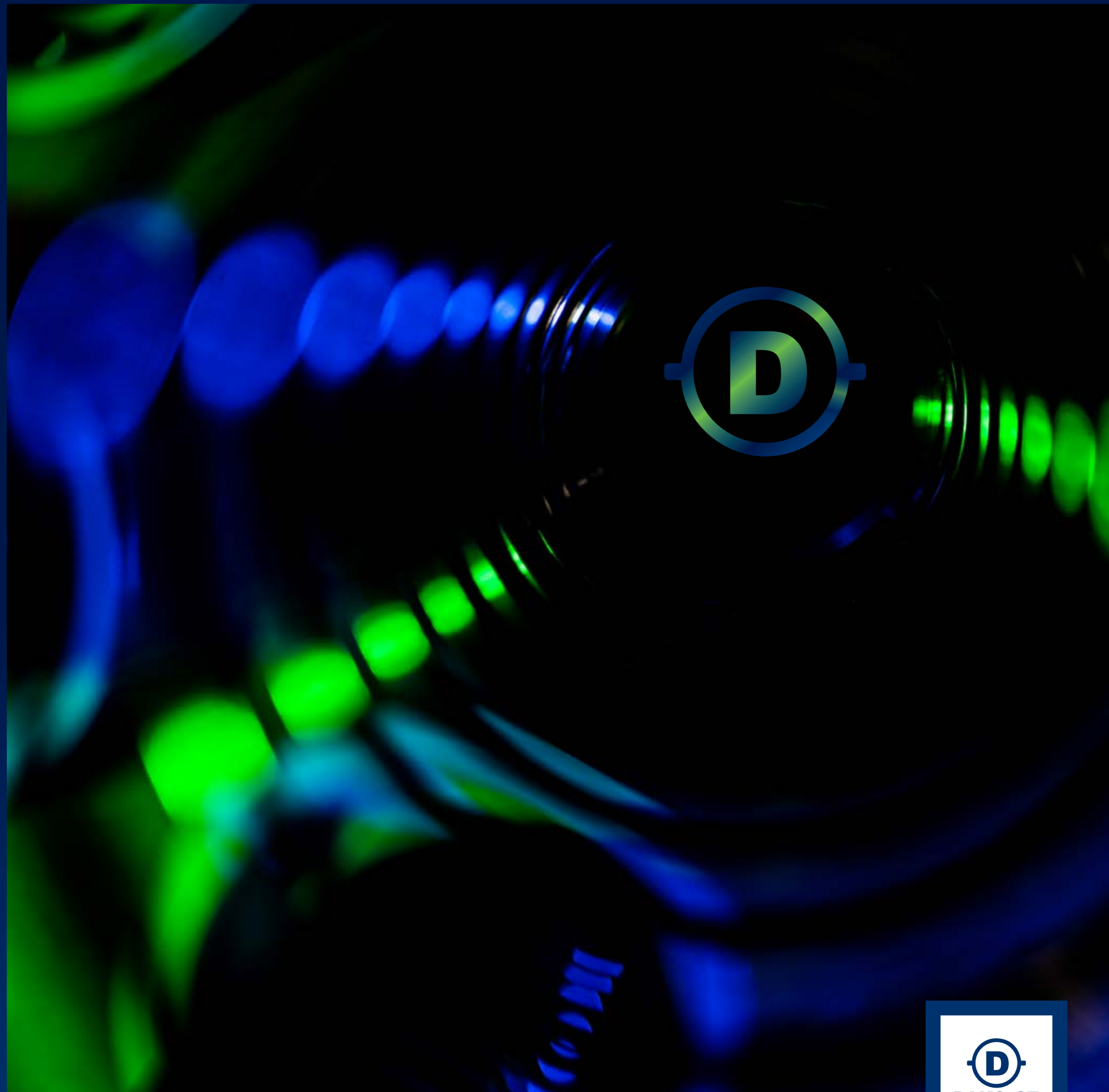


ANNUAL REPORT
2022



BRAKE
SYSTEMS

CONTENS

BASIC INFORMATION ABOUT THE COMPANY	4
INTRODUCTION	6
REPORT OF THE BOARD OF DIRECTORS OF DAKO-CZ, A.S.	9
FINANCIAL RESULTS AND SIGNIFICANT PROJECTS	10
INFORMATION ON IMPORTANT EVENTS	12
INFORMATION ON IMPORTANT POST BALANCE SHEET EVENTS	12
RESEARCH AND DEVELOPMENT ACTIVITIES	12
INVESTMENT ACTIVITIES	14
ENVIRONMENTAL AREA	16
HR POLICY	18
BUSINESS PLAN	20
SHARES	20
PROPOSAL FOR PROFIT DISTRIBUTION	20
RESPONSIBLE BEHAVIOUR AND SUPPORT OF ACTIVITIES AROUND US	22
KEY MILESTONES OF 2022	24
CSG RAIL DIVISION	26
PURCHASING, LOGISTICS AND PRODUCTION PLANNING	28
REPORT ON RELATED PARTY TRANSACTIONS FOR THE YEAR ENDED 31 DECEMBER 2022 DAKO-CZ, A.S.	31
INDEPENDENT AUDITOR'S REPORT	44
FINANCIAL STATEMENTS	47
NOTES TO THE FINANCIAL STATEMENTS	55



BASIC INFORMATION ABOUT THE COMPANY

Company name: **DAKO-CZ, a.s.**
Registered office: **Josefa Daňka 1956, 538 43 Třemošnice**
Corporate ID: **465 05 091**
VAT ID: **CZ699007007**

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

DAKO-CZ is a manufacturer of pneumatic, electromechanical and hydraulic brake systems and components for railway vehicles with a tradition of 207 years. DAKO-CZ supplies brake systems and components for railway freight wagons and passenger cars, suburban units, locomotives, maintenance cars, subway trains and trams. The Company's key customers include the world's leading manufacturers of railway vehicles, such as ŠKODA GROUP, TATRAVAGÓNKA POPRAD, STADLER, SIEMENS and MODERTRANS POZNAŇ. Rail vehicles with DAKO braking systems and components are operated in Europe, as well as China, India, Malaysia, Indonesia, Algeria, Saudi Arabia, Slovenia, Poland and Egypt. In addition to production, DAKO-CZ is also involved in the development of braking systems and components and their subsequent servicing. In 2022, the Company opened development offices in Pardubice and Ostrava.

In 2022, the Company won several interesting projects from Stadler, including the supply of brake panels for 14-2 trainsets for Huawei's campus at Dianshan Lake, Qingpu District in China, and the supply of brake panels for 11-3 trainsets of Flirt 3 units to the Netherlands. A project to supply brake components for the legendary Tatra cog and a multi-function locomotive fitted with a plough brake panel was successfully completed.

The Company concluded several contracts with Siemens, including the supply of braking components for trams equipped with a passive braking system with central hydraulic braking, the supply of braking components for a further 20-7 passenger car sets for the Austrian Railways (ÖBB) and a project to supply braking components for 18-6 Munich Metro sets (SWM). In the area of freight transport, it carried out several projects with Tatravagónka Poprad and modernised 250 two-axle wagons of VTG. At the InnoTrans world fair in Berlin, the Company presented unique solutions in the field of braking systems and opened two joint ventures in India with strategic partners called MEDHA DAKO-CZ Ltd. And JWL DAKO-CZ India Ltd.

Last year, DAKO-CZ became a member of UNIFE (THE EUROPEAN RAIL INDUSTRY), a partner of the important European conference INTERNATIONAL RAIL FORUM & CONFERENCE and won the prestigious award for the CZECH SUPERBRANDS 2022 brand in the B2B segment.

DAKO-CZ, a.s. belongs to the newly established CSG Rail division of Michal Strnad's CZECHOSLOVAK GROUP holding.





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 2022

DEAR SHAREHOLDERS, LADIES AND
GENTLEMEN,

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

FINANCIAL RESULTS AND SIGNIFICANT PROJECTS

In 2022, DAKO-CZ grew steadily. It managed to acquire and implement interesting projects within the European and Indian markets, which resulted in the Company surpassing another significant milestone in its history by exceeding a turnover of CZK 2 billion on 12 December 2022.

In the past year, the production and assembly was mostly driven by orders for the supply of pneumatic brakes for passenger cars, which we supply in significant quantities to the Indian market. Subsidiaries were established in India with our strategic partners. In the area of truck brakes, our largest orders were with Tatravagónka Poprad. In the passenger transport sector, the most important projects were deliveries for further ÖBB DANI passenger car options, as well as the supply of brake components for Munich underground trains and the first deliveries of pneumatic panels for the London Underground. All of the above projects were carried out for our long-standing business partner Siemens Mobility GmbH. For the Stadler Group, we supplied brake panels for units operating on the Italian, Polish, Slovenian and Dutch markets. The supply of spare parts and repairs also contributes significantly to the implementation of the business plan.

MAIN FIGURES	2022 (CZK '000)	2021 (CZK '000)	2020 (CZK '000)	2022/2021 (%)
Profit before tax	541 418	388 398	291 569	139,40
Profit after tax	439 683	325 457	237 077	135,10
Operating profit	373 338	347 477	218 342	107,44
Value added	841 695	724 968	614 164	116,04
Total assets	2 264 358	1 793 174	1 211 552	129,32
Fixed assets	695 079	610 539	552 744	113,85
EBITDA*	419 954	390 582	251 852	119,35
ROE	71,45 %	32,22 %	34,63 %	218,98

* the calculation of EBITDA has changed in 2022

TOP CUSTOMERS OF 2022

ESCORTS KUBOTA LIMITED (RED) – order for 2,000 sets, which partially extends to 2023.

TATRAVAGÓNKA POPRAD – in the area of freight transport, several interesting projects have been implemented with Tatravagónka Poprad, including, for example, the supply of braking systems for another 120 sets of containerised 3-bogie wagons.

STADLER RAIL AG – delivery of brake panels on 14-2 sets of Huawei project vehicles for the Huawei campus at Dianshan Lake, Qingpu District, China, and delivery of brake panels on 11-3 sets of Flirt 3 units to the Netherlands. An interesting project is the supply of brake components for a Tatra cog and a multipurpose locomotive fitted with a plough brake panel.

SIEMENS MOBILITY – the supply of brake components for a further 20-7 passenger car sets for Austrian Railways (ÖBB) and a project to supply brake components for 18-6 Munich Underground car sets (SWM). In February, the first brake components for the London Underground were delivered.



INFORMATION ON IMPORTANT EVENTS

During 2022, the conflict between Russia and Ukraine remains ongoing. The conflict has sparked an energy crisis. We take this emerging situation very seriously and conscientiously. We are looking for alternatives and savings throughout our production process. We are coping with these negative developments without any significant impact on our business.

INFORMATION ON IMPORTANT POST BALANCE SHEET EVENTS

No such events occurred after the balance sheet date.

RESEARCH AND DEVELOPMENT ACTIVITIES

Tests of the lightweight beam brake for freight wagons were successfully completed by the wagon operator in 2022.

In Egypt, tests of the brake components for passenger cars that we supplied to the Spanish manufacturer Talgo were carried out and in December, the first train was successfully delivered to the end customer for operation. Tests were also carried out on the cars of the Prague city-train equipped with DAKO prototype brake units. A high-speed brake was applied to this project, where the disc speed is comparable to high-speed units such as the TGV. After their successful completion, the car was approved for operation with passengers. We have successfully completed the acceptance of the first brake components for the London Underground project, on which we are working with our long-term customer Siemens Mobility GmbH. In 2022, development work began on a new generation of brake backlash adjuster and an electromechanical brake unit for suburban units. During the year, development of brake components for special car wagons began.

In the field of hydraulics, the development of electromechanical brakes for rail vehicles is also underway. Construction work has been started on a project to supply electromechanical brake units with emergency braking function with the iRB-05 control unit. This brake system will be implemented on trams in Woltersdorf (part of Berlin). We have started construction work on a combined unit for the hydraulic braking system, which has the advantage of combining the electrical and manual emergency braking capability into one device, and we are continuing the development of a telemetry system for freight wagons, which includes monitoring of the required variables from the braking system during normal operation and their subsequent analysis and evaluation of test runs or measured real data.



INVESTMENT ACTIVITIES

In 2022, DAKO-CZ, a.s. continued to invest in key areas of production, logistics and infrastructure development. The next stage of investment in the premises of our subsidiary DAKO-CZ MACHINERY, a.s. in Ostrava was also very important.

Regarding fixed assets, we invested in the acquisition of new machines for production. This investment resulted in a further partial renewal of the machinery fleet. These included the purchase of a CHIRON milling router, a MANURHIN K MX 632 DUO long-running machine and a CTX beta 800TC + Robo2Go turning centre. The obsolete measuring centres were gradually renewed. The new control panels offer improved evaluation and digital transmission to the system, and new SL2 and N8 test benches have been commissioned.

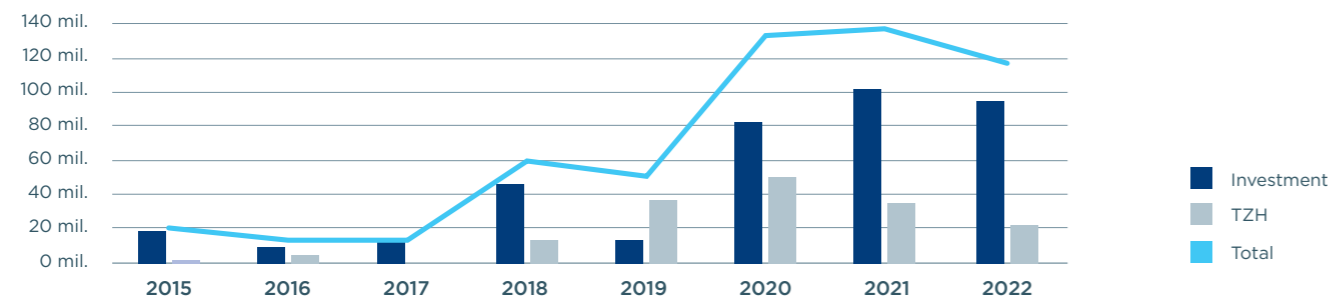
As part of the subsidy programme Potential VI. - Expansion of research and innovation capacity of DAKO-CZ, a.s., we managed to conclude stage 2 and thus obtain a subsidy of CZK 5,481,758.39. The subsidy programme continues with stage 3 - and in 2022 we managed to acquire an Electronic Laboratory Table, a universal milling machine with continuous control and a transformer station. The third stage ends in March 2023.

As part of the subsidy programme Potential VII - Expansion of research and innovation capacity for the development of a new generation of switchgear and brake units, the Climate and Test Chamber was acquired. Other items are in the delivery phase and we expect delivery in the first half of 2023. These include a CNC milling centre, a CNC lathe with turret head, a Deflector (VZT) flywheel dynamometer, a dynamic bench recovery and a pneumatic test bench.

