Share
JWL DAKO-CZ (INDIA) LIMITED	11, SATYEN DUTTA ROAD KOLKATA West Bengal 700029 IN	33 %
DAKO-CZ RE, s.r.o.	Josefa Daňka 1956, 538 43 Třemošnice	100 %
TRANSELCO CZ s.r.o.	Chrudimská 41, Dolní Bučice, 285 71 Vrды	100 %
DAKO-CZ SERVICE, s.r.o.	Josefa Daňka 1956, 538 43 Třemošnice	100 %

## 1.8 EMPLOYEES, STAFF COSTS

	2020	2019
Average recalculated headcount	529	483
■ of which managers	9	5
Total staff costs	317 339	290 629
■ of which: salary costs	235 291	215 487
social security and health insurance	76 041	70 119
social costs	6 007	5 023
Use of staff costs for managers	16 470	13 536
■ of which: salary costs	12 547	10 584
social security and health insurance	3 923	2 952
Remuneration to members of bodies:	12 560	12 228
■ of which: statutory	12 560	12 228
supervisory	-	-

## 1.9 PROVIDED CASH OR OTHER PERFORMANCE

The Company provided no loans, borrowings or other supplies in cash or in kind to members of statutory, management or supervisory bodies.

In 2020 and 2019, the members of managing, controlling and administrative bodies received no advances, prepayments, borrowings, loans, guarantees or other advantages and they hold no shares/equity investments of the Company.

As of 31 December 2020, the Company recorded no pension payables to former members of managing, controlling and administrative bodies.

## 2 APPLIED ACCOUNTING POLICIES, GENERAL ACCOUNTING PRINCIPLES AND VALUATION METHODS

These financial statements were prepared in accordance with Accounting Act No. 563/1991 Coll., as amended (hereinafter the “Accounting Act”) and Regulation of the Ministry of Finance of the Czech Republic

No. 500/2002 Coll., which provides implementation guidance on certain provisions of the Accounting Act for reporting entities that are businesses maintaining double-entry accounting records, as amended (hereinafter the “Regulation”). Comparative data for 2019 is stated in line with the organisation and designation of balance sheet and profit and loss account items pursuant to the Regulation as valid for 2020.

The financial statements are prepared in compliance with the going concern assumption.

## 2.1 VALUATION OF AND ACCOUNTING FOR ASSETS AND INVENTORY

### 2.1.1 VALUATION OF AND ACCOUNTING FOR INVENTORY

Material is valued at acquisition cost. Acquisition costs include the purchase cost, customs fees, storage fees, transportation fees and transport costs for delivery to the production compound. Disposals of material are valued using the weighted arithmetic average method.

Work in progress and finished products are valued at own costs which include the cost of material, labour and proportionate part of production overhead cost based on the level of progress. Disposals of work in progress and finished products are valued using the weighted arithmetic average method.

Goods are valued at acquisition cost. Acquisition costs include the purchase cost, customs fees, storage fees, transportation fees and transport costs for delivery to the warehouse. Disposals of goods are valued using the weighted arithmetic average method.

### 2.1.2 TANGIBLE AND INTANGIBLE FIXED ASSETS

Fixed assets include assets with an estimated useful life greater than one year and an acquisition cost greater than CZK 40 thousand in respect of tangible assets and CZK 60 thousand in respect intangible assets, on an individual basis. Tangible and intangible fixed assets are stated at cost less accumulated depreciation and provisions, if any. Tangible fixed assets with acquisition cost under CZK 40 thousand and intangible fixed assets with acquisition cost under CZK 60 thousand are reported as inventory on acquisition and they are charged to inventory when they are issued to consumption.

Internally produced tangible fixed assets are valued at own costs that include: unit material, cooperation, unit salaries and production overheads. The Company records no internally produced intangible fixed assets.

The cost of fixed asset improvements exceeding CZK 40 thousand for individual tangible assets for the taxation period, and CZK 60 thousand for individual intangible assets for the taxation period, increases the acquisition cost of the related fixed asset. Replacement cost is used to value surpluses of tangible assets (or donations) and this cost is set at the level of the market price as of the date of addition.

