



## **Annual Report**

**Teknia Uherský Brod, a.s.**

Rybářská 2330  
688 01 Uherský Brod

**2015**

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## **I. Company Details**

Company name: Teknia Uherský Brod, a.s.  
Registered office: Rybářská 2330, 688 01 Uherský Brod  
Identification No.: 49971034  
Date of incorporation: 27<sup>th</sup> December 1993  
Incorporated: in Trade Register at Regional Court in Brno under no. B.4526  
Legal form: joint stock company

## **II. Registered Capital, Company Owners**

Registered Capital: CZK 121,780, 000

Company Owners: TEKNIA MANUFACTURING GROUP, S.L. 100 % business share

## **III. Line of Business**

Production, trade and services not stated in the supplements 1 to 3 of Trade Law.

## **IV. History of the Company**

The Company was founded in 1993 and produced shoemaking components and pressed pieces for the automotive industry.

The registered office has been in Rybářská street in Uherský Brod since 1997.

In 1999 the shoemaking component production stopped in the company. The key manufacturing programme remained the pressed pieces production mainly for automotive industry.

The company has been member of the international Teknia Group since the end of 2008. The Teknia Group has two main divisions: Teknia Automotive and Teknia R&D. Teknia Automotive is the production part of the group which is subdivided into plastic, metal working, metal pressing and pipe forming divisions. The Teknia Group has 18 production plants in Europe, Africa, South America and the NAFTA region.

Teknia Uherský Brod, a.s. is a significant pressing supplier for the automotive industry. Its biggest customers are the international companies producing parts for the automotive industry such as Continental Automotive, Robert Bosch, Faurecia, Autoliv, TRW, Varroc, Valeo, Johnson Controls, Denso etc. Our main final costumers are Volkswagen, Ford, Renault, Opel, Volvo, BMW, KIA and Hyundai.

Since 2012 the Company has run the second production plant in the industrial zone Kluka III in Nivnice.

## **V. Company Profile**

Teknia Uherský Brod, a.s. develops, produces and supplies especially:

- dashboard parts,
- tank fuel pump parts,
- varnished interior parts,
- safety parts,
- head lamp parts.

It provides services especially such as:

- part and set design including calculations,
- tool design,
- tool production (contractually).

The company has modern technologies for surfacing and follow-up operations such as:

- varnishing,
- coating,
- preliminary surface treatment by fluoridisation,
- ultrasonic, vibratory and laser welding,
- tampoprint
- hot riveting.

Teknia Uherský Brod, a.s. has introduced the ISO quality management system for all its activities.

## **VI. Company Bodies**

### **Statutory director:**

- Javier Lazpita Sarriugarte, born on 2/11/1960, Vizcaya, Uribarri a Erandiondo 3, 48950, Spain

### **Board of directors:**

- Chairman - Javier Lazpita Sarriugarte, born on 2/11/1960, Vizcaya, Uribarri a Erandiondo 3, 48950, Spain
- Member - José María Sánchez Jiménez, born on 7/11/1961, Madrid, Castellana 128, Spain

### **Procuratory:**

- Lukáš Rajsígl, born on 9/4/1980, Babí Louka 2505, Uherský Brod

## **VII. Organisation Chart**

The Accounting Unit had not any organisation unit abroad in 2015.



General manager

Lukáš Rajsígl

Production manager

Vlastislav Bartoš

Quality and environment management system manager

Jaroslav Vojtek

Financial manager

Miroslava Slováková

Sales manager

Radim Dubec

Technical manager

Pavel Holek

Material purchase manager

none

Human resources manager

Radka Hladišová

## **VIII. Economic Information**

Basic Economic Information – development (in thousand CZK)

Year	2013	2014	2015
Equity	191 142	220 935	246 886
Total assets	380 449	506 949	514 004
Total revenues	548 028	580 232	689 289
Revenues from production	467 286	500 763	548 877
Profit/loss after tax	29 610	39 420	46 776
Employee number	240	226	245