In 2022, we invested in the purchase of a motorised calibration bench. By purchasing this bench, we meet the requirements of the legislation and comply with the IRIS audit requirements. As part of the logistics project, we have invested in the purchase of an automated vertical warehouse, which has enabled us to provide ideal conditions for the storage of rubber parts. Within software, investment was made in the expansion of the XEELO application, integrating the Compass system, Active directories, business centre and data boxes into the mailroom and mobile application. Investment was also directed towards the development of a corporate product app and a large corporate spot highlighting the Company's growth over the last four years, showing achievements, awards, contracts won and investment in social responsibility, safety and employee development.

In the past year, we have also invested in infrastructure development. In June, an extensive renovation of the kitchen and staff canteen was completed and a new food ordering system was launched. We built a car park in the northern part of the site, which has a capacity of 100 parking spaces. In September, we opened the newly constructed women's and men's locker rooms in Hall P, which increased the capacity of the locker room space by approximately 130 spots, and we repaired the roofs on the development building and the cafeteria as part of the renovation and maintenance of our corporate campus.

In total, we managed to invest CZK 116,612,000 last year.



ENVIRONMENTAL AREA

Environmental protection is a priority at DAKO-CZ, a.s. and is a significant part of the company culture. As part of this approach, our own measures are implemented in accordance with the decisions and recommendations of the relevant state administration authorities.

In the area of air protection, compliance with the emission limits of the listed sources of air pollutants was verified, including the newly built paint shop of the Service Centre. The installed technology meets the requirements set by the legislation.

At the same time, our Company also takes care to control the remediation of old environmental burdens. In terms of the legislation in force, we meet the limits set. Post-remediation monitoring of drinking water, groundwater and wastewater is carried out at regular intervals. The stage report is prepared by a certified company.

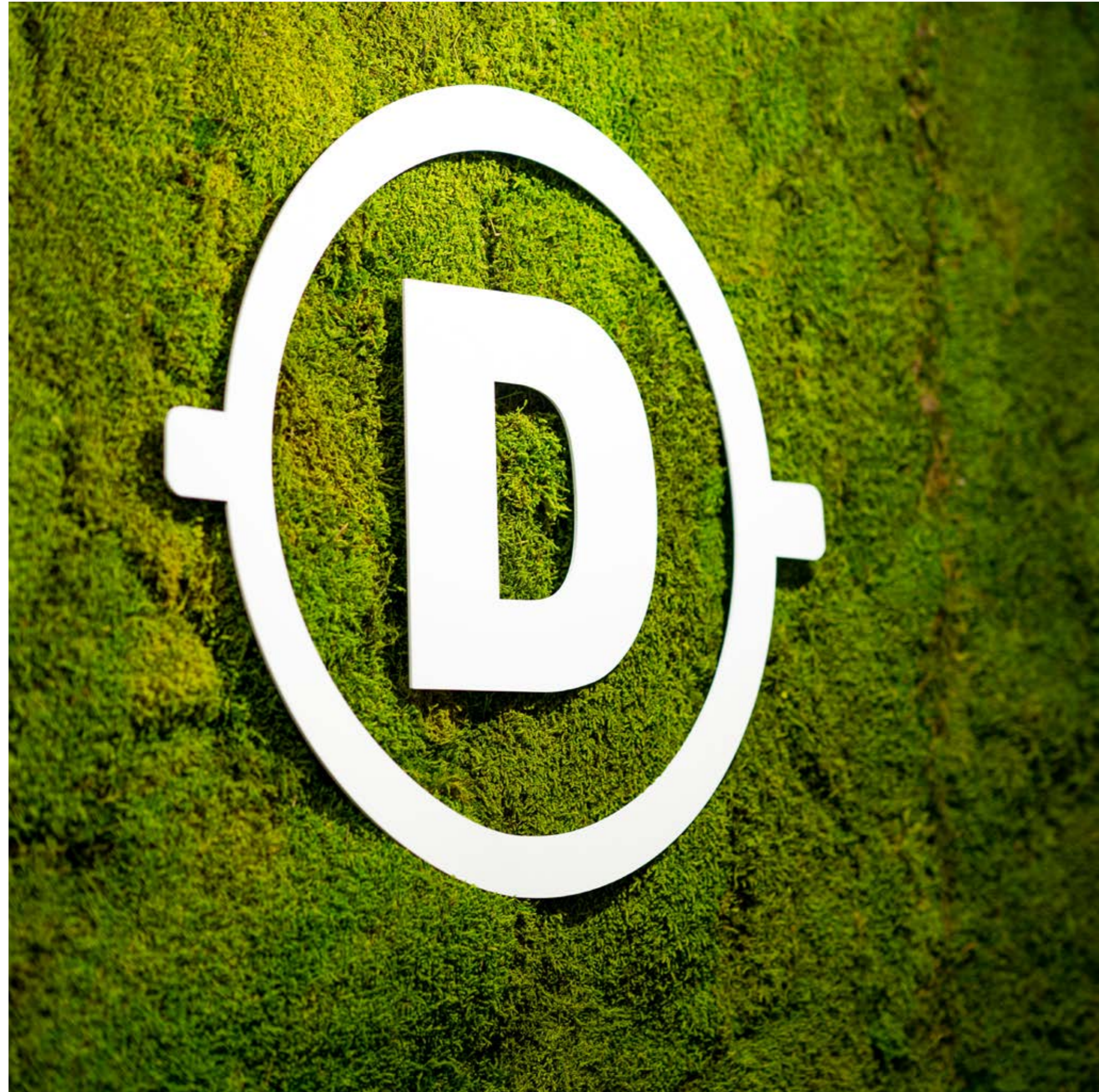
We place great emphasis on waste sorting in our area. We comply with the applicable legislation and fulfil our ISPOP reporting obligations within the legal deadlines.

In December 2022, an annual report on the Risk Assessment of the Drinking Water Source of the DAKO-CZ, a.s. Premises was sent to KHS Chrudim.

In 2022, regular training sessions were held on handling chemical and highly toxic substances, waste and secondary raw material sorting, and ADR training. We paid great attention to the training on the provision of pre-medical first aid in cooperation with a company from First help educations.

Our employees were able to try out two model first aid situations. The first situation was focused on resuscitation, which we could try out on a special medical manikin. At the same time, we were introduced to the use of an AED (automated external defibrillator). At the second site, a model situation of rescuing a person injured in a car accident and at the third site, there was a lecture with video demonstrations on first aid for heart attack, epilepsy and diabetes. Our task was to take care of the injured person as if it were a real situation, including communication with the integrated rescue system. Afterwards, our procedure was evaluated and supplemented with useful advice.

All these training events were conducted with the aim of raising awareness of the high importance of this issue.



HR POLICY

DAKO-CZ, a.s. fully respects the provisions of the Labour Code, other related legislation and the Collective Agreement between the trade union and the Company, including the extension of the system of benefits for employees. We are improving the working environment and corporate culture.

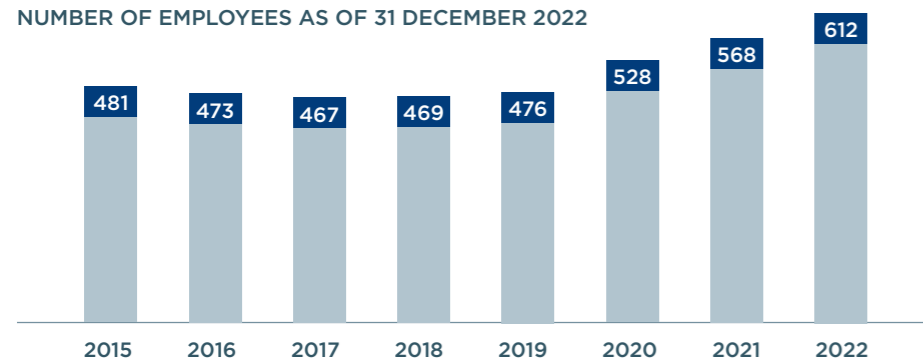
The Company managed to steadily increase the number of employees despite the nationwide unfavourable economic situation. In 2022, our ranks grew by 44 new employees. We have been successful in recruiting for qualified positions such as development officers and have been successful in filling positions in the newly created Business Development Department. We see the reduction of agency staff and their replacement by our core employees as a very positive development for our Company.

DAKO-CZ, a.s. is constantly taking care of the development and professional training of its employees. Regular training and qualification courses were no exception in 2022, including the Business Academy, which ran throughout the year. We focused on career growth within the Company and the professional development of our core employees, whom we continue to give preference in filling senior positions over external candidates.

We are trying to expand further cooperation with high schools and colleges, focusing on HR activities on social media, and supporting our employees in their leisure activities.

DAKO-CZ, a.s. maintains its position as a reliable and stable employer despite the global economic problems.

NUMBER OF EMPLOYEES AS OF 31 DECEMBER 2022



BUSINESS PLAN

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.

All these activities bring with them higher employment in the region and beyond. This year, the Company is also implementing new projects, recruiting employees and we are very proud to say that the path the Company has chosen is the right one. We still rely on tradition, success and Czech skills.

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. No changes in the shareholder structure were made in 2022. DAKO-CZ has one shareholder with 100% ownership. The shares are not publicly tradable.

PROPOSAL FOR PROFIT DISTRIBUTION

The Board of Directors proposes distributing the profit for 2022 as follows:

Profit for the 2022 reporting period:	CZK 439,683 thousand
Total for distribution:	CZK 439,683 thousand

The Board of Directors proposes distributing the profit for 2022 as follows:

a) transfer of CZK 439,683 thousand to accumulated profits

After the challenging year of 2021, the Company also met its goals and plans in 2022 with the support and effort of all the production and non-production employees in the fields of development, technology, production, logistics and economics.

Dear shareholders, ladies and gentlemen, thank you for your attention. Let me also thank all the employees of DAKO-CZ, a.s. for their work and the achieved economic results of the Company.



RESPONSIBLE BEHAVIOUR AND SUPPORT OF ACTIVITIES AROUND US

In 2023, DAKO-CZ, a.s. is celebrating 207 years since its foundation and we try to reflect this long-standing commitment in our social responsibility. We have been supporting projects in the vicinity of Třemošnice for a long time, supporting our employees in their activities, the Třemánek Centre, vocational schools, secondary and higher education institutions in the Czech Republic and abroad. In the long term, we strive to be a partner that our fellow citizens can rely on. We also support projects at the national level. We were involved in a fundraiser called „Shoeboxes“. We prepared the boxes, which on Christmas Eve brought joy to young children and teenagers, together with our employees, who participated in the event in large numbers. For this we would like to thank them very much. We also paid attention to athletes and the development of new talents, when we supported the Czech Athletic Association, which brings together athletic clubs and clubs in the Czech Republic, with a financial donation. We continue to work on projects proposed by our employees. Our greatest support is given to little Nela Kočárková from Ronov nad Doubravou, whom we have been supporting financially since 2018. This project was nominated by the employees themselves as part of the Family Day. Little Nela was born with hydrocephalus and the angel bracelets that Nela's mother makes make her happy and accompany us to all important events in the Czech Republic and abroad. We are very happy that the health condition of little Nela is constantly improving thanks to our support. We are also dedicated to supporting people with intellectual disabilities who live their daily lives in community with each other. We are also dedicated to supporting people with intellectual disabilities who live their daily lives in community with each other.



KEY MILESTONES OF 2022

APRIL

MAY

JUNE

SEPTEMBER

THE DAKO-CZ BRAND WAS AWARDED THE CZECH SUPERBRANDS 2022 AWARD

Superbrands is the world's most respected independent authority on evaluating and rewarding brands, so we are particularly pleased that DAKO is among the 17 brands that have been awarded in the B2B segment. And what does it take to become a Superbrand? Having a great product and service, an excellent reputation and a strong story. This prestigious award belongs to all our employees - THANK YOU!

WE HAVE BECOME PART OF UNIFE

DAKO-CZ helps to significantly improve rail safety by developing and manufacturing braking systems for most rail applications. Our ambitious targets must match and even try to anticipate all current market trends. That is why we are proud to have become a new member of UNIFE (THE EUROPEAN RAIL INDUSTRY) in May.

INDIA - OPENING OF TWO JOINT VENTURES WITH OUR STRATEGIC PARTNERS JUPITER AND MEDHA

In June, we opened two new businesses in India with our partners. With a key player in the Indian market, Medha Servo Drives Pvt. Ltd., we established MEDHA DAKO-CZ Ltd. based in Hyderabad. Our cooperation focuses on the supply of complete and modern braking systems for the newly prepared EMU, METRA vehicles and locomotives for the Indian Railways.

With Jupiter Wagons Ltd, a number two in the freight car manufacturing market, we have established JWL DAKO-CZ India Ltd, based in Kolkata.

INNOTRANS - WE INTRODUCED A REVOLUTIONARY SOLUTION IN THE FIELD OF BRAKING SYSTEMS

Last year, two products, the DAKO ITBL lightweight beam brake for trucks and the revolutionary DAKO KKBE electromechanical disc brake unit, made their world premieres at InnoTrans. The lightweight beam brake for freight vehicles combines simplicity and robustness in a compact design. In its development, our Company has applied several innovative solutions. At the same time, a unique solution was presented for the first time in Berlin in the form of the DAKO KKBE electromechanical disc brake unit, which breaks down the established technical solutions and surpasses the previously available solutions of other manufacturers with its parameters.

OKTOBER

DECEMBER

YEAR ROUND

GOLD PARTNERSHIP AT IRFC CONFERENCE

In October, an international railway forum and conference was held in Prague, which our Company supported and became a gold partner. The two-day event focused on innovative technologies and best practices in rail freight transport and logistics in the European and Euro-Asian markets. Prague became the place where the best European and Asian manufacturers, freight carriers met and presented their innovative solutions. Among the 45 speakers was our colleague Miroslav Táborský, representatives of the European Commission, Ministry of Transport, UIC, OSJD, ERA, UNIFE, CER, ISB, UIRR and other important guests.

WE HAVE DEFENDED OUR IRIS CERTIFICATION

In October, we successfully defended the surveillance audit of EN ISO 9001:2015 and ISO/ TS 22163:2017, v. 3 under the supervision of the certification company TÜV Nord with the participation of three auditors of the appointed company.

ON 12 DECEMBER 2022 WE SURPASSED A TURNOVER OF 2 BILLION

On Monday, 12 December 2022, we recorded another milestone in the Company's history. For the first time in the Company's history, DAKO-CZ, a.s. exceeded a turnover of two billion. This great milestone is the result of a year-long work of the entire DAKO team!

PROMOTING SOCIAL RESPONSIBILITY - OUR SUPPORT IS AIMED AT THE NATIONAL LEVEL

We have long viewed support in the area of social responsibility as one of the Company's key activities. This year, we have tried to support as many activities in our community as possible, our employees and their hobbies, and most importantly, to support those who need financial or material assistance. We were involved in supporting events at the national level, which was the „Shoebboxes“ collection, and we supported the Czech Athletic Association.



CSG RAIL DIVISION WE ARE GROWING AND OPENING UP BRANCHES ABROAD



DAKO-CZ, A.S.