The depreciation plan of tangible and intangible fixed assets for accounting purposes are set by the Company in an internal policy in line with Section 28 of the Accounting Act and Section 56 of the Regulation and it is based on the anticipated useful life. Depreciation charges for accounting and tax purposes are not equal. The depreciation periods are regularly reviewed as part of inventory-taking and adjusted accordingly. Depreciation charges are reported in the profit and loss account under ‘Adjustments to values of tangible and intangible fixed assets – permanent’. The following table shows the methods and periods of depreciation by asset group:

Asset	Depreciation method	Depreciation period
Buildings and structures	Straight-line	12–45 years
Machinery and technical equipment	Straight-line	4–22 years
Cars	Straight-line	5–8 years
Software	Straight-line	4 years
Valuable rights	Straight-line	6 years
Sets of movable assets	Straight-line	12 years
Other equipment including special tools	Straight-line	5–10 years

### 2.1.3 VALUATION OF SECURITIES AND EQUITY INVESTMENTS

Securities and equity investments reported as non-current financial assets are stated at cost in the accounting records.

## 2.2 PROVISIONS

A provision against assets – charged based on the comparison of the net book value of assets with their recoverable value.

The charge for and release of provisions is reported in the profit and loss account under 'Adjustments to values of intangible and tangible fixed assets - temporary.

A provision against inventory – based on the assessment of the turnover rate of inventory and the possibility of further processing or sale as part of inventory-taking for 2020.

The charge for and release of provisions is reported in the profit and loss account under 'Adjustments to values of inventories'.

A provision against receivables from debtors in bankruptcy and settlement proceedings were created at 100% of their nominal value.

The charge for and release of provisions is reported in the profit and loss account under 'Adjustments to values of receivables'.

Since 1 January 2013, provisions against inventory have been set individually based on the inventory-taking of assets and liabilities and they have been applied based on valid regulations.

## 2.3 FOREIGN CURRENCY TRANSLATION

The Company translated foreign currencies during the reporting period with respect to accounting documents using the current daily rate promulgated by the Czech National Bank.

The translation of payables and receivables denominated in foreign currencies as of 31 December 2020 was performed using the valid exchange rate of the foreign exchange market as of 31 December 2020 promulgated by the Czech National Bank.

## 2.4 FINANCIAL DERIVATIVES

Derivatives are stated at fair value in the balance sheet. Positive fair values of derivatives are reported in assets under 'Other receivables'. Negative fair values of derivatives are reported in liabilities under 'Other payables'. The fair value of financial derivatives is determined as the current value of expected cash flows arising from these transactions.

The Company does not have any hedge accounting documentation. Gains and losses from changes in fair values are reported in the profit and loss account under 'Other financial income' and 'Other financial expenses', respectively. Open derivatives are classified based on maturity as short-term and long-term and they are reported in the balance sheet as part of other receivables and other payables.

As of the balance sheet date, the valuation is performed at fair value based on the valuation model of the contractual bank.

## 2.5 RESERVES

As of the balance sheet date, a reserve for outstanding vacation days is recognised on the basis of an analysis of outstanding vacation days for the respective period and average payroll costs including costs of social security and health insurance by employee.

A reserve for extraordinary bonuses is created in line with the collective agreement, using average salary costs including costs of social security and health insurance.

A reserve for warranty repairs is created based on an analysis of the historical costs of warranty repairs, anticipated repair expenses and with respect to the composition of the provided and applied warranties.

The Company creates an income tax reserve since the date of the preparation of the financial statements precedes the day of the settlement of the amount of the tax liability. In the upcoming reporting period, the Company will release the reserve and account for the established tax liability. In the balance sheet, the income tax reserve is decreased by income tax prepayments made, the resulting receivable, if any, is reported in 'State – tax receivables'.

## 2.6 DEVELOPMENT COSTS

Development costs are charged in the period in which they were incurred.

## 2.7 LEASED ASSETS

The Company recognises leased assets by including lease payments evenly over the lease period. Upon the termination of lease and use of the possibility to purchase the leased assets, the leased asset is included in the Company's assets at the purchase price.

## 2.8 INCOME AND EXPENSES

Income and expenses are recognised on an accrual basis in the period to which they relate.

Customer bonuses for products and goods sold are reported in the period in which the income from the sale was recognised. In the profit and loss account, bonuses are reported as a decrease in sales of products and goods.

## 2.9 INCOME TAXATION

Income tax for the respective period comprises tax currently payable and changes in the deferred tax.