## **IX. Conservation**

The introduced waste system is kept working and is being improved in the production plant of Uherský Brod and Nivnice. Waste disposal is carried out by external companies having the appropriate valid waste disposal certificate. The waste was safely stored before it has been handed over to special companies. All kinds of waste are recorded. The second supervisory environmental audit ISO 14001 was performed in the production plants of Uherský Brod and Nivnice in November and the Company gained a new certificate issued for both production plants valid until September 2018. Furthermore, there were ADR inspections carried out and according to the annual report we do meet all ADR requirements for dangerous waste transport.



**X. Labour-Legal Relations**

The Company had 249 full time employees as at 31.12.2015.

**Training of Employees:**

The Company spent CZK 787,000 on training in 2015, there were 128 training activities, such as trainings prescribed by law necessary for the job or trainings extending the qualification.

**Staff turn-over rate:**

In 2015 the staff turn-over rate was 1.8 % at direct employees, at indirect employees 0.54% and at white collar workers 0.54% (total average monthly staff turn-over rate 1.16 %).

**Sickness rate:**

The average sickness rate was 3.71% in 2015. At direct employees it was 6.09 % and at indirect employees 1.32% and at white collar workers 0.44%.

**XI. Expected Development in 2016**

Teknia Uherský Brod, a.s. plans to increase the revenues in 2016 by about 10% compared to 2015. In 2016 we expect direct deliveries of plastic parts for SUV models for Škoda Auto which the Company will produce with the machine of the closing force of 2,300 t.

Because of the revised set business strategy, the Company will promote the cooperation with existing costumers so that the targets can be met until 2020. It will be necessary to strengthen the personal preparation in all departments of the company so it would be able to support effectively and flexibly the expansion strategy of the whole Teknia Group.

**XII. Material Subsequent Events in 2016 after the Balance Sheet Date**

There were no material subsequent events after the balance sheet day having any impact on this Annual Report.

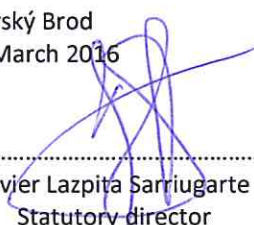
**XIII. Report of Board of Directors on Business and Assets**

The Company won new projects with the volume of CZK 150,000,000 in 2015. The most projects will be prepared for lot production in 2016 or partly in 2017. One of the most important new orders is for example the production of dashboard components for new costumers as Robert Bosch or Denso. We expect that the revenues will be growing in 2016 as our costumers plan to increase the volumes. Teknia Uherský Brod, a.s. examined and confirmed the further capacity booking based on the requirements of the costumers.

In 2015 the Company purchased two new injection moulding machines with closing force of 300 t and one machine with closing force of 500 t for new projects and to be able to increase the existing capacity. CO<sub>2</sub> technology for surface pretreatment of plastic parts before their varnishing was purchased for the new varnishing line in the production plant in Nivnice which will be put into lot production operation. This technology is a chance for the Company to get new projects from costumers as BMW or Daimler.

Place: Uherský Brod

Date: 15<sup>th</sup> March 2016

.....  
  
 Javier Lazpita Sarriugarte  
 Statutory director

**REPORT ON RELATIONS BETWEEN RELATED COMPANIES  
OF  
Teknia Uhersky Brod, a.s.**  
  
(for the Year Ended at 31st December 2015)

The board of directors of Teknia Uhersky Brod, a.s. prepared in accordance with section 82 Corporation Act No. 90/2012 Sb. the Related Party Transactions Report for the accounting period from 1<sup>st</sup> January 2015 to 31<sup>st</sup> December 2015 (hereinafter referred to as "Accounting Period").