- Development and production of braking systems and components for railway cars
- Company's head office - Třemošnice

DAKO-CZ MACHINERY, A.S.

- the company was founded in April 2021 and its main focus is the production of part of the DAKO-CZ product range and the manufacture of spare parts
- Company's office - Ostrava

DAKO-CZ SERVICE, S.R.O.

- The company was founded in 2020 and its main activity is the service and repair of DAKO brake systems and components used on locomotives, passenger cars and trucks.
- Company's establishment - Most

TRANSELCO CZ S.R.O.

- TRANSELCO CZ s.r.o. was founded in 1999 and is a continuation of the tradition of engineering production, as a successor of Kovolís Vrdy s.p. Since 1953, it has been producing devices for railway rolling stock, especially the DAKO braking system used on locomotives, passenger and freight cars, which are registered and approved in the UIC until 2019
- The company is a major and respected supplier to rail transport throughout Europe. The products meet the highest quality requirements.
- Company's office - Třemošnice

DAKO-CZ RE S.R.O.

- The company was founded in 2019 and its activity is the rental of non-productive real estate
- Company's office - Třemošnice

MEDHA DAKO-CZ PVT. LTD.

We have established a subsidiary called MEDHA DAKO-CZ Pvt. Ltd. with a key player in the Indian market and our partner, Medha Servo Drives Pvt. Ltd., with its registered office in Hyderabad.

Our cooperation is focused on supplying complete and modern braking systems for the newly prepared EMU, METRA vehicles and locomotives for the Indian Railways.

JWL DAKO-CZ (INDIA) LTD.

In Hyderabad, we have established a second subsidiary with the number two freight vehicle manufacturer, Jupiter Wagon Ltd. The cooperation focuses on the supply of disc brakes for LHB passenger vehicles.



PURCHASING, LOGISTICS AND PRODUCTION PLANNING

In 2022, we started cooperation with several new suppliers of strategic materials. In the first half of 2022, the first series castings were successfully sampled with a new partner who, thanks to its advanced and highly precise technology, allowed the existing castings to be modified in a way that led to a reduction in the overall weight of the castings. In particular, the precision of these castings led to the possibility of machining on a robotic workstation for the first time.

The purchasing team has participated in several international engineering fairs in the past year. In the second half of the year, the team also participated for the first time in the Turcast foundry fair in Istanbul, Turkey, where it established contacts with more than 70 foreign foundries. Thanks to this trade fair, a business contract and the first deal with a Turkish foundry was concluded.

Thanks to new partners, DAKO-CZ, a.s. continues to expand its total production capacity in the Make or Buy project. In this project, extensive purchase of complete parts according to drawings was again carried out in the past year with a total value of 150 thousand standard hours.

WAREHOUSE

In 2022, it was necessary to increase the storage capacity for small parts. A fifth vertical stacker was purchased and successfully revived, expanding the storage capacity to 160 tonnes of goods. To ensure smooth loading and unloading of materials and semi-finished products, a third electric trolley (VNA) was purchased in the first half of the year, making the process of preparing materials for production faster and more efficient. In the second half of the year, all stored metal boxes and pallets were barcoded and several wireless readers were purchased. The revival of the bar-coded unloading and stacking system was an essential step towards the planned implementation of the new warehouse system, which is scheduled to start in the first half of next year.





DAKO-CZ, A.S.

**REPORT ON RELATED
PARTY TRANSACTIONS**

FOR THE YEAR ENDED
31 DECEMBER 2022

CONTROLLED ENTITY:

COMPANY:	DAKO-CZ, A.S.
REGISTERED OFFICE:	JOSEFA DAŇKA 1956, 538 43 TŘEMOŠNICE
CORPORATE ID:	465 05 091
FILE:	B 668 HELD BY THE REGIONAL COURT IN HRADEC KRÁLOVÉ

DAKO-CZ, a.s., Corporate ID: 465 05 091, with its registered office at Josefa Daňka 1956, 538 43 Třemošnice, recorded in the Register of Companies, File B 668, maintained by the Regional Court in Hradec Králové (the “Company” or “DAKO-CZ, a.s.”), is obliged to prepare the report on relations between the controlling entity and the controlled entity and between the controlled entity and entities controlled by the same controlling entity (the “Related Parties”) for the 2022 reporting period under Section 82 of Act No. 90/2012 Coll., on Business Corporations, as amended.

I CONTROLLING ENTITY

The Board of Directors of the Company is aware that in the period from 1 January 2022 to 31 December 2022, the Company was controlled by TRIBLAN a.s., with its registered office at Na Poříčí 1071/17, Nové Město, 110 00 Prague 1, Corporate ID: 092 37 321, recorded in the Register of Companies held by the Municipal Court in Prague, File B 25379.

Until 30 June 2022, the controlling entity of TRIBLAN a.s. was CZECHOSLOVAK GROUP a.s., with its registered office at Pernerova 691/42, Karlín, 186 00 Prague 8, Corporate ID: 034 72 302, recorded in the Register of Companies held by the Municipal Court in Prague, File B 20071. As of 1 July 2022, the controlling entity of TRIBLAN a.s. is CSG RAIL a.s., with its registered office at Na Poříčí 1071/17, Nové Město, 110 00 Prague 1, Corporate ID: 089 50 181, recorded in the Register of Companies held by the Municipal Court in Prague, File B 25126.

In 2022, the controlling entity of CSG RAIL a.s. is CZECHOSLOVAK GROUP a.s., with its registered office at Pernerova 691/42, Karlín, 186 00 Prague 8, Corporate ID: 034 72 302, recorded in the Register of Companies held by the Municipal Court in Prague, File B 20071.

Until 27 June 2022, the controlling entity of CZECHOSLOVAK GROUP a.s. was Mr Michal Strnad, born 4 August 1992, permanently residing at Široká 129, Chrudim I, 537 01 Chrudim. As of 28 June 2022, the controlling entity of CZECHOSLOVAK GROUP a.s. is CSG FIN a.s., with its registered office at Na Poříčí 1071/17, Nové Město, 110 00 Prague 1, Corporate ID: 141 41 442, recorded in the Register of Companies held by the Municipal Court in Prague, File B 26982. CSG FIN a.s. is controlled by Mr Michal Strnad, born 4 August 1992, permanently residing at Široká 129, Chrudim I, 537 01 Chrudim. This holds true as of 31 December 2022.

II ENTITIES CONTROLLED BY THE CONTROLLED ENTITY

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 Regional Court in Hradec Králové, File C 47575. 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 %.

DAKO-CZ MACHINERY, a.s., Corporate ID 107 43 952, with its seat: Matušková 1929/10, Slezská Ostrava, 710 00 Ostrava, recorded in the Register of Companies held by the Regional Court in Ostrava, File B 11386. Equity investment 100 %.

III ROLE OF THE CONTROLLED ENTITY, MANNER AND MEANS OF CONTROL

The Company 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 wagons and passenger vehicles, suburban units, locomotives, trams and underground carriages.

The controlling entity exercises control through its ownership rights by means of resolutions at general meetings of the Company (or resolutions of the Company's sole shareholder). The ways and means of controlling the Company include the Company's Articles of Association and decisions of the Company's ultimate governing body. Accordingly, there are no special agreements between the Company and the controlling entity in relation to the ways and means of controlling the Company.

IV STRUCTURE OF RELATIONS BETWEEN RELATED PARTIES

The Board of Directors of the Company is aware that between 1 January 2022 and 31 December 2022, the company TRIBLAN a.s. controlled:

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 668

DAKO-CZ MACHINERY, a.s., Corporate ID: 107 43 952, with its seat: Josefa Daňka 1956, 538 43 Třemošnice, recorded in the Register of Companies held by the Regional Court in Ostrava, File B 11386

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

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

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 Regional Court in Hradec Králové, File C 47575

V ENTITIES CONTROLLED BY CZECHOSLOVAK GROUP A.S.

A list of companies directly or indirectly controlled by the same controlling entity are listed in Appendix 1 to this Report on Related Party Transactions.

VI LIST OF ACTIONS TAKEN IN 2022 AT THE INCENTIVE OR IN THE INTEREST OF THE CONTROLLING ENTITY OR ENTITIES CONTROLLED BY IT, IN CASE SUCH ACTIONS RELATED TO ASSETS EXCEEDING 10% OF THE CONTROLLED ENTITY'S EQUITY ACCORDING TO THE MOST RECENT SET OF FINANCIAL STATEMENTS

The 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 2022.

VII OVERVIEW OF MUTUAL AGREEMENTS BETWEEN THE CONTROLLED ENTITY AND THE CONTROLLING ENTITY OR BETWEEN CONTROLLED ENTITIES

The agreement on the assignment of receivables concluded between DAKO-CZ, a.s. and CZECHOSLOVAK GROUP a.s. remains in force. The agreement was concluded under arm's length conditions that would otherwise exist between independent entities, and DAKO-CZ, a.s. incurred no detriment by concluding the contract.

The agreement on the provision of maintenance services concluded between DAKO-CZ, a.s. and CSGM, a.s. remains in force. The agreement was concluded under arm's length conditions that would otherwise exist between independent entities, and DAKO-CZ, a.s. incurred no detriment by concluding the contract.

DAKO-CZ, a.s. and its subsidiaries DAKO-CZ MACHINERY, a.s., DAKO-CZ SERVICE, s.r.o., TRANSELCO CZ s.r.o. and DAKO-RE, s.r.o. concluded framework agreements on the delivery of products, agreements for the lease of non-residential premises or agreements for the provision of services under arm's length conditions that would otherwise exist between independent entities, and DAKO-CZ, a.s. incurred no detriment by concluding the contracts.

VIII ASSESSMENT OF WHETHER THE COMPANY INCURRED DAMAGE AND ASSESSMENT OF THE SETTLEMENT PURSUANT TO SECTIONS 71 AND 72 OF ACT NO. 90/2012 COLL., ON BUSINESS CORPORATIONS, AS AMENDED

The Company uses services and financing from related parties as part of its regular business activities.

The Company declares that during the reporting period, there has been no influence on the actions of the Company, by an influential entity or a controlling entity, which would have a decisive and/or significant effect on the Company's actions to its detriment. The Company declares that all the actions described in Note VI of this Report on Related Party Transactions were taken and the contracts described in Note VII of this Report on Related Party Transactions were entered into under arm's length conditions and that all the services provided and received under these contracts were also provided under arm's length conditions, and no damage was caused to the Company as a result of these actions, and therefore it is not necessary to assess the settlement of detriment incurred pursuant to Sections 71 and 72 of Act No. 90/2012 Coll., on Business Corporations, as amended.

IX ASSESSMENT OF ADVANTAGES AND DISADVANTAGES ARISING FROM THE RELATIONS BETWEEN RELATED PARTIES

Generally, it can be stated that relations between related parties are primarily beneficial. These mainly include the utilisation of synergies, in the context of promotion, use of ready-made solutions in multiple companies within the Group and financing.

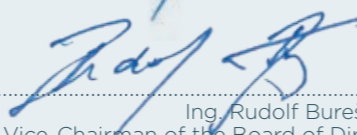
No disadvantages stemming from the relations between related parties were found and the Company is not aware of any risks arising from the abovementioned relations.

For the Company, its role in relation to the controlling entity and entities controlled by the same controlling entity did not and does not represent any risk and therefore it is not necessary to state whether and in what manner and in what period the damage was or will be settled pursuant to Sections 71 and 72 of Act No. 90/2012 Coll., on Business Corporations, as amended.

In Třemošnice on 31 March 2023



Ing. Lukáš Andryšek
Chairman of the Board of Directors



Ing. Rudolf Bureš, LL.M.
Vice-Chairman of the Board of Directors

APPENDIX NO. 1

List of companies directly or indirectly controlled by the same controlling entity

COMPANIES CONTROLLED BY CZECHOSLOVAK GROUP A.S.

CZECHOSLOVAK GROUP a.s. directly or indirectly controls the following entities:

Company	Corporate ID recorded in	Registered office	Country of registration	Means of control	Note	Directly controlling entity
14. OKTOBAR d.o.o. Kruševac	21178772	Jasički put br. 2, 11104 Kruševac	Serbia	direct		
ARMY TRADE a.s.	06123724, File B 22516 (Municipal Court in Prague)	Na Poříčí 1071/17, Nové Město, 110 00 Prague 1	Czech Republic	indirect		CSG DEFENCE a.s.
AsterIVF s.r.o.	03648311, File C 235869 (Municipal Court in Prague)	Sokolovská 810/304, Vysočany, 190 00 Prague 9	Czech Republic	indirect		Prague Fertility Centre s.r.o.
ATLAN GROUP, spol. s r.o.	35754222, File Sro 13718/R (District Court in Trenčín)	Štúrova 925/27, 018 41 Dubnica nad Váhom	Slovakia	indirect		MSM GROUP s.r.o.
ATRAK a.s.	08208638, File B 24436 (Municipal Court in Prague)	Na Poříčí 1071/17, Nové Město, 110 00 Prague 1	Czech Republic	indirect		TRADITION CS a.s.
AVIA AVIATION a.s.	4837924, File B 26187 (Municipal Court in Prague)	Na Poříčí 1071/17, Nové Město, 110 00 Prague 1	Czech Republic	indirect		50 % CZECHOSLOVAK GROUP a.s., 50 % Scott & Hagget Czech
AVIA Electric a.s.	8735654, File B 24931 (Municipal Court in Prague)	Na Poříčí 1071/17, Nové Město, 110 00 Prague 1	Czech Republic	direct		
AVIA Motors s.r.o.	27422356, File C 112025 (Municipal Court in Prague)	Na Poříčí 1071/17, Nové Město, 110 00 Prague 1	Czech Republic	direct		
AVIEN, spol. s r.o.	47539682, File C 19027 (Municipal Court in Prague)	Pernerova 691/42, Karlín, 186 00 Prague 8	Czech Republic	direct		
Baschieri & Pellagri S.p.A.	00290260371	Via del Frullo 26, Castenaso	Italy	indirect	since 24. November 2022	Fiocchi Munizioni S.p.A.
BREVETI SPV a.s.	10743677, File B 26239 (Municipal Court in Prague)	Na Poříčí 1071/17, Nové Město, 110 00 Prague 1	Czech Republic		until 1 July 2022	
C3F S.p.A.	12288070969	Via Rugabella 1, 20122 Milan	Italy	indirect	since 1 March 2022	LAIRAN SPV a.s.
CLEVELOPMENT SPV a.s.	17119952, File B 27268 (Municipal Court in Prague)	Na Poříčí 1071/17, Nové Město, 110 00 Prague 1	Czech Republic	direct		
CLS Polska SP z.o.o.	0000433767	ul. Królowej Marysieńki 50A, 02-954 Varšava	Poland	indirect	shell company	Česká letecká servisní, a.s.
CS SOFT a.s.	25781723, File B 15253 (Municipal Court in Prague)	K letišti 1019/6, Ruzyně, 161 00 Prague 6	Czech Republic	indirect		TRADITION CS a.s.
CSG a.s.	11854855, File B 26633 (Municipal Court in Prague)	Na Poříčí 1071/17, Nové Město, 110 00 Prague 1	Czech Republic	direct		