The tax payable includes an estimated tax calculated from the tax base using the tax rate prevailing as of the first day of the reporting period, as well as all additional taxes and refunds from previous periods.

Deferred tax is based on all temporary differences between the book and tax values of assets and liabilities, or other temporary differences (tax loss), using the anticipated tax rate valid for the period, in which the tax asset will be recovered or tax liability settled. A deferred tax asset is recognised only if it is likely to be recovered in the coming reporting periods.

## 2.10 PAYABLES

Payables are stated at their nominal value. The Company classifies the portion of long-term payables, bank loans and financial borrowings with maturities shorter than one year as of the balance sheet date as short-term.

## 2.11 USE OF ESTIMATES

The presentation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the balance sheet date and the reported amounts

of revenues and expenses during the reporting period. Management of the Company has made these estimates and assumptions on the basis of all the relevant information available to it. Nevertheless, pursuant to the nature of estimates, the actual results and outcomes in the future may differ from these estimates.

## 3 ADDITIONAL INFORMATION ON THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

### 3.1 ITEMS RELEVANT FOR ASSESSING THE ASSET AND FINANCIAL SITUATION

#### 3.1.1 PAYABLES TO CREDIT INSTITUTIONS

2020		Maturity	Balance at 31 December 2020	Due within one year	Due in one to five years
Long-term loan in EUR	- Bank 1*	29 December 2023	25 493	8 497	16 996
Long-term loan in EUR	- Bank 1*	30 May 2025	37 771	8 552	29 219
Long-term loan in EUR	- Bank 2*	31 October 2025	41 280	8 541	32 739
Short-term loan in CZK	- Bank 2*	30 June 2021	20 000	20 000	0
Short-term loan in CZK	- Bank 3*	01 October 2021	150 000	150 000	0
<b>Total</b>			274 544	195 590	78 954

2019		Maturity	Balance at 31 December 2019	Due within one year	Due in one to five years
Long-term loan in CZK	- Bank 1*	31 December 2020	9 000	9 000	-
Long-term loan in EUR	- Bank 1*	31 December 2020	17 533	17 533	-
Long-term loan in EUR	- Bank 1*	29 December 2023	32 909	8 227	24 682
Long-term loan in EUR	- Bank 1*	30 May 2025	13 068	1 524	11 544
Short-term loan in CZK	- Bank 2*	28 June 2020	121 921	121 921	-
Short-term loan in EUR	- Bank 1*	9 July 2020	50 820	50 820	-

\* The interest rate consists of the reference rate Pribor/Euribor + margin, which ranges from 0.50% to 2.00% depending on the date of granting and maturity

In 2015, Bank 1 provided the Company with a single-purpose long-term loan up to the amount of the loan limit of CZK 150,000 thousand for financing and refinancing payables to owners. The loan can be drawn in CZK and EUR. As of 31 December 2020, the loan was paid in full. In 2018, Bank 1 provided the Company with a single-purpose long-term loan up to the amount of the loan limit of CZK 40,000 thousand for financing and refinancing investments. The loan can be drawn in CZK and EUR. In 2019, Bank 1 provided the Company with a single-purpose long-term loan up to the amount of the loan limit of CZK 1,600,000 EUR for financing and refinancing investments. Additionally, Bank 1 provided the Company with a short-term loan up to the amount of the loan limit of CZK 2,000,000 EUR for financing trade and inventory receivables. The loans are secured with a pledge of real estate and selected receivables.

In 2015, Bank 2 provided the Company with an overdraft loan up to the amount of the loan limit of CZK 190,000 thousand, which can be drawn in CZK and EUR. This loan is secured based on a pledge contract with notarial deed no. 225/2015 – the pledge concerns receivables, selected inventory and movable assets (selected machinery) and a blank promissory note. In 2020, the maturity of the overdraft loan was extended by an amendment until 30 June 2021. In 2019, Bank 2 provided the Company with a special-purpose overdraft loan up to the amount of the loan limit of EUR 1,600,000 to finance and refinance investments. This loan is secured by real estate and selected receivables pledged as collateral.

In 2019, Bank 3 provided the Company with an overdraft loan up to the amount of the loan limit of CZK 150,000 thousand, which can be drawn in CZK and EUR. This loan is secured by real estate and selected receivables pledged as collateral.