Company	Corporate ID recorded in	Registered office	Country of registration	Means of control	Note	Directly controlling entity
CSG AEROSPACE a.s.	03312208, File B 19923 (Municipal Court in Prague)	Pernerova 691/42, Karlín, 186 00 Prague 8	Czech Republic	direct		
CSG DEAL a.s.	11858095, File B 26641 (Municipal Court in Prague)	Na Poříčí 1071/17, Nové Město, 110 00 Prague 1	Czech Republic	direct		
CSG DEFENCE a.s.	07333528, File B 23675 (Municipal Court in Prague)	Na Poříčí 1071/17, Nové Město, 110 00 Prague 1	Czech Republic	direct		
CSG EXPORT a.s.	6224971, File B 22599 (Municipal Court in Prague)	Na Poříčí 1071/17, Nové Město, 110 00 Prague 1	Czech Republic	direct		
CSG HEALTH CARE a.s.	9326073, File B 25495 (Municipal Court in Prague)	Na Poříčí 1071/17, Nové Město, 110 00 Prague 1	Czech Republic	indirect		ENVERCOTE a.s.
CSG INDUSTRY a.s.	6015689, File B 22298 (Municipal Court in Prague)	Na Poříčí 1071/17, Nové Město, 110 00 Prague 1	Czech Republic	direct		
CSG Land System SK a.s.	52830381, File Sa 10771/R (District Court in Trenčín)	Štúrova 925/27, 018 41 Dubnica nad Váhom	Slovakia	indirect		CSG Land Systems CZ a.s.
CSG Land Systems CZ a.s.	8584923, File B 24764 (Municipal Court in Prague)	Na Poříčí 1071/17, Nové Město, 110 00 Prague 1	Czech Republic	indirect		CSG DEFENCE a.s.
CSG RAIL a.s.	08950181, File B 25126 (Municipal Court in Prague)	Na Poříčí 1071/17, Nové Město, 110 00 Prague 1	Czech Republic	direct		
CSG RECOVERY s.r.o.	9579036, File C 338429 (Municipal Court in Prague)	Na Poříčí 1071/17, Nové Město, 110 00 Prague 1	Czech Republic	indirect		CSGM a.s.
CSG USA Inc.	117027146	14507 Kingsmill Way, Culpeper 22 701, Virginie	USA	indirect		EXCALIBUR INTERNATIONAL a.s.
CSGM a.s.	1384694, File B 19596 (Municipal Court in Prague)	Pernerova 691/42, Karlín, 186 00 Prague 8	Czech Republic	direct		
CZECH CAMOUFLAGE SYSTEMS a.s.	6135013, File B 22517 (Municipal Court in Prague)	Na Poříčí 1071/17, Nové Město, 110 00 Prague 1	Czech Republic	indirect		CSG Land Systems CZ a.s.
CZECH DEFENCE SYSTEMS a.s.	24147133, File B 17410 (Municipal Court in Prague)	Náměstí 14. října 1307/2, Smíchov, 150 00 Prague 5	Czech Republic	indirect		CSG Land Systems CZ a.s.
CZECH MACHINERY GROUP B.V.	65442571	Kingsfordweg 151, 1043 GR Amsterdam	Netherlands	indirect	in liquidation as of 1 December 2022	Slovak industry s.r.o.
CZECHOSLOVAK EXPORT a.s.	4986512, File B 21489 (Municipal Court in Prague)	Na Poříčí 1071/17, Nové Město, 110 00 Prague 1	Czech Republic	indirect		CSG EXPORT a.s.
CZECHOSLOVAKIA TRADE a.s.	50018175, File Sa 10724/R (District Court in Trenčín)	Štúrova 925/27, 018 41 Dubnica nad Váhom	Slovakia	indirect		MSM GROUP, s.r.o.

Company	Corporate ID recorded in	Registered office	Country of registration	Means of control	Note	Directly controlling entity
Česká letecká servisní a.s.	25101137, File B 4510 (Municipal Court in Prague)	Mladoboleslavská 1081, Kbely, 197 00 Prague 9	Czech Republic	indirect		CSG AEROSPACE a.s.
DAKO-CZ MACHINERY, a.s.	10743952, File B 11386 (Regional Court in Ostravě)	Matušková 1929/10, Slezská Ostrava, 710 00 Ostrava	Czech Republic	indirect		DAKO-CZ, a.s.
DAKO-CZ RE, s.r.o.	8741000, File C 44950 (Regional Court in Hradci Králové)	Josefa Daňka 1956, 538 43 Třemošnice	Czech Republic	indirect		DAKO-CZ, a.s.
DAKO-CZ SERVICE, s.r.o.	9243348, File C 45951 (Regional Court in Hradci Králové)	Josefa Daňka 1956, 538 43 Třemošnice	Czech Republic	indirect		DAKO-CZ, a.s.
DAKO-CZ, a.s.	46505091, File B 668 (Regional Court in Hradci Králové)	Josefa Daňka 1956, 538 43 Třemošnice	Czech Republic	indirect		TRIBLAN a.s.
DEFENCE SYSTEMS a.s.	07333544, File B 23691 (Municipal Court in Prague)	Na Poříčí 1071/17, Nové Město, 110 00 Prague 1	Czech Republic	indirect		CSG DEFENCE a.s.
DEFENCE TRADE SLOVAKIA, s.r.o.	51087723, File Sro 35274/R (District Court in Trenčín)	Štúrova 925/27, 018 41 Dubnica nad Váhom	Slovakia	indirect	On 9 November 2022, name changed from ZTS METALURG špeciál, s.r.o. As of 25 July 2022, fully consolidated, previously an associate.	MSM LAND SYSTEMS s.r.o.
Development Přelouč s.r.o.	14267900, File C 49100 (Regional Court in Hradci Králové)	Tovární 1553, 535 01 Přelouč	Czech Republic	indirect	since 17 February 2022	EXCALIBUR ARMY spol. s r.o.
EHC Service, s.r.o.	36507245, File C 524 (District Court in Košice)	Košice 1094, 040 15 Košice - mestská časť Poľov	Slovakia	indirect		Slovak Training Academy
ELDIS PARDUBICE INDIA PRIVATE LIMITED	U31900HR2021FTCO9 8031	C-73, Fourth Floor, Gali No.5, Amritpuri-b, 110065 Delhi	India	indirect		ELDIS Pardubice, s.r.o.
ELDIS Pardubice, s.r.o.	15050742, File C 524 (Regional Court in Hradci Králové)	Dělnická 469, Pardubičky, 533 01 Pardubice	Czech Republic	indirect		CSG AEROSPACE a.s.
ELTON hodinářská, a.s.	25931474, File B 2007 (Regional Court in Hradci Králové)	Náchodská 2105, 549 01 Nové Město nad Metují	Czech Republic	indirect		MADE CS a.s.
ENGINEERING SPV a.s.	06926827, File B 23253 (Municipal Court in Prague)	Na Poříčí 1071/17, Nové Město, 110 00, Prague 1	Czech Republic	direct		
ENVERCOTE a.s.	09326928, File B 25497 (Municipal Court in Prague)	Na Poříčí 1071/17, Nové Město, 110 00 Prague 1	Czech Republic	direct		
EUROPEAN AIR SERVICES s.r.o.	29131987, File C 202310 (Municipal Court in Prague)	Pernerova 691/42, Karlín, 186 00 Prague 8	Czech Republic	indirect		CSG AEROSPACE a.s.
EUROPEAN AIR SERVICES SLOVAKIA s. r. o.	52014673, File Sro 44919/V (District Court in Košice)	Košice 1094, 040 15 Košice - mestská časť Poľov	Slovakia	indirect		CSG AEROSPACE a.s.

Company	Corporate ID recorded in	Registered office	Country of registration	Means of control	Note	Directly controlling entity
EXCALIBUR ARMY HELLAS LTD	HE422321	ArtemidDistrict Court in 5, 6020 Larnaca	Cyprus	indirect		EXCALIBUR ARMY spol. s r.o.
EXCALIBUR ARMY spol. s r.o.	64573877, File C 41695 (Municipal Court in Prague)	Kodaňská 521/57, Vršovice, 101 00 Prague 10	Czech Republic	indirect		CSG Land Systems CZ a.s.
EXCALIBUR INTERNATIONAL a.s.	29289688, File B 20148 (Municipal Court in Prague)	Sokolovská 675/9, Karlín, 186 00 Prague 8	Czech Republic	direct		
EXCALIBUR INTERNATIONAL HU Kft.	327774	1011 Budapest, Fő utca 14-18.	Hungary	indirect		EXCALIBUR INTERNATIONAL a.s.
EXCALIBUR USA a.s.	04407571, File B 20938 (Municipal Court in Prague)	Na Poříčí 1071/17, Nové Město, 110 00 Prague 1	Czech Republic	direct		
FABRICA DE MUNICIONES DE GRANADA S.L.	B88295209	CTRA De Murcia S/N, 181 82 El Fargue, Granada	Spain	indirect		MSM GROUP s.r.o.
FCC S.p.A.	10123620964	Corso Italia 22, Milan	Italy	indirect	since 24 November 2022	C3F S.p.A.
Fiocchi Munizioni S.p.A.	00810220137	Via Santa Barbara 4, 23900 Lecco	Italy	indirect	since 24 November 2022	FCC S.p.A.
Fiocchi of America Inc.	00250555	6930 North Freemont Road, 65721 Ozark, Missouri	USA	indirect	since 24 November 2022	Fiocchu Munizioni S.p.A.
Fiocchi UK Limited	06221537	Raddle Farm, Raddle Lane, Edingale, WS13 8XA Staffordshire	GB	indirect	since 24 November 2022	Fiocchu Munizioni S.p.A.
GACEL Holding s.r.o.	17076544, File C 366227 (Municipal Court in Prague)	Na Poříčí 1071/17, Nové Město, 110 00 Prague 1	Czech Republic	indirect	since 25 April 2022	CSG DEFENCE a.s.
GAMA OCEL, spol. s r.o.	26295849, File C 42332 (Regional Court in Brně)	Bratislavská 406/4, 69501 Hodonín	Czech Republic	indirect	since 25 August 2022	GACEL Holding s.r.o.
GERLENAIR a.s.	9326791, File B 25496 (Municipal Court in Prague)	Na Poříčí 1071/17, Nové Město, 110 00 Prague 1	Czech Republic	direct		
HARVO SPV s.r.o.	14154013, File C 88122 (Regional Court in Ostravě)	Olomoucká 1841/175, 785 01 Šternberk	Czech Republic	indirect	since 13 January 2022	EXCALIBUR ARMY spol. s r.o. (50 %), STV INVEST a.s. (50 %)
HELI COMPANYY s.r.o.	36492124, File Sro 14788/P (District Court in Prešov)	Vranovská 72, 080 01 Prešov	Slovakia	indirect		Slovak Training Academy, s.r.o.
HTH land a.s.	6143946, File B 22493 (Municipal Court in Prague)	Na Poříčí 1071/17, Nové Město, 110 00 Prague 1	Czech Republic	direct		
INTEGRA CAPITAL a.s.	27528103, File B 21504 (Municipal Court in Prague)	Pernerova 691/42, Karlín, 186 00 Prague 8	Czech Republic	direct		
JOB AIR Technic a.s.	27768872, File B 3029 (Regional Court in Ostravě)	Gen. Fajtla 370, 742 51 Mošnov	Czech Republic	indirect		CSG AEROSPACE a.s.
KARBOX Holding s.r.o.	27601374, File C 23915 (Regional Court in Hradci Králové)	Tovární 1553, 535 01 Přelouč	Czech Republic	direct		

Company	Corporate ID recorded in	Registered office	Country of registration	Means of control	Note	Directly controlling entity
KARBOX s.r.o.	26002370, File C 19384 (Regional Court in Hradci Králové)	Tovární 1553, 535 01 Přelouč	Czech Republic	indirect		KARBOX Holding s.r.o.
KARMONIKA AERO a.s.	09588817, File B 25734 (Municipal Court in Prague)	Na Poříčí 1071/17, Nové Město, 110 00 Prague 1	Czech Republic	direct		
KONVERTIAL SPV a.s.	09269649, File B 25371 (Municipal Court in Prague)	Na Poříčí 1071/17, Nové Město, 110 00 Prague 1	Czech Republic	direct	On 6 May 2022, name changed from TATRA a.s.	
Kopřivnice Energy s.r.o.	05431905, File C 263563 (Municipal Court in Prague)	Sokolovská 675/9, Karlín, 186 00 Prague 8	Czech Republic	indirect		TATRA TRUCKS a.s.
LAIRAN SPV a.s.	14141663, File B 26983 (Municipal Court in Prague)	Na Poříčí 1071/17, Nové Město, 110 00 Prague 1	Czech Republic	indirect	since 11 January 2022	RUMPETA a.s.
LIAZ TRUCKS a.s.	6710697, File B 21657 (Municipal Court in Prague)	Na Poříčí 1071/17, Nové Město, 110 00 Prague 1	Czech Republic	direct		
LOSTR a.s.	5197104, File B 21533 (Municipal Court in Prague)	Na Poříčí 1071/17, Nové Město, 110 00 Prague 1	Czech Republic	direct		
Lyalvale Express Limited	03485334	Express Estate, Fisherwick Nr. Whittington, Lichfield, WS13 8XA Staffordshire	GB	indirect		Fiocchu Munizioni S.p.A.
MADE CS a.s.	5057779, File B 23278 (Municipal Court in Prague)	Na Poříčí 1071/17, Nové Město, 110 00 Prague 1	Czech Republic	direct		
MERIT SPV a.s.	6977545, File B 23278 (Municipal Court in Prague)	Pernerova 691/42, Karlín, 186 00 Prague 8	Czech Republic	indirect		TRADITION CS a.s.
MSM - OPTICAL s.r.o.	52070972, File Sro 37466/R (District Court in Trenčín)	Štúrova 925/27, 18410 Dubnica nad Váhom	Slovakia	indirect		MSM GROUP s.r.o.
MSM EXPORT, s.r.o.	48006122, File Sro 34344/R (District Court in Trenčín)	Štúrova 925/27, 1841 Dubnica nad Váhom	Slovakia	indirect	On 24 August 2022, name changed from MSM holding, s.r.o.	MSM GROUP s.r.o.
MSM GROUP s.r.o.	46553509, File Sro 31197/R (District Court in Trenčín)	Štúrova 925/27, 1841 Dubnica nad Váhom	Slovakia	indirect		CSG DEFENCE a.s.
MSM LAND SYSTEMS s.r.o.	36396711, File Sro 34630/R (District Court in Trenčín)	Kasárenská 8, 911 05 Trenčín	Slovakia	indirect		CSG Land Systems CZ a.s.
MSM Martin, s.r.o.	36422991, File Sro 30764/R (District Court in Trenčín)	Štúrova 925/27, 018 41 Dubnica nad Váhom	Slovakia	indirect		MSM GROUP s.r.o.
MSM Nováky a.s.	35820322, File Sa 10564/R (District Court in Trenčín)	Duklianska 60, 972 71 Nováky	Slovakia	indirect	On 31 December 2022, name changed to VOP Nováky, a.s.	CSG DEFENCE a.s.
MSM Services, s.r.o.	50926748, File Sro 34828/R (District Court in Trenčín)	Štúrova 925/27, 018 41 Dubnica nad Váhom	Slovakia	indirect		CSG DEFENCE a.s.

Company	Corporate ID recorded in	Registered office	Country of registration	Means of control	Note	Directly controlling entity
NIKA Development a.s.	27528910, File B 23310 (Municipal Court in Prague)	Na Poříčí 1071/17, Nové Město, 110 00 Prague 1	Czech Republic	direct	On 15 August 2022, name changed from Industry Defence, s.r.o.	
PPS VEHICLES, s.r.o.	36032646, File Sro 43004/R (District Court in Trenčín)	Štúrova 925/27, 018 41 Dubnica nad Váhom	Czech Republic	indirect		MSM GROUP s.r.o.
Prague Fertility Centre s.r.o.	28956095, File C 155686 (Municipal Court in Prague)	Sokolovská 810/304, Vysočany, 190 00 Prague 9	Czech Republic	indirect		CSG HEALTH CARE a.s.
PROGRESS SPV a.s.	06710875, File B 23102 (Municipal Court in Prague)	Na Poříčí 1071/17, Nové Město, 110 00 Prague 1	Czech Republic	direct		
RADAS, s.r.o.	60732296, File C 207402 (Municipal Court in Prague)	Valdštejnská 150/4, Malá Strana, 118 00 Prague 1	Czech Republic	direct		
RADIATIK a.s.	02751402, File B 19664 (Municipal Court in Prague)	Na Poříčí 1071/17, Nové Město, 110 00 Prague 1	Czech Republic	direct		
Real Info d.o.o. Kruševac	20877529	Jasički Put 2, 370 00 Kruševac	Serbia	indirect		14. OKTOBAR d.o.o. Kruševac
REAL TRADE Prague a.s.	25642740, File B 1440 (Municipal Court in Prague)	Náměstí 14. října 1307/2, Smíchov, 150 00 Prague 5	Czech Republic	indirect		CSG Land Systems CZ a.s.
REALID SPV a.s.	17119928, File B 27266 (Municipal Court in Prague)	Na Poříčí 1071/17, Nové Město, 110 00 Prague 1	Czech Republic	direct	since 6 May 2022	
ReDat Recording, a.s.	05648114, File B 26638 (Regional Court in Hradci Králové)	Pražská 341, Zelené Předměstí, 530 02 Pardubice	Czech Republic	indirect		RETIA a.s.
RELAZA SPV a.s.	17119928, File B 27266 (Municipal Court in Prague)	Na Poříčí 1071/17, Nové Město, 110 00 Prague 1	Czech Republic	direct	since 5 May 2022	
RETIA Realitní s.r.o.	09850813, File C 50446 (Regional Court in Hradci Králové)	Pražská 341, Zelené Předměstí, 530 02 Pardubice	Czech Republic	indirect	Part of the Group from 14 November 2022 to 1 January 2023. On 14 November 2022, name changed from BBRE Realitní Alfa s.r.o.	RETIA a.s.
RETIA, a.s.	25251929, File B 3523 (Regional Court in Hradci Králové)	Pardubice – Zelené Předměstí, Pražská 341, 530 02	Czech Republic	indirect	.	TECHNOLOGY CS a.s.
RUMPETA a.s.	11858061, File B 26638 (Municipal Court in Prague)	Na Poříčí 1071/17, Nové Město, 110 00 Prague 1	Czech Republic	direct		
SBS ZVS, s.r.o.	36306070, File Sro 11273/R (District Court in Trenčín)	Štúrova 1, 018 41 Dubnica nad Váhom	Slovakia	indirect		ZVS holding a.s.
SHER Technologies a.s.	27528171, File B 2669 (Regional Court in Hradci Králové)	Čepí č.p. 101, 533 32 Čepí	Czech Republic	indirect		CSG DEFENCE a.s.

Company	Corporate ID recorded in	Registered office	Country of registration	Means of control	Note	Directly controlling entity
Slovak Aviation Factory s.r.o.	50885201, File Sro 34705/R (District Court in Trenčín)	Štúrova 925/27, 018 41 Dubnica nad Váhom	Slovakia	indirect		MSM GROUP s.r.o.
Slovak industry s.r.o.	51106957, File Sro 35302/R (District Court in Trenčín)	Štúrova 925/27, 018 41 Dubnica nad Váhom	Slovakia	indirect		MSM GROUP s.r.o.
Slovak Training Academy, s.r.o.	47055952, File Sro 30298/R (District Court in Trenčín)	Štúrova 925/27, 018 41 Dubnica nad Váhom	Slovakia	indirect		EUROPEAN AIR SERVICES SLOVAKIA s.r.o.
Sondany s.r.o.	4548418, File C 249408 (Municipal Court in Prague)	Milady Horákové 386/63, Holešovice, 170 00 Prague	Czech Republic	indirect		Prague Fertility Centre s.r.o.
Space T a.s.	8655600, File B 24808 (Municipal Court in Prague)	Na Poříčí 1071/17, Nové Město, 110 00 Prague 1	Czech Republic	indirect		CSG AEROSPACE a.s.
STA TECHNOLOGY, s.r.o.	50479717, File Sro 33646/R (District Court in Trenčín)	Štúrova 925/27, 018 41 Dubnica nad Váhom	Slovakia	indirect		Slovak Training Academy, s.r.o.
TABLON SPV a.s.	8950504, File B 25371 (Municipal Court in Prague)	Na Poříčí 1071/17, Nové Město, 110 00 Prague 1	Czech Republic	direct		
TATRA a.s.	17120209 B 27271/MSPH (Municipal Court in Prague)	Na Poříčí 1071/17, Nové Město, 110 00 Prague 1	Czech Republic	direct		
TATRA AVIATION a.s.	3999203, File B 20535 (Municipal Court in Prague)	Kodaňská 521/57, Vršovice, 101 00 Prague 10	Czech Republic	direct		
TATRA DEFENCE PROJECTS s.r.o.	14316226, File C 363750 (Municipal Court in Prague)	Sokolovská 675/9, 186 00 Prague 8	Czech Republic	indirect	since 8 March 2022	TATRA DEFENCE VEHICLE a.s.
TATRA DEFENCE SLOVAKIA s.r.o.	50755749, File Sro 34330/R (District Court in Trenčín)	Kasárenská 8, 911 05 Trenčín	Slovakia	indirect		CSG Land Systems CZ a.s.
TATRA DEFENCE SYSTEMS s.r.o.	08993289, File C 328828 (Municipal Court in Prague)	Sokolovská 675/9, Karlín, 186 00 Prague 8	Czech Republic	indirect		TATRA DEFENCE VEHICLE a.s.
TATRA DEFENCE VEHICLE a.s.	24152269, File B 17463 (Municipal Court in Prague)	Kodaňská 521/57, Vršovice, 101 00 Prague 10	Czech Republic	indirect		CSG Land Systems CZ a.s.
TATRA ENERGY s.r.o.	14364255, File C 88795 (Regional Court in Ostravě)	Areál Tatro 1450/1, 742 21 Kopřivnice	Czech Republic	indirect		TATRA TRUCKS a.s.
TATRA EXPORT s.r.o.	27388816, File C 29456 (Regional Court in Ostravě)	Areál Tatro 1450/1, 742 21 Kopřivnice	Czech Republic	indirect		TATRA TRUCKS a.s.
TATRA MANUFACTURE a.s.	05127394, File B 21580 (Municipal Court in Prague)	Na Poříčí 1071/17, Nové Město, 110 00 Prague 1	Czech Republic	direct		
TATRA METALURGIE a.s.	03667952, File B 10641 (Regional Court in Ostravě)	Areál Tatro 1450/1, 742 21 Kopřivnice	Czech Republic	indirect		TATRA TRUCKS a.s.

Company	Corporate ID recorded in	Registered office	Country of registration	Means of control	Note	Directly controlling entity
TATRA Slovensko spol. s r.o.	31364578, File Sro 13124/B (District Court in Bratislava I)	Vajnorská 171/A, 831 04 Bratislava	Slovakia	indirect		TATRA TRUCKS a.s.
TATRA TRUCKS a.s.	01482840, File B 10443 (Municipal Court in Prague)	Areál Tatry 1450/1, 742 21 Kopřivnice	Czech Republic	indirect		35 % PROMET TOOLS a.s., 65 % NIKA Development a.s.
TATRA TRUCKS GULF COMMERCIAL BROKERS L.L.C.	351853	Khalifa Bin Zayed The First Street, Abu Dhabi	Spojené arabské emiráty	indirect		TATRA TRUCKS a.s.
TATRA TRUCKS INDIA PRIVATE LIMITED	U35900DL2016FTC28 9353	B-6 Flat No 102, Kailash Colony, New Delhi, Delhi 110048	India	indirect		TATRA TRUCKS a.s.
TATRA VOSTOK, OOO	11477468055910	Armjanskij pereulok., d. 1/8, str. 3, Moskva, 101000	Ruská Federace	indirect		TATRA TRUCKS a.s.
TATRABRAS LTDA	38045562000124	BR-376, KM 503, AVENIDA TATRA, PONTA GROSSA, PARANÁ	Brazílie	indirect		TATRA TRUCKS a.s.
TECHNOLOGY CS a.s.	5774888, File B 22200 (Municipal Court in Prague)	Na Poříčí 1017/17, Nové Město, 110 00 Prague 1	Czech Republic	indirect		CSG AEROSPACE a.s.
TECHPARK Hradubická a.s.	27519546, File B 2620 (Regional Court in Hradci Králové)	Čepí č.p. 101, 533 32 Čepí	Czech Republic	direct		
TRADITION CS a.s.	6079598, File B 22466 (Municipal Court in Prague)	Na Poříčí 1071/17, 110 00 Prague 1	Czech Republic	indirect		CSG AEROSPACE a.s.
TRANSELCO CZ s.r.o.	25733117, File C 47575 (Regional Court in Hradci Králové)	U Vápenky 562, 538 43 Třemošnice	Czech Republic	indirect		DAKO-CZ, a.s.
TRIBLAN a.s.	9237321, File B 25379 (Municipal Court in Prague)	Na Poříčí 1071/17, Nové Město, 110 00 Prague 1	Czech Republic	indirect		CSG RAIL a.s.
TRUCK SERVICE GROUP s.r.o.	60110759, File C 5438 (Regional Court in Hradci Králové)	Tovární 1553, 535 01 Přelouč	Czech Republic	direct		
UpVision Defence s.r.o.	7723997, File C 306321 (Municipal Court in Prague)	Na příkopě 1096/19, 110 00 Prague 1	Czech Republic	indirect	since 30 September 2022	UpVision s.r.o.
UpVision s.r.o.	28443748, File C 141923 (Municipal Court in Prague)	Klikatá 18, 158 00 Prague 5	Czech Republic	indirect	since 30 September 2022	TRADITION CS a.s.
Virte, a.s.	35917491, File Sa 10739/R (District Court in Trenčín)	Štúrova 925/27, 018 41 Dubnica nad Váhom	Slovakia	indirect		MSM GROUP s.r.o.
VMT Trade, s.r.o.	50927477, File Sro 40688/R (District Court in Trenčín)	Štúrova 925/27, 018 41 Dubnica nad Váhom	Slovakia	indirect		MSM GROUP s.r.o. (50 %), NHNN, s.r.o. (50 %)
VORNEA SPV s.r.o.	06981119, File C 291189 (Municipal Court in Prague)	Na Poříčí 1071/17, Nové Město, 110 00 Prague 1	Czech Republic	direct		

Company	Corporate ID recorded in	Registered office	Country of registration	Means of control	Note	Directly controlling entity
VÝVOJ Martin, a.s.	36381829, File Sa 10119/L (District Court in Žilina)	Komenského 19, Martin 036 01	Slovakia	indirect		MSM GROUP s.r.o.
ZVS-Armory, s.r.o.	46100466, File Sro 32061/R (District Court in Trenčín)	Priemyselná 7, 971 01 Prievidza	Slovakia	indirect	Until 30 December 2022	MSM GROUP s.r.o.
ZVS holding, a.s.	36305600, File Sa 10152/R (District Court in Trenčín)	Štúrova 925/27, 018 41 Dubnica nad Váhom	Slovakia	indirect		MSM GROUP s.r.o.
ZVS IMPEX, akciová spoločnosť	36302848, File Sa 10104/R (District Court in Trenčín)	Štúrova 925/27, 018 41 Dubnica nad Váhom	Slovakia	indirect		MSM GROUP s.r.o.

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 2022, 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 2022, 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.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, and their related entities (collectively, the "Deloitte organization"). DTTL (also referred to as "Deloitte Global") and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

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 Prague on 31 May 2023

Audit firm:

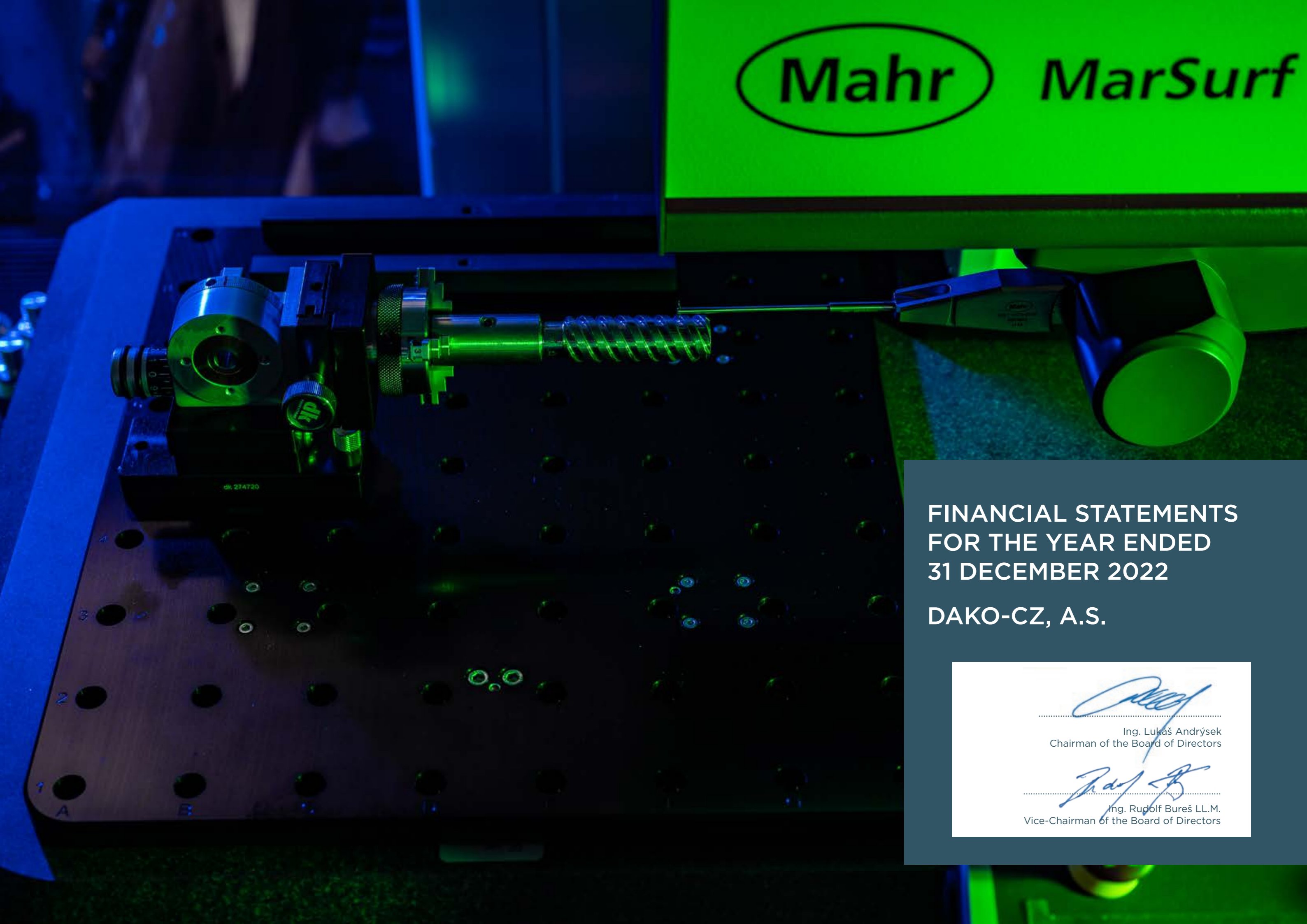
Deloitte Audit s.r.o.
registration no. 079

Statutory auditor:

Jana Korbelová
registration no. 2495



MarSurf



**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2022**

DAKO-CZ, A.S.