#### 3.1.2 RECEIVED GRANTS

In 2018, 2019 and 2020, the Company's request for a contribution as part of the Support of Specialised Employee Education II programme was approved. The total amount of the contribution for 2020 is CZK 345 thousand.



## 3.2 ADDITIONAL INFORMATION ON TANGIBLE AND INTANGIBLE FIXED ASSETS

### 3.2.1 TANGIBLE FIXED ASSETS

Asset group	Cost			
	Balance at 1 January 2020	Additions/ reclassifications	Disposals	Balance at 31 December 2020
Land	2 310	-	-	2 310
Buildings	275 505	69 887	-	345 392
Machinery, devices, equipment	355 681	40 104	7 119	388 666
Vehicles	27 551	8 109	1 808	33 852
Furniture and fixtures	11 661	-	98	11 563
Other TFA	112 368	6 657	558	118 467
TFA under construction	28 072	-	9 324	18 748
Prepayments made for TFA	925	18 504	-	19 429
Total	814 073	143 261	18 907	938 427

Asset group	Accumulated depreciation			Net book value		
	Balance at 1 January 2020	Depreciation/ surpluses	Disposals	Balance at 31 December 2020	at 1 January 2020	at 31 December 2020
Land	-	-	-	-	2 310	2 310
Buildings	110 718	6 150	-	116 868	164 787	228 524
Machinery, devices, equipment	214 179	18 304	7 082	225 401	141 502	163 265
Vehicles	14 462	1 862	761	15 563	13 089	18 289
Furniture and fixtures	11 661	-	98	11 563	-	-
Other TFA	70 934	3 645	130	74 449	41 434	44 018
TFA under construction	-	-	-	-	28 072	18 748
Prepayments made for TFA	-	-	-	-	925	19 429
Total	421 954	29 961	8 071	443 844	392 119	494 583

Asset group	Cost			
	Balance at 1 January 2019	Additions/ reclassifications	Disposals	Balance at 31 December 2019
Land	2 277	33	-	2 310
Buildings	265 690	9 815	-	275 505
Machinery, devices, equipment	376 432	7 942	28 693	355 681
Vehicles	26 042	3 894	2 385	27 551
Furniture and fixtures	11 976	-	315	11 661
Other TFA	107 840	5 207	679	112 368
TFA under construction	395	27 677	-	28 072
Prepayments made for TFA	-	925	-	925
Total	790 652	55 493	32 072	814 073

Asset group	Accumulated depreciation			Net book value		
	Balance at 1 January 2019	Depreciation/ surpluses	Disposals	Balance at 31 December 2019	at 1 January 2019	at 31 December 2019
Land	-	-	-	-	2 277	2 310
Buildings	105 973	4 745	-	110 718	159 717	164 787
Machinery, devices, equipment	224 956	16 817	27 594	214 179	151 476	141 502
Vehicles	14 619	1 540	1 697	14 462	11 423	13 089
Furniture and fixtures	11 976	-	315	11 661	-	-
Other TFA	65 974	5 407	447	70 934	41 866	41 434
TFA under construction	-	-	-	-	395	28 072
Prepayments made for TFA	-	-	-	-	-	925
Total	423 498	28 509	30 053	421 954	367 154	392 119

In 2020, the most significant additions to tangible assets included the technical improvements of buildings and equipment in the amount of CZK 26,877 thousand (2019: CZK 10,850 thousand)..

### 3.2.2 INTANGIBLE FIXED ASSETS

Asset group	Cost			
	Balance at 1 January 2020	Additions/ reclassifications	Disposals	Balance at 31 December 2020
Software	35 453	3 223	3 759	34 917
Valuable rights	9 923	312	3 649	6 586
IFA under construction	5 360	3 428	3 689	5 099
Prepayments made for IFA	-	-	-	-
Total	50 736	6 963	11 097	46 602

Asset group	Accumulated depreciation			Net book value		
	Balance at 1 January 2020	Depreciation/ surpluses	Disposals	Balance at 31 December 2020	at 1 January 2020	at 31 December 2020
Software	30 302	-	1 449	28 853	5 151	6 064
Valuable rights	6 469	-	2 722	3 747	3 454	2 839
IFA under construction	-	-	-	-	5 360	5 099
Prepayments made for IFA	-	-	-	-	-	-
Total	36 771	-	4 171	32 600	13 965	14 002