Ing. Lukáš Andryšek
Chairman of the Board of Directors

Ing. Rudolf Bureš LL.M.
Vice-Chairman of the Board of Directors

BALANCE SHEET

FULL VERSION

DAKO-CZ, a.s.
Corporate ID 46505091

As of 31. 12. 2022 (in CZK thousand)

Josefa Daňka 1956, 538 43 Třemošnice

		31. 12. 2022			31. 12. 2021
		Gross	Adjustment	Net	Net
	TOTAL ASSETS	2 853 993	589 635	2 264 358	1 796 953
B.	Fixed assets	1 240 058	544 979	695 079	610 539
B.I.	Intangible fixed assets	59 803	40 743	19 060	16 244
B.I.2.	Valuable rights	57 871	40 743	17 128	16 166
B.I.2.1.	Software	45 035	34 582	10 453	9 077
B.I.2.2.	Other valuable rights	12 836	6 161	6 675	7 089
B.I.5.	"Prepayments for intangible fixed assets and intangible fixed assets under construction"	1 932		1 932	78
B.I.5.2.	Intangible fixed assets under construction	1 932		1 932	78
B.II.	Tangible fixed assets	1 114 316	504 236	610 080	538 251
B.II.1.	Land and structures	373 756	122 859	250 897	230 152
B.II.1.1.	Land	2 110		2 110	2 110
B.II.1.2.	Structures	371 646	122 859	248 787	228 042
B.II.2.	"Tangible movable assets and sets of tangible movable assets"	570 137	300 097	270 040	225 396
B.II.4.	Other tangible fixed assets	128 811	81 280	47 531	44 193
B.II.4.3.	Other tangible fixed assets	128 811	81 280	47 531	44 193
B.II.5.	"Prepayments for tangible fixed assets and tangible fixed assets under construction"	41 612		41 612	38 510
B.II.5.1.	Prepayments for tangible fixed assets	20 070		20 070	18 363
B.II.5.2.	Tangible fixed assets under construction	21 542		21 542	20 147
B.III.	Non-current financial assets	65 939		65 939	56 044
B.III.1.	Equity investments - controlled or controlling entity	65 738		65 738	56 024
B.III.5.	Other non-current securities and investments	20		20	20
B.III.7.	Other non-current financial assets	181		181	
B.III.7.1.	Sundry non-current financial assets	181		181	
C.	Current assets	1 594 158	44 656	1 549 502	1 166 772
C.I.	Inventories	547 798	22 570	525 228	414 620
C.I.1.	Material	220 538	1 893	218 645	165 100
C.I.2.	Work in progress and semifinished goods	187 888	2 179	185 709	198 238
C.I.3.	Products and goods	139 372	18 498	120 874	50 682
C.I.3.1.	Products	113 632	16 351	97 281	42 965
C.I.3.2.	Goods	25 740	2 147	23 593	7 717
C.I.5.	Prepayments for inventories				600
C.II.	Receivables	1 029 678	22 086	1 007 592	649 142
C.II.1.	Long-term receivables	279 508		279 508	217 762
C.II.1.1.	Trade receivables	11 251		11 251	
C.II.1.5.	Receivables - other	268 257		268 257	217 762
C.II.1.5.4.	Sundry receivables	268 257		268 257	217 762
C.II.2.	Short-term receivables	750 170	22 086	728 084	431 380
C.II.2.1.	Trade receivables	618 196	22 086	596 110	346 810
C.II.2.2.	Receivables - controlled or controlling entity	13 300		13 300	12 800
C.II.2.3.	Receivables - associates				
C.II.2.4.	Receivables - other	118 674		118 674	71 770
C.II.2.4.3.	State - tax receivables	31 241		31 241	15 583
C.II.2.4.4.	Short-term prepayments made	1 009		1 009	8 458
C.II.2.4.6.	Sundry receivables	86 424		86 424	47 729
C.IV.	Cash	16 682		16 682	103 010
C.IV.1.	Cash on hand	149		149	150
C.IV.2.	Cash at bank	16 533		16 533	102 860
D.	Other assets	19 777		19 777	19 642
D.1.	Deferred expenses	19 777		19 777	19 642

		31. 12. 2022	31. 12. 2021
		TOTAL LIABILITIES & EQUITY	
	TOTAL LIABILITIES & EQUITY	2 264 358	1 796 953
A.	Equity	623 084	1 009 963
A.I.	Share capital	187 740	187 740
A.I.1.	Share capital	187 740	187 740
A.III.	Funds from profit	35 661	35 661
A.III.1.	Other reserve funds	35 661	35 661
A.IV.	Retained earnings (+/-)		461 105
A.IV.1.	Accumulated profits or losses brought forward (+/-)		461 105
A.V.	Profit or loss for the current period (+/-)	439 683	325 457
A.VI.	Profit share prepayments declared (-)	-40 000	
B.+C.	Liabilities	1 641 274	764 123
B.	Reserves	149 460	70 543
B.II.	Income tax reserve	53 900	20 333
B.IV.	Other reserves	95 560	50 210
C.	Payables	1 491 814	693 580
C.I.	Long-term payables	870 003	293 347
C.I.2.	Payables to credit institutions	854 033	
C.I.6.	Payables - controlled or controlling entity		267 482
C.I.8.	Deferred tax liability	15 970	22 086
C.I.9.	Payables - other		3 779
C.I.9.3.	Sundry payables		3 779
C.II.	Short-term payables	621 811	400 233
C.II.2.	Payables to credit institutions	274 566	113 839
C.II.3.	Short-term prepayments received	21 845	4 082
C.II.4.	Trade payables	274 265	242 711
C.II.8.	Other payables	51 135	39 601
C.II.8.1.	Payables to partners	11 784	
C.II.8.3.	Payables to employees	18 554	23 503
C.II.8.4.	Social security and health insurance payables	9 802	11 319
C.II.8.5.	State - tax payables and subsidies	1 518	3 599
C.II.8.6.	Estimated payables	9 336	960
C.II.8.7.	Sundry payables	141	220
D.	Other liabilities		22 867
D.1.	Accrued expenses		22 867

PROFIT AND LOSS ACCOUNT		DAKO-CZ, a.s.	
STRUCTURED BY THE NATURE OF EXPENSE METHOD		Corporate ID 46505091	
Year ended 31. 12. 2022 (in CZK thousand)		Josefa Daňka 1956 538 43 Třemošnice	

		Year ended 31. 12. 2022	Year ended 31. 12. 2021
I.	Sales of products and services	1 843 252	1 313 812
II.	Sales of goods	369 177	251 806
A.	Purchased consumables and services	1 446 746	865 672
A.1.	Costs of goods sold	305 330	202 997
A.2.	Consumed material and energy	937 934	475 103
A.3.	Services	203 482	187 572
B.	Change in internally produced inventory (+/-)	-54 780	-10 907
C.	Own work capitalised (-)	-20 798	-14 113
D.	Staff costs	380 481	352 579
D.1.	Payroll costs	278 422	259 961
D.2.	Social security and health insurance costs and other charges	102 059	92 618
D.2.1.	Social security and health insurance costs	93 524	85 835
D.2.2.	Other charges	8 535	6 783
E.	Adjustments to values in operating activities	56 530	20 634
E.1.	Adjustments to values of intangible and tangible fixed assets	46 616	43 104
E.1.1.	Adjustments to values of intangible and tangible fixed assets - permanent	46 616	43 104
E.2.	Adjustments to values of inventories	11 474	-15 945
E.3.	Adjustments to values of receivables	-1 560	-6 525
III.	Other operating income	40 411	56 671
III.1.	Sales of fixed assets	16 002	30 253
III.2.	Sales of material	6 770	6 294
III.3.	Sundry operating income	17 639	20 124
F.	Other operating expenses	71 323	60 947
F.1.	Net book value of sold fixed assets	13 729	29 374
F.2.	Material sold		49
F.3.	Taxes and charges	713	586
F.4.	Reserves relating to operating activities and complex deferred expenses	45 350	14 809
F.5.	Sundry operating expenses	11 531	16 129
*	Operating profit or loss (+/-)	373 338	347 477
IV.	Income from non-current financial assets - equity investments	29 000	30 000
IV.1.	Income from equity investments - controlled or controlling entity	29 000	30 000
VI.	Interest income and similar income	1 120	1 588
VI.1.	Interest income and similar income - controlled or controlling entity	1 115	997
VI.2.	Other interest income and similar income	5	591
J.	Interest expenses and similar expenses	17 045	4 212
J.2.	Other interest expenses and similar expenses	17 045	4 212
VII.	Other financial income	199 127	41 852
K.	Other financial expenses	44 122	28 307
*	Financial profit or loss (+/-)	168 080	40 921
**	Profit or loss before tax (+/-)	541 418	388 398
L.	Income tax	101 735	62 941
L.1.	Due income tax	107 851	60 178
L.2.	Deferred income tax (+/-)	-6 116	2 763
**	Profit or loss net of tax (+/-)	439 683	325 457
***	Profit or loss for the current period (+/-)	439 683	325 457
*	Net turnover for the current period	2 482 087	1 695 729

STATEMENT OF CHANGES IN EQUITY

Year ended 31. 12. 2022
(in CZK thousand)

DAKO-CZ, a.s.
Corporate ID 46505091

Josefa Daňka 1956
538 43 Třemošnice

	Share capital	Funds from profit, reserve fund	Accumulated profits or losses brought forward	Profit share prepayments declared	Profit or loss for the current period	Total equity
Balance at 31 December 2020	187 740	35 661	224 028		237 077	684 506
Distribution of profit or loss			237 077		-237 077	
Profit or loss for the current period					325 457	325 457
Balance at 31 December 2021	187 740	35 661	461 105		325 457	1 009 963
Distribution of profit or loss			325 457		-325 457	
Change in share capital						
Profit shares/dividends declared			-826 562			-826 562
Profit share prepayments declared			40 000	-40 000		
Profit or loss for the current period					439 683	439 683
Balance at 31 December 2022	187 740	35 661		-40 000	439 683	625 084

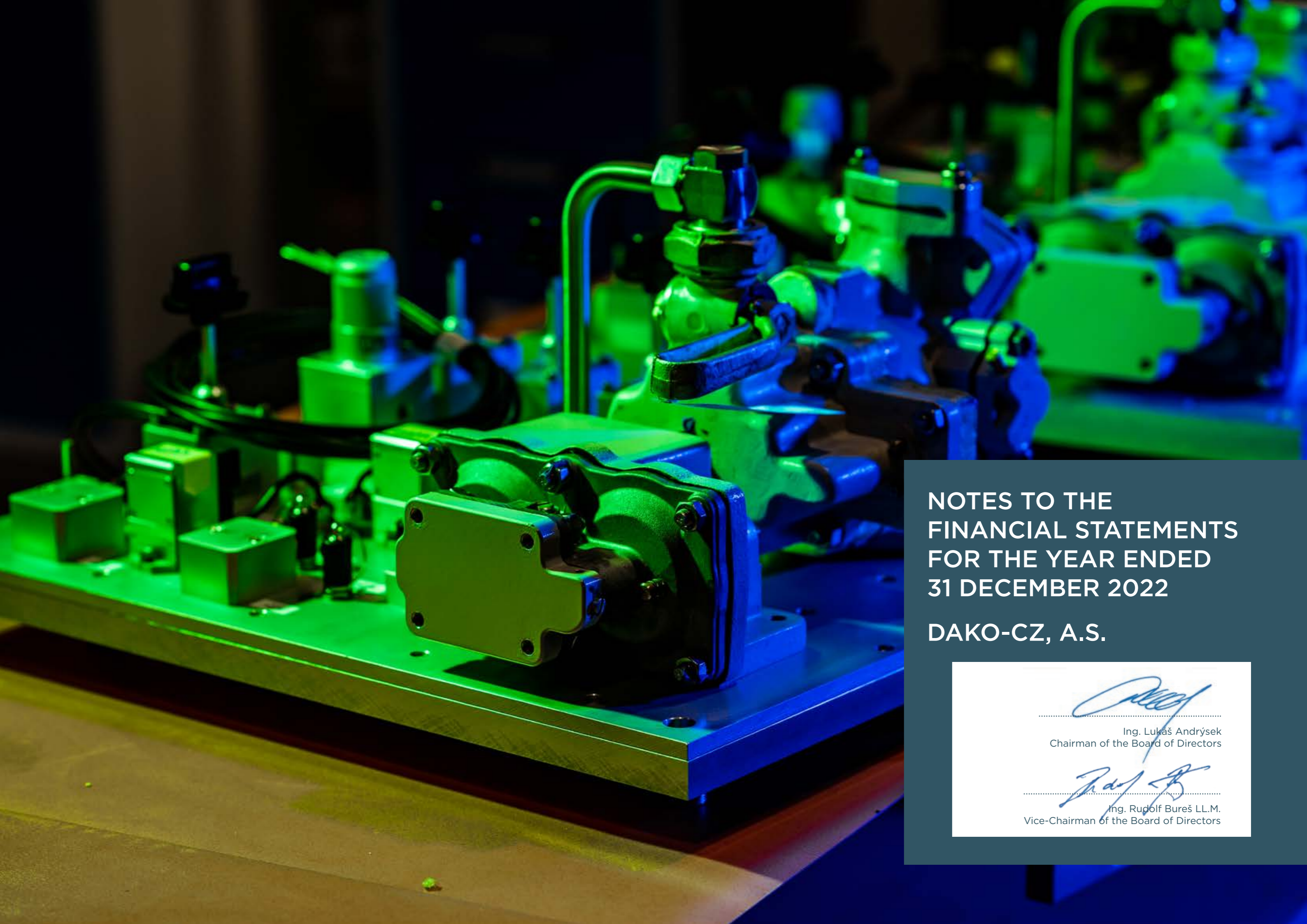
CASH FLOW STATEMENT

DAKO-CZ, a.s.
Corporate ID 46505091

Year ended 31. 12. 2022
(in CZK thousand)