Asset group	Cost			
	Balance at 1 January 2019	Additions/ reclassifications	Disposals	Balance at 31 December 2019
Software	33 011	2 442	-	35 453
Valuable rights	9 923	-	-	9 923
IFA under construction	4 937	423	-	5 360
Prepayments made for IFA	547	- 547	-	-
Total	48 418	2 318	-	50 736

Asset group	Accumulated depreciation			Net book value		
	Balance at 1 January 2019	Depreciation/ surpluses	Disposals	Balance at 31 December 2019	at 1 January 2019	at 31 December 2019
Software	28 720	1 582	-	30 302	4 291	5 151
Valuable rights	5 527	942	-	6 469	4 396	3 454
IFA under construction	-	-	-	-	4 937	5 360
Prepayments made for IFA	-	-	-	-	547	-
Total	34 247	2 524	-	36 771	14 171	13 965

### 3.2.3 TANGIBLE FIXED ASSETS HELD UNDER FINANCE LEASES

The Company is contractually bound to pay lease payments. In 2020, the finance lease ended.

2020	Total lease payments	Paid as of 31 December 2020	Due within one year	Due in one to five years	Due in subsequent years
Passenger car	1 807	1 171	-	-	-

2019	Total lease payments	Paid as of 31 December 2019	Due within one year	Due in one to five years	Due in subsequent years
Passenger car	1 807	636	402	769	-

### 3.2.4 AGGREGATE ASSETS NOT INCLUDED IN THE BALANCE SHEET

Asset name	Cost	
	Current period	Previous period
Low-value assets - furnishing and fixtures	22 151	19 670
Low-value intangible assets	745	890
Low-value assets - tools	110 673	105 080
Total	133 569	125 640

### 3.2.5 PLEDGED TANGIBLE ASSETS

Pledged assets include land including buildings if they are part of the land, recorded on title deed no. 985, cadastral district of Třemošnice nad Doubravou and Závratec, Třemošnice. The pledge is established to secure receivables from the loan contract provided by Československá obchodní banka, a. s., Komerční banka, a.s. and COMMERZBANK Aktiengesellschaft, Prague branch.

Other pledged assets include movable assets - selected machinery with the net book value of CZK 48,511 thousand as of 31 December 2020 (as of 31 December 2019: CZK 55,650 thousand). The pledge is established to secure receivables from the overdraft loan contract provided by COMMERZBANK Aktiengesellschaft, Prague branch.

### 3.2.6 NON-CURRENT FINANCIAL ASSETS

#### Equity investments - controlled or controlling entity

Company	Purchase price	
	Current period	Previous period
Shenyang Czech Design Rail Brake System Co., Ltd	0	3 557
JWL DAKO-CZ (INDIA) LIMITED	197	191
DAKO-CZ RE, s.r.o.	254	254
DAKO-CZ SERVICE, s.r.o.	200	0
TRANSELCO CZ s.r.o.	43 489	48 661
Vagonka Louny a.s.	0	2 027

### 3.2.7 PROVISIONS

Provisions against	Balance at 1 January		Recognition		Charge		Balance at 31 December	
	Current period	Previous period	Current period	Previous period	Current period	Previous period	Current period	Previous period
Other tangible fixed assets	1 979	-	0	1 979	0	-	1 979	1 979
Non-current financial assets	827	-	0	827	827	-	0	827
Inventory	25 566	32 397	7 969	3 927	6 460	10 758	27 075	25 566
Receivables - tax deductible	6 243	6 248	-	-	5 309	5	934	6 243
Receivables - other	22 242	21 037	6 961	2 245	-	1 040	29 203	22 242

### 3.2.8 DERIVATIVES

In order to limit the exchange rate risk, the Company concluded derivative instruments in 2019 and 2020 with respect to future cash flows. As of the balance sheet date, the Company had the following open derivatives:

As of 31 Dec 2020				
Term transaction	Currency	Nominal value	Fair value in CZK	Fair value in EUR
Interest rate swap		-	-	-
Forwards	EUR	2 910 000	268 967,34	10 248,33
Total	EUR	2 910 000	268 967,34	10 248,33

As of 31 Dec 2019				
Term transaction	Currency	Nominal value	Fair value in CZK	Fair value in EUR
Interest rate swap		282 644,00	-24 932,29	-981,20
Forwards	EUR	22 310 000,00	6 642 181,00	261 400,28
Total	EUR	22 592 644,00	6 617 248,71	260 419,08

With respect to the interest rate swap, the reasons for applying hedge accounting have ceased to exist due to the repayment of a long term loan. The date of termination of the interest rate swap was 20 April 2020.