Josefa Daňka 1956
538 43 Třemošnice

		Year ended 31. 12. 2022	Year ended 31. 12. 2021
P.	Opening balance of cash and cash equivalents	103 010	41 769
	Cash flows from ordinary activities (operating activities)		
Z.	Profit or loss before tax	541 418	388 398
A.1.	Adjustments for non-cash transactions	30 496	-17 052
A.1.1.	Depreciation of fixed assets	46 616	43 104
A.1.2.	Change in provisions and reserves	55 264	-7 662
A.1.3.	Profit/(loss) on the sale of fixed assets	-2 273	-879
A.1.4.	Revenues from profit shares	-29 000	-30 000
A.1.5.	Interest expense and interest income	15 925	2 624
A.1.6.	Adjustments for other non-cash transactions	-56 036	-24 239
A.*	Net operating cash flow before changes in working capital	571 914	371 346
A.2.	Change in working capital	-663 746	-19 270
A.2.1.	Change in operating receivables and other assets	-306 502	-109 542
A.2.2.	Change in operating payables and other liabilities	-235 162	138 963
A.2.3.	Change in inventories	-122 082	-48 691
A.**	Net cash flow from operations before tax	-91 832	352 076
A.3.	Interest paid	-17 045	-4 212
A.4.	Interest received	1 120	1 588
A.5.	Income tax paid from ordinary operations	-74 284	-63 930
A.6.	Received profit shares	29 000	30 000
A.***	Net operating cash flows	-153 041	315 522
	Cash flows from investing activities		
B.1.	Fixed assets expenditures	-151 617	-125 470
B.2.	Proceeds from fixed assets sold	16 002	30 253
B.3.	Loans and borrowings to related parties	-500	-4 653
B.***	Net investment cash flows	-136 115	-99 870
	Cash flow from financial activities		
C.1.	Change in payables from financing	1 017 605	-154 411
C.2.	Impact of changes in equity	-814 778	
C.2.6.	Profit shares paid	-814 778	
C.***	Net financial cash flows	202 827	-154 411
F.	Net increase or decrease in cash and cash equivalents	-86 328	61 241
R.	Closing balance of cash and cash equivalents	16 682	103 010



**NOTES TO THE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2022**

DAKO-CZ, A.S.

Ing. Lukáš Andryšek
Chairman of the Board of Directors

Ing. Rudolf Bureš LL.M.
Vice-Chairman of the Board of Directors

CONTENTS OF THE NOTES TO THE FINANCIAL STATEMENTS

GENERAL INFORMATION

1.1	Description of the Reporting Entity	57
1.2	Primary Business Activities	57
1.3	Entities Holding More than 20 % of Share Capital	57
1.4	Change in the Register of Companies	57
1.5	Members of Statutory and Supervisory Bodies as of the Balance Sheet Date	58
1.6	Organisational Structure of the Company	58
1.7	Equity Investments in Subsidiaries	58
1.8	Employees, Staff Costs	58
1.9	Provided Cash or Other Performance	59

2 APPLIED ACCOUNTING POLICIES, GENERAL ACCOUNTING PRINCIPLES AND VALUATION METHODS

2.1	Valuation of and Accounting for Assets and Inventory	59
2.1.1	Valuation of and Accounting for Inventory	59
2.1.2	Tangible and Intangible Fixed Assets	59
2.1.3	Valuation of Securities and Equity Investments	60
2.2	Provisions	60
2.3	Foreign Currency Translation	60
2.4	Financial Derivatives	60
2.5	Reserves	61
2.6	Development Costs	61
2.7	Leased Assets	61
2.8	Income and Expenses	61
2.9	Income Taxation	61
2.10	Payables	61
2.11	Use of Estimates	62

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

3.1	Items Relevant for Assessing the Asset and Financial Situation	62
3.1.1	Payables to Credit Institutions	62
3.1.2	Received Grants	62
3.2	Additional Information on Tangible and Intangible Fixed Assets	63
3.2.1	Tangible Fixed Assets	63
3.2.2	Intangible Fixed Assets	64
3.2.3	Tangible Fixed Assets Held under Finance Leases	65
3.2.4	Aggregate Assets Not Included in the Balance Sheet	65
3.2.5	Pledged Tangible Assets	65
3.2.6	Non-Current Financial Assets	65
3.2.7	Provisions	66
3.2.8	Derivatives	66
3.3	Equity	66
3.3.1	Distribution of Profit of the Prior Period	66
3.3.2	Share Capital	66
3.4	Receivables and Payables	67
3.4.1	Past Due Receivables	67
3.4.2	Receivables – Controlled or Controlling Entity	67
3.4.3	Past Due Payables	67
3.4.4	Payables to Partners	67
3.4.5	Payables Not Reported in the Balance Sheet Arising from Guarantees Received for Other Companies	67
3.4.6	Major Transactions with Related Parties	67
3.4.7	Tax Receivables	68
3.4.8	Deferred Expenses	68
3.4.9	Social Security and Health Insurance Payables	68
3.4.10	Income Taxation	68
3.4.11	Long-term Receivables	69
3.4.12	Long-term Payables	69
3.5	Recognition and Use of Reserves	69
3.6	Income by Primary Activity	69
3.7	Research and Development Costs for the Reporting Period	70
3.8	Audit Fees	70
3.9	Sundry Operating Expenses	70
3.10	Other Expenses	70
3.11	Other Income	70
3.12	Accrued Expenses	70
3.13	Cash Flow Statement	71
3.14	Other Significant Events	71
3.15	Material Post Balance Sheet Date Events	71

1 GENERAL INFORMATION

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

Balance sheet date: 31 December 2022

Date of preparation of the financial statements: 31 May 2023

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 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 ENTITIES HOLDING MORE THAN 20 % OF SHARE CAPITAL

TRIBLAN a.s., with its registered office at Na pořičí 1071/17, Nové Město, 110 00 Prague 1, Corporate ID: 092 37 321, registered on 10 June 2020 in the Register of Companies maintained at the Municipal Court in Prague, File No. B 25379. Equity investment of 100%.

The consolidated financial statements of the narrowest 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.

The consolidated financial statements of the widest group of companies that the Company is part of as a consolidated entity are prepared by CSG FIN a.s. with its registered office at Na Pořičí 1071/17, Nové město, 110 00 Prague. The consolidated financial statements are available in the registered office of the consolidating company.

1.4 CHANGE IN THE REGISTER OF COMPANIES

OTHER EVENTS:

Changes in the statutory body

Change of membership and formation of function: 6 April 2022 – Lukáš Andryšek – Chairman of the Board of Directors

Change of function: 1 March 2022 – Kamil Pařízek – Vice Chairman of the Board of Directors

Termination of membership and termination of function: 24 February 2022 – Chairman of the Supervisory Board on 17 May 2021

Registered:

Sole shareholder: TRIBLAN a.s., Corporate ID: 092 37 321, Na pořičí 1071/17, Nové Město, 110 00 Prague 1

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

STATUTORY BODY – BOARD OF DIRECTORS:

Chairman of the Board of Directors:	Ing. Lukáš Andryšek
Vice Chairman of the Board of Directors:	Ing. Rudolf Bureš, LL.M. Bc. Kamil Pařízek
Member of the Board of Directors:	Bc. Jaromír Štverák Ing. Stanislav Pometlo

SUPERVISORY BOARD:

Member of the Supervisory Board:	Ing. Petr Formánek David Chour
----------------------------------	-----------------------------------

1.6 7. EQUITY INVESTMENTS IN SUBSIDIARIES

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. The Company is always represented by two Members of the Board of Directors in all matters. At least one of them is the Chairman or Vice Chairman of the Board of Directors. If no Chairman or Vice Chairman of the Board of Directors is appointed, the Company is represented by 2 (two) Members of the Board of Directors in all matters.

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.	U Vápenky 562, 538 43 Třemošnice	100 %
DAKO-CZ SERVICE, s.r.o.	Josefa Daňka 1956, 538 43 Třemošnice	100 %
DAKO-CZ MACHINERY, a.s.	Matuškova 1929/10, Slezská Ostrava, 710 00 Ostrava	100 %

1.8 EMPLOYEES, STAFF COSTS

	2022	2021
Average recalculated headcount	601	565,45
■ of which managers	8	8
Total staff costs	380 481	352 579
■ of which: salary costs	278 422	259 961
social security and health insurance	93 524	85 835
social costs	8 535	6 783
Use of staff costs for managers	30 658	28 127
■ of which: salary costs	22 851	21 131
social security and health insurance	7 807	6 996
Remuneration to members of bodies:	10 860	11 301
■ of which: statutory	10 860	11 301
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 2022 and 2021, the members of managing, controlling and administrative bodies received no advances, pre-payments, borrowings, loans, guarantees or other advantages and they hold no shares/equity investments of the Company.

As of 31 December 2022, 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 2021 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 2022.

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 of 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	42-22 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 2022.

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 2022 was performed using the valid exchange rate of the foreign exchange market as of 31 December 2022 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.

2.12 CHANGES IN ACCOUNTING POLICIES COMPARED TO THE PREVIOUS FINANCIAL YEAR

There was no change in accounting methods in 2022 compared to the previous financial year.

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

2022	Maturity	Balance at 31. 12. 2022	Due within one year	Due in one to five years
Long-term loan in EUR – Bank syndicate 1,2,3*	30. 06. 2028	729 238	-	465 323
Long-term loan in EUR – Bank syndicate 1,2,3*	30. 06. 2028	124 795	-	-
Total	-	854 033	-	465 323

2022	Maturity	Balance at 31. 12. 2022	Due within one year	Due in one to five years
Short-term loan in CZK – Bank syndicate*	30. 11. 2024	274 566	274 566	-
Total	-	274 566	274 566	-

DAKO-CZ has repaid the short- and long-term loans as of 15 December 2021 with Bank 1*, Bank 2*, and Bank 3*.

*The interest rate consists of the reference rate Pribor/Euribor + margin, which ranges from 0.50% to 4.00% depending on the date of granting and maturity

DAKO-CZ, a.s. refinanced its long- and short-term loans with new financing from a syndicate of three banks.

3.1.2 RECEIVED GRANTS

In 2018, 2019, 2020, 2021 and 2022, the Company's request for a contribution as part of the POVEZ II programme was approved. The total amount of the contribution for 2022 is CZK 91 thousand.

3.2 ADDITIONAL INFORMATION ON TANGIBLE AND INTANGIBLE FIXED ASSETS

3.2.1 TANGIBLE FIXED ASSETS

Asset group	Cost			
	Balance at 1. 1. 2022	Additions/ reclassifications	Disposals	Balance at 31. 12. 2022
Land	2 110	0	0	2 110
Structures	342 799	28 847	0	371 646
Machinery, devices, equipment	452 786	94 247	-34 088	512 946
Vehicles	34 336	5 779	-27	40 088
Furniture and fixtures	11 432	5 843	-171	17 104
Other TFA	122 038	6 938	-165	128 811
TFA under construction	20 147	184 239	-182 844	21 542
Prepayments made for TFA	18 363	83 246	-81 539	20 070
Total	1 004 011	409 139	-298 834	1 114 316

Asset group	Accumulated depreciation				Net book value	
	Balance at 1. 1. 2022	Depreciation/ surpluses	Disposals	Balance at 31. 12. 2022	at 1. 1. 2022	k 31. 12. 2022
Land	0	0	0	0	2 110	2 110
Structures	114 757	8 102	0	122 859	228 042	248 787
Machinery, devices, equipment	245 874	25 567	-2 636	268 805	206 912	244 140
Vehicles	15 852	3 232	-27	19 057	18 484	21 031
Furniture and fixtures	11 432	814	-11	12 235	0	4 869
Other TFA	77 845	3 478	-43	81 280	44 193	47 531
TFA under construction	0	0	0	0	20 147	21 542
Prepayments made for TFA	0	0	0	0	18 363	20 070
Total	465 760	41 193	-2 717	504 236	538 251	610 080

Asset group	Cost			
	Balance at 1. 1. 2021	Additions/ reclassifications	Disposals	Balance at 31. 12. 2021
Land	2 310	0	-200	2 110
Structures	345 392	16 822	-19 415	342 799
Machinery, devices, equipment	388 666	96 108	-31 988	452 786
Vehicles	33 852	2 861	-2 377	34 336
Furniture and fixtures	11 563	0	-131	11 432
Other TFA	118 467	5 545	-1 974	122 038
TFA under construction	18 748	150 141	-148 742	20 147
Prepayments made for TFA	19 429	38 084	-39 150	18 363
Total	938 427	309 561	-243 977	1 004 011

Asset group	Accumulated depreciation			Net book value		
	Balance at 1. 1. 2021	Depreciation/surpluses	Disposals	Balance at 31. 12. 2021	at 1. 1. 2020	at 31. 12. 2021
Land	0	0	0	0	2 310	2 110
Structures	116 868	7 608	-9 719	114 757	228 524	228 042
Machinery, devices, equipment	225 401	23 087	-2 614	245 874	163 265	206 912
Vehicles	15 563	2 666	-2 377	15 852	18 289	18 484
Furniture and fixtures	11 563	0	-131	11 432	0	0
Other TFA	74 449	5 370	-1 974	77 845	44 018	44 193
TFA under construction	0	0	0	0	18 748	20 147
Prepayments made for TFA	0	0	0	0	19 429	18 363
Total	443 844	38 731	-16 815	465 760	494 583	538 251

In 2022, the most significant additions to tangible assets included additions to the machinery, devices and equipment and technical improvements on machinery and structures.