Gains from the revaluation of forwards in the amount of CZK 294 thousand (2019: CZK 8,725 thousand) and revaluation loss in the amount of CZK (6,642) thousand (2019: CZK (1,174) thousand) are reported in the profit and loss account.

### 3.3 EQUITY

#### 3.3.1 DISTRIBUTION OF PROFIT OF THE PRIOR PERIOD

Based on the minutes from the general meeting of 23 June 2020, profit of 2019, including other profit, in the amount of CZK 135,086 thousand was allocated as follows:

- The shareholder of CZECHOSLOVAK GROUP a.s. received CZK 51,000 thousand
- The shareholder of TATRAVAGÓNKA a.s. received CZK 49,000 thousand
- The difference of CZK 35,086 thousand was transferred to accumulated profits

No decision about the distribution of the profit of 2020 has been made yet. The Board of Directors proposes allocating the 2020 profit of CZK 237,077 thousand to accumulated profits.

#### 3.3.2 SHARE CAPITAL

Current period				
Type of share	Number of shares	Nominal value in CZK thousand	Unpaid shares	Maturity
Registered shares	187 740	187 740	-	-

Previous period				
Type of share	Number of shares	Nominal value in CZK thousand	Unpaid shares	Maturity
Registered shares	187 740	187 740	-	-

### 3.4 RECEIVABLES AND PAYABLES

#### 3.4.1 PAST DUE RECEIVABLES

Short-term trade receivables amount to CZK 259,030 thousand (2019: CZK 225,961 thousand), of which CZK 34,927 thousand (2019: CZK 30,920 thousand) represents receivables past their due dates by more than 90 days. Provision against doubtful receivables as of 31 December 2020 amounted to CZK 30,137 thousand (2019: CZK 27,238 thousand).

#### 3.4.2 RECEIVABLES - CONTROLLED OR CONTROLLING ENTITY

	Company	Current period	Previous period
Provided loans and borrowings	INTEGRA CAPITAL a.s.	-	32 435
Loan guarantee	ZTS METALURG, a. s.	-	336
Start-up costs	Shenyang Czech Design Rail Brake System Co.	-	1 247
Total		-	34 018

The above amounts of loans and borrowings represent the value of principals of loans and borrowings. The loans bear interest at a fixed interest rate.

#### 3.4.3 PAST DUE PAYABLES

Short-term trade payables amount to CZK 148,186 thousand (2019: CZK 132,595 thousand), of which CZK 42,396 thousand (2019: CZK 54,746 thousand) represent payables past due less than 30 days. In addition to that, payables past due for more than 30 days amount to CZK 2,197 thousand (2019: CZK 5,003 thousand).

### 3.4.4 PAYABLES NOT REPORTED IN THE BALANCE SHEET ARISING FROM GUARANTEES RECEIVED FOR OTHER COMPANIES

The Company concluded a guarantee contract with UniCredit Bank Czech Republik and Slovakia, a.s. for payables arising from loans provided to ZTS METALURG, a. s. up to EUR 7,500 thousand. As of 30 November 2019, the loan was repaid by ZTS METALURG, a.s. and the guarantee contract was terminated.