3.2.2 INTANGIBLE FIXED ASSETS

Asset group	Cost			
	Balance at 1. 1. 2022	Additions/reclassifications	Disposals	Balance at 31. 12. 2022
Software	41 353	7 342	-3 659	45 035
Valuable rights	11 786	1 050	0	12 836
IFA under construction	78	11 607	-9 753	1 932
Prepayments made for IFA	0	0	0	0
Total	53 217	19 999	-13 413	59 803

Asset group	Accumulated depreciation			Net book value		
	Balance at 1. 1. 2022	Depreciation/surpluses	Disposals	Balance at 31. 12. 2022	at 1. 1. 2022	at 31. 12. 2022
Software	32 276	3 975	-1 669	34 582	9 077	10 453
Valuable rights	4 697	1 464	0	6 161	7 089	6 675
IFA under construction	0	0	0	0	78	1 932
Prepayments made for IFA	0	0	0	0	0	0
Total	36 973	5 439	-1 669	40 743	16 244	19 060

Asset group	Cost			
	Balance at 1. 1. 2021	Additions/reclassifications	Disposals	Balance at 31. 12. 2021
Software	34 917	6 436	0	41 353
Valuable rights	6 586	5 200	0	11 786
IFA under construction	5 099	9 546	-14 567	78
Prepayments made for IFA	0	0	0	0
Total	46 602	21 182	-14 567	53 217

Asset group	Accumulated depreciation			Net book value		
	Balance at 1. 1. 2021	Depreciation/surpluses	Disposals	Balance at 31. 12. 2021	at 1. 1. 2021	at 31. 12. 2021
Software	28 853	3 423	0	32 276	6 064	9 077
Valuable rights	3 747	950	0	4 697	2 839	7 089
IFA under construction	0	0	0	0	5 099	78
Prepayments made for IFA	0	0	0	0	0	0
Total	32 600	4 373	0	36 973	14 002	16 244

3.2.3 TANGIBLE FIXED ASSETS HELD UNDER FINANCE LEASES

The Company is not contractually bound to pay lease payments in 2022.

2021	Total lease payments	Paid as of 31. 12. 2021	Due within one year	Due in one to five years	Due in subsequent years
Passenger car	0	0	0	0	0

3.2.4 AGGREGATE ASSETS NOT INCLUDED IN THE BALANCE SHEET

Asset name	Cost	
	Current period	Previous period
Low-value assets - furnishing and fixtures	25 819	24 444
Low-value intangible assets	1 263	1 146
Low-value assets - tools	105 080	0
Total	132 162	25 590

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 a syndicate of three banking institutions.

Other pledged assets include movable assets - selected machinery. The pledge is established to secure receivables from the loans contract provided by a syndicate of three banking institutions.

3.2.6 NON-CURRENT FINANCIAL ASSETS

Equity investments - controlled or controlling entity

Company	Purchase price	
	Current period	Previous period
JWL DAKO-CZ (INDIA) LIMITED	0	0
DAKO-CZ RE, s.r.o.	10 149	10 149
DAKO-CZ SERVICE, s.r.o.	200	200
TRANSELCO CZ s.r.o.	43 489	43 489
DAKO-CZ MACHINERY, a.s.	11 900	2 000

3.2.7 PROVISIONS

Provisions against	Balance at 1. 1. 2022		Recognition		Charge		Balance at 31. 12. 2022	
	Current period	Previous period	Current period	Previous period	Current period	Previous period	Current period	Previous period
	Other tangible fixed assets	1 979	1 979	0	0	0	0	1 979
Non-current financial assets	0	0	0	0	0	0	0	0
Inventory	11 130	27 075	13 632	3 591	-2 193	-19 536	22 569	11 130
Receivables - tax deductible	21 927	934	0	26 248	-1 560	-5 255	20 367	21 927
Receivables - other	1 685	29 203	34	0	0	-27 518	1 719	1 685

3.2.8 DERIVATIVES

In order to limit the exchange rate risk, the Company concluded derivative instruments in 2021 and 2022 with respect to future cash flows. As of the balance sheet date, the Company had the following open derivatives:

At 31. 12. 2022				
Term transaction	Currency	Nominal value	Fair value in CZK	Fair value in EUR
Interest rate swap		30 240	41 041	1 702
Forwards	EUR	56 660	89 083	3 694
Total	EUR	86 900	130 124	5 396

At 31. 12. 2021				
Term transaction	Currency	Nominal value	Fair value in CZK	Fair value in EUR
Interest rate swap		0	0	0
Forwards	EUR	54 900	16 690	671
Total	EUR	54 900	16 690	671

Total gains from the revaluation of forwards in the amount of CZK 113,434 thousand (2021: CZK 16,421 thousand) is reported in the profit and loss account. Positive fair values of derivatives are reported in Assets under the item "Sundry short-term receivables" in the amount of CZK 48,988 thousand. Long-term positive fair values of derivatives are reported in Assets under the item "Sundry long-term receivables" in the amount of CZK 81,136.

3.3 EQUITY

3.3.1 DISTRIBUTION OF PROFIT OF THE PRIOR PERIOD

Based on the decision of the Company's Board of Directors dated 20 June 2022, a dividend was paid out to the Company's sole shareholder TRIBLAN a.s. with its registered office at Na poříčí 1071/17, Nové Město, 110 00 Prague 1, Corporate ID 092 37 321, recorded in the Register of Companies held by the Municipal Court in Prague, File B 25379 in the full amount equal to the Company's profit for 2021, i.e. in the amount of CZK 325,457 thousand.

On 6 December 2022, it was decided to pay out the profit share prepayment of CZK 40 million, of which CZK 28,2 million has already been paid out. No decision about the distribution of the profit of 2022 has been made yet. The Board of Directors proposes to allocate the 2022 profit by paying out a dividend of CZK 300 million and transferring CZK 139,7 million 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	0	0

Previous period				
Type of share	Number of shares	Nominal value in CZK thousand	Unpaid shares	Maturity
Registered shares	187 740	187 740	0	0

3.4 RECEIVABLES AND PAYABLES

3.4.1 PAST DUE RECEIVABLES

Short-term trade receivables amount to CZK 627,821 thousand (2021: CZK 370,422 thousand), of which CZK 23,461 thousand (2021: CZK 24,758 thousand) represents receivables past their due dates by more than 90 days. Provision against doubtful receivables as of 31 December 2022 amounted to CZK 22,086 thousand (2021: CZK 23,612 thousand).

3.4.2 RECEIVABLES - CONTROLLED OR CONTROLLING ENTITY

	Company	Current period	Previous period
Provided loans and borrowings	DAKO-CZ SERVICE s.r.o.	4 500	4 000
Provided loans and borrowings	DAKO-CZ RE s.r.o.	8 800	8 800

The above amounts of loans and borrowings represent the value of principals of loans and borrowings. The loans bear interest at 1M PRIBOR + margin.

3.4.3 PAST DUE PAYABLES

Short-term trade payables amount to CZK 274,490 thousand (2021: CZK 242,711 thousand), of which CZK 261,584 thousand (2021: CZK 77,977 thousand) represent payables past due less than 30 days. In addition to that, payables past due for more than 30 days amount to CZK 12,905 thousand (2021: CZK 1,668 thousand).

3.4.4 PAYABLES TO PARTNERS

Payables to partners of CZK 11,784 thousand (2021: CZK 0 thousand) arose from an unpaid portion of profit shares prepayments totalling CZK 40,000 thousand (2021: CZK 0 thousand).

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

The Company has two banking guarantees towards its two customers arising from a retention sum over the guarantee period.

3.4.6 MAJOR TRANSACTIONS WITH RELATED PARTIES

	Company	Volume of mutual transactions		Receivables/Payables at 31. 12. 2022	
		2022	2021	2022	2021
Sale of goods and services	TRANSELCO CZ s.r.o.	19 044	12 204	8 806	4 268
	JWL DAKO-CZ LIMITED	-	1 924	-	2 255
	REAL TRADE PRAHA a.s.	-	1 924	-	2 255
	DAKO-CZ MACHINERY, a.s.	88 416	-	61 792	-
	DAKO-CZ SERVICE, s.r.o.	9 227	-	2 899	-
	CSGM a.s.	-	48	-	-

	Company	Volume of mutual transactions		Receivables/Payables at 31. 12. 2022	
		2022	2021	2022	2021
Purchase of goods, services and assets	CSG DEAL a. s.	345	0	417	0
	CSGM a.s.	24 250	14 530	5 243	6 974
	DAKO-CZ MACHINERY, a.s.	4 997	-	27 429	-
	DAKO-CZ SERVICE, s.r.o.	907	-	63	-
	TATRA METALURGIE a.s.	1 627	-	180	643
	TRANSELCO CZ s.r.o.	1 529	4 644	-	1 910
	ELDIS Pardubice, s.r.o.	-	71	-	-
	TATRA TRUCKS a.s.	27	2	-	548

3.4.7 TAX RECEIVABLES

Tax receivables amount to CZK 31,241 thousand and predominantly include value added tax receivables (2021: CZK 15,583 thousand).

3.4.8 DEFERRED EXPENSES

Deferred expenses in the amount of CZK 19,777 thousand predominantly include deferred expenses for the tools used in the amount of CZK 9,155 thousand (2021: CZK 19,642 thousand and CZK 7,780 thousand) and expenses related to credit granting in the amount of CZK 6,707 thousand.

3.4.9 SOCIAL SECURITY AND HEALTH INSURANCE PAYABLES

Insurance type	Balance at 31. 12. 2022		Balance at 31. 12. 2021	
	Before due date	Past due date	Before due date	Past due date
Social security administration	6 757	-	7 311	-
VZP insurance company	2 146	-	2 857	-
Other insurance companies	899	-	1 151	-
Total	9 802	-	11 319	-

3.4.10 INCOME TAXATION

a) Income Tax Payable

2022

Income tax payable includes an estimate of tax for the 2022 taxation period in the amount of CZK 107,851 thousand.

In 2022, the income tax reserve was decreased by the income tax prepayments made in the amount of CZK 54,494 thousand and the balance of the reserve was reported in the item 'Income tax reserve'.

2021

Income tax payable includes an estimate of tax for the 2021 taxation period in the amount of CZK 60,178 thousand.

In 2021, the income tax reserve was decreased by the income tax prepayments made in the amount of CZK 41,816 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	
	2022	2021	2022	2021	2022	2021
Difference between tax and accounting carrying amounts	39 117	34 437	0	0	-39 117	-34 437
Reserve for warranty repairs	0	-	13 837	7 932	13 837	7 932
Reserve for unused vacation days	0	-	640	430	640	430
Accounting provisions	0	-	2 752	2 811	2 752	2 811
Reserve for annual bonuses	0	-	5 918	1 178	5 918	1 178
Total	39 117	34 437	23 147	12 351	-15 970	-22 086

In accordance with accounting policies, deferred tax in 2022 and 2021 was calculated using a tax rate of 19 %.

3.4.11 LONG-TERM RECEIVABLES

Sundry long-term receivables in the amount of CZK 187,121 thousand for the taxation period ended 31 December 2022 arose from an assignment of a claim. Its short-term portion is for short-term receivables in the amount of CZK 24,115 thousand. The long-term portion is due in 2024.

3.4.12 LONG-TERM PAYABLES

The Company records a long-term loan payable of CZK 854,033 thousand (2021: CZK 0 thousand) and a deferred tax liability of CZK 15,970 thousand (2021: CZK 22,086 thousand).

3.5 RECOGNITION AND USE OF RESERVES

Type of reserve	Current period				Previous period			
	Balance at 1. 1. 2022	Tvorba	Čerpání	Balance at 31. 12. 2022	Balance at 1. 1. 2022	Tvorba	Čerpání	Balance at 31. 12. 2022
Reserve for extraordinary bonuses	6 200	55 000	41 836	19 364	0	6 200	0	6 200
Reserve for unused vacation days	2 263	4 401	3 295	3 369	1 916	7 058	6 711	2 263
Reserve for warranty repairs	41 747	31 780	700	72 827	33 486	9 460	1 199	41 747
Income tax reserve	50 210	37 739	34 049	53 900	24 085	62 149	24 085	62 149

The income tax reserve in the amount of CZK 53,900 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

	2022	of which		
		Domestic	EU	Other countries
Passenger transport	838 172	43 804	199 311	595 057
Freight transport	343 179	42 008	292 850	8 321
Other products	332 392	183 838	114 792	33 762
Total sales of products	1 513 743	269 650	606 953	637 140
Sales of goods	369 177	83 988	71 018	214 171
Sales of services	329 509	267 941	48 968	12 600

	2021	of which		
		Domestic	EU	Other countries
Passenger transport	503 909	26 291	176 985	300 633
Freight transport	350 416	34 762	284 661	30 993
Other products	411 199	252 100	152 073	7 026
Total sales of products	1 265 524	313 153	613 719	338 652
Sales of goods	251 806	37 880	104 685	109 241
Sales of services	48 288	37 425	9 141	1 722

In 2022, there was a change in methodology in the breakdown of income by the Company's main activities.

3.7 RESEARCH AND DEVELOPMENT COSTS FOR THE REPORTING PERIOD

	Current period	Previous period
Development costs	56 607	45 649

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 11,531 thousand predominantly include extraordinary expenses. The most significant item included the costs of warranty claims, insurance and deficits in the amount of CZK 7,311 thousand (2021: CZK 8,775 thousand).

3.10 OTHER EXPENSES

Other financial expenses predominantly include expenses related to foreign exchange rate losses of CZK 29,537 thousand.

3.11 OTHER INCOME

Other financial income predominantly includes income related to foreign exchange rate gains of CZK 85,493 thousand and revaluation of financial derivatives of CZK 113,634 thousand.

'Income from equity investments - controlled or controlling entity' predominantly include the shares in the profits of subsidiaries in the amount of CZK 29,000 thousand.

3.12 ACCRUED EXPENSES

Accrued expenses and estimated payables in the amount of CZK 9,336 thousand (2021: CZK 23,827 thousand) predominantly include energy costs.

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. 12. 2022	Balance at 31. 12. 2021
Total current financial assets	16 682	103 010
Cash and cash equivalents	16 682	103 010

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

3.14 OTHER SIGNIFICANT EVENTS

Also in 2022, the fading COVID-19 pandemic affected us only marginally. We continuously monitored the situation within the Company, as well as with regard to our suppliers and customers. We adopted such measures as to secure sufficient production capacity and to avoid negative impact on production and delivery dates. Despite the measures, we saw a lack of employees and delayed material deliveries during sudden surges in cases.

The ongoing war in Ukraine negatively affects the overall sentiment in Europe. This primarily involves the rising energy prices, which present a significant input for some supply companies and thus indirectly affect the price of purchased inputs. We also noticed negative trends in acquiring input materials for the processing of individual components of iron. We are looking for cost-saving measures and we try to find alternative suppliers with resources and materials. The Company is coping with the negative trends without significant impacts on its operations.

3.15 MATERIAL POST BALANCE SHEET DATE EVENTS

The Company does not record any significant events occurring after the balance sheet date that would materially affect its operations. There has been no change in the Company's statutory body up to the date of the financial statements.

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JOSEFA DAŇKA 1956, 538 43 TŘEMOŠNICE, CZECH REPUBLIC
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THE COMPANY IS REGISTERED AT REGIONAL COURT IN HRADEC KRALOVE,
SECTION B, INSERT 668

T: 469 617 111, @: DAKO-CZ@DAKO-CZ.CZ

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