### 3.4.5 MAJOR TRANSACTIONS WITH RELATED PARTIES

	Company	Volume of mutual transactions		Receivables/Payables at 31 December	
		2020	2019	2020	2019
Sale of goods and services	TATRAVAGÓNKA a.s.	245 522	177 107	14 798	31 225
	ELH Eisenbahnlaufwerke Halle GmbH & Co. KG	-	11 104	-	4 852
	Železničné opravovne a strojárne Zvolen, a.s.	3 777	6 900	535	2 053
	TATRAVAGONKA BRATSTVO DOO	113	644	12	-
	TATRA METALURGIE a.s.	1 039	198	37	62
	EXCALIBUR ARMY, spol. s r.o.	-	-	-	-
	TRANSELCO CZ s.r.o.	11 854	1 169	2 461	1 216
	Vagonka Louny a.s.	48 137	7 537	3 970	-
	JWL DAKO-CZ LIMITED	1 584	7 850	27 128	24 732
	JUPITER WAGONS LIMITED	-	-	12 800	12 393
Purchase of goods, services and assets	TATRAVAGÓNKA a.s.	581	2 498	-	-
	TATRAVAGONKA BRATSTVO DOO	-	1 873	-	-
	CSGM a.s.	7 835	10 994	2 008	1 839
	CSG Facility a.s.	4	1 845	-	129
	INTEGRA CAPITAL a.s.	-	582	-	27
	EXCALIBUR ARMY, spol. s r. o.	-	-	-	-
	TATRA METALURGIE a.s.	4 887	19 514	-	2 035
	KOVOSVIT MAS, a.s.	30	-	-	-
	New Space Technologies	532	260	-	315
	LIKVIDACE ODPADU a.s.	493	471	99	-
	TRANSELCO CZ s.r.o.	5 046	351	469	8
Vagonka Louny a.s.	-	1 263	-	3 463	
TATRA TRUCKS a.s.	306	39	37	-	
Financial income - interest	INTEGRA CAPITAL a.s.	-	2 173	-	2 418
	Vagonka Louny a.s.	4 271	680	-	-
Plant sale - sale of assets and liabilities	Vagonka Louny a.s.	-	-	-	-
	Extraordinary expenses	48 940	25 267	-	-
	Extraordinary income	-	25 267	-	-

### 3.4.6 TAX RECEIVABLES

Tax receivables amount to CZK 15,575 thousand and predominantly include value added tax receivables (2019: CZK 12,281 thousand).

### 3.4.7 DEFERRED EXPENSES

Deferred expenses in the amount of CZK 12,594 thousand predominantly include deferred expenses for the tools used in the amount of CZK 8,785 thousand (2019: CZK 12,498 thousand).

**3.4.8 SOCIAL SECURITY AND HEALTH INSURANCE PAYABLES**

Insurance type	Balance at 31 December 2020		Balance at 31 December 2019	
	Before due date	Past due date	Before due date	Past due date
Social security administration	5 185	-	4 743	-
VZP insurance company	1 751	-	2 543	-
Other insurance companies	668	-	621	-
Total	7 604	-	7 907	-

**3.4.9 INCOME TAXATION****a) Income Tax Payable****2020**

Income tax payable includes an estimate of tax for the 2020 taxation period in the amount of CZK 49,352 thousand.

In 2020, the income tax reserve was decreased by the income tax prepayments made in the amount of CZK 25,267 thousand and the balance of the reserve was reported in the item 'Income tax reserve'.

**2019**

Income tax payable includes an estimate of tax for the 2019 taxation period in the amount of CZK 35,440 thousand and adjustment of the tax estimate for 2018 in the amount of CZK (68) thousand.

In 2019, the income tax reserve was decreased by the income tax prepayments made in the amount of CZK 19,411 thousand and the balance of the reserve was reported in the item 'Income tax reserve'.

**b) Deferred tax**

	Deferred tax liability		Deferred tax receivable		Difference	
	2020	2019	2020	2019	2020	2019
Difference between tax and accounting carrying amounts	32 302	28 426	-	-	- 32 302	-28 426
Reserve for warranty repairs	-	-	7 084	4 223	7 084	4 223
Reserve for unused vacation days	-	-	364	490	364	490
Accounting provisions	-	-	5 531	5 233	5 531	5 233
Reserve for annual bonuses	-	-	-	3 486	-	3 486
Total	32 302	28 426	12 979	13 432	-19 323	-14 994

In accordance with accounting policies, deferred tax in 2020 and 2019 was calculated using a tax rate of 19 %.

### 3.5 RECOGNITION AND USE OF RESERVES

Type of reserve	Current period				Previous period			
	Balance at 1 January	Recognition	Use	Balance at 31 December	Balance at 1 January	Recognition	Use	Balance at 31 December
Reserve for extraordinary bonuses	18 351	-	18 351	-	3 077	18 351	3 077	18 351
Reserve for unused vacation days	2 579	5 500	6 163	1 916	3 177	2 579	3 177	2 579
Reserve for warranty repairs	22 226	16 260	5 000	33 486	9 308	13 560	642	22 226
Income tax reserve	16 029	24 086	16 030	24 085	28 635	16 029	28 635	16 029

The income tax reserve in the amount of CZK 24,085 thousand was offset in the balance sheet against income tax prepayments (Section 11 and 16 of Regulation No. 500/2002 Coll.), refer to Note 4.9.

### 3.6 INCOME BY PRIMARY ACTIVITY

	2020	of which		
		Domestic	EU	Other countries
Hydraulic brake	43 689	24 376	19 313	-
Pneumatic brake	843 790	168 799	439 761	235 230
Cooperation	1 538	529	952	57
Other products	111 949	64 171	34 905	12 873
Total sales of products	1 000 966	257 875	494 931	248 160
Sales of goods	225 753	54 507	80 642	90 604
Sales of services	41 981	29 651	10 331	1 999

	2019	of which		
		Domestic	EU	Other countries
Hydraulic brake	49 120	18 770	30 350	-
Pneumatic brake	724 568	183 477	354 916	186 175
Cooperation	1 703	638	1 037	28
Other products	144 289	87 585	44 157	12 547
Total sales of products	919 680	290 470	430 460	198 750
Sales of goods	158 256	28 632	65 144	64 480
Sales of services	66 115	47 122	17 090	1 903

### 3.7 RESEARCH AND DEVELOPMENT COSTS FOR THE REPORTING PERIOD

	Current period	Previous period
Development costs	47 654	31 889

### 3.8 AUDIT FEES

This information is disclosed in the notes to the consolidated financial statements prepared for the consolidation group in which the Company is included.



### 3.9 SUNDRY OPERATING EXPENSES

Sundry operating expenses in the amount of CZK 57,790 thousand predominantly include extraordinary expenses in the amount of CZK 49,032 thousand. The most significant item was the write-off of the receivable from Vagonka Louny of CZK 46,914 thousand and the costs of advertising, insurance and deficits in the amount of CZK 8,759 thousand (2019: CZK 9,456 thousand).

### 3.10 OTHER EXPENSES

Other financial expenses predominantly include expenses related to foreign exchange rate losses of CZK 26,578 thousand. The costs incurred on the sold equity investments represent mainly the disposal of equity investment in Vagonka Louny and the disposal of equity investment in the subsidiary GB Investprojekt1 s.r.o. in the total amount of CZK 7,199 thousand.

### 3.11 OTHER INCOME

Other financial income predominantly include income related to foreign exchange rate gains of CZK 31,543 thousand. 'Income from equity investments - controlled or controlling entity' predominantly include the sale of the spin-off part of TRANSELCO CZ in the total amount of CZK 39,500 thousand and shares in the profits of subsidiaries in the amount of CZK 45,000 thousand. In 2020, the subsidiary in China was settled and fully closed.

### 3.12 ACCRUED EXPENSES

Accrued expenses in the amount of CZK 913 thousand (2019: CZK 1,518 thousand) predominantly include fees for intercompany services.

### 3.13 CASH FLOW STATEMENT

For cash flow reporting purposes, cash and cash equivalents are defined as cash on hand, cash in transit, cash at bank and other financial assets whose valuation may be reliably determined and which are readily convertible in cash. The balance of cash and cash equivalents at the end of the reporting period is as follows:

	Balance at 31 December 2020	Balance at 31 December 2019
Total current financial assets	41 769	58 834
Cash and cash equivalents	41 769	58 834

Cash flows from operating, investment and financial activities presented in the cash flow statement are not offset.

### 3.14 OTHER SIGNIFICANT EVENTS

The Company was not affected like other production segments by the COVID-19 pandemic, which began in 2020. From the very beginning, the Company took a responsible approach. We were in touch with our suppliers and customers on a daily basis. We had to flexibly adopt and modify the announced measures. Together with these measures, the Company incurred additional costs. The Company felt a deficiency in production contracts during the emergency state when the employees received benefits for taking care of their children. However, the number of contracts did not decrease, only the completion of some projects was postponed. Employees in technical and economic positions started working from home, receiving support that did not limit production capacities or regular operations.

### 3.15 MATERIAL POST BALANCE SHEET DATE EVENTS

As of 19 March 2021, members of the Board of Directors and Supervisory Board changed. In relation to this, the shareholder structure changed on 30 March 2021. The majority shareholder acquired also the minority share and became a 100% shareholder of all shares of DAKO-CZ, a.s. These changes have no effect on the financial results of 2020.



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