## 1. Related Companies to Teknia Uhersky Brod, a.s.

### 1.1. Companies Controlling Teknia Uhersky Brod, a.s.

Complete Overview of Companies Controlling Teknia Uhersky Brod, a.s.:

Company name	Registered office	Total capital interest as at 1.1.2015	Changes in Accounting Period			Total capital interest as at 31.12. 2015
			Own capital interests	Consonant actions	Other (share right exercise agreements)	
Teknia Manufacturing Group, S.L.U.	Elorrio, ES	100 %	-	-	-	100 %

Teknia Manufacturing Group, S.L.U. has 100 % votes in Teknia Uhersky Brod, a.s. as at 31<sup>st</sup> December 2015. It is the controlling company pursuant to section 74 Corporation Act No. 90/2012 Sb. and Teknia Uhersky Brod, a.s. is a company controlled by it.

### 1.2. Other Companies Related to Teknia Uhersky Brod, a.s.

The controlling company of Teknia Uhersky Brod, a.s., - Teknia Manufacturing Group, S.L.U. has the following shares or business shares in other companies:

<u>Company name</u>	<u>Total participation as at 31.12.2015</u>
Teknia Polska Spółka Z O.O	100 %
Teknia Germany GmbH	100 %
Teknia Elorrio, S.L.U.	100 %
Teknia Pedrola, S.L.U.	100 %
Teknia Epila, S.L.U.	100 %
Teknia Bilbao XXI, S.L.U.	100 %
Teknia Barcelona, S.L.U.	100 %
Teknia Montmeló, S.L.U.	100 %
Teknia Azuqueca, S.L.U.	100 %
Teknia Martos, S.L.U.	100 %
Componentes de Automoción Marroquíes, SARL	99.99 %
Teknia R&D, S.L.U.	100 %
Teknia Automotive Mexico, S.A. de C.V.	90 %
Teknia Manresa, S.L.U.	100 %
Teknia Brasil, S.A.	99.99 %
Teknia USA Inc.	100 %
TEKNIA KG DOO KRAGUJEVAC	89.73 %
SAMCO, S.A. de C.V	100 %

Teknia Polska Spółka Z.O.O has the following shares or business shares in other companies:

<u>Company name</u>	<u>Total participation as at 31.12.2015</u>
Teknia Kálisz Sp. Z O. O	100 %
Teknia Rzeszów S.A.	100 %



## **2. Agreements/Contracts Concluded among Related Companies in the Accounting Period**

### **2.1. *Agreements/Contracts Concluded between Teknia Uhersky Brod, a.s. and Teknia Manufacturing Group, S.L.***

On 1st January 2011 the companies concluded an agreement on the keeping of a joint credit account up to EUR 2,000,000 with maturity within five years after the date of execution with the possibility of an automatic extension by one year unless any of the contracting parties notices the agreement three months before the expiration of the particular contracting period at least.

On 1st February 2012 the companies concluded the Agreement on ERP System Preparation and Implementation within the Teknia Group. The Agreement has maturity until the ERP system is implemented and put into operation in each company of the Teknia Group the Agreement is relevant to.

On 2<sup>nd</sup> January 2014 the companies concluded the Licence Agreement of **TEKNIA<sup>®</sup>** trade mark with maturity within five years after the date of execution with the possibility of an automatic extension by one year unless any of the contracting parties notices the agreement three months before the expiration of the particular contracting period at least.

On 15<sup>th</sup> December 2014 the companies concluded an Agreement on the provision with management and financial, accounting, legal services and HR, material management assistance, IT support and sales-technical assistance. The Agreement came into force on 1<sup>st</sup> January 2014 and is concluded for five years after the date of execution with the possibility of an automatic extension by one year unless any of the contracting parties notices the agreement three months before the expiration of the particular contracting period at least. This Agreement replaces the agreement of 1<sup>st</sup> January 2011.

### **2.2. *Agreements/Contracts Concluded between Teknia Uhersky Brod, a.s. and Teknia Azuqueca, S.L.U.***

On 1st January 2011 the companies concluded an agreement on the provision with management services for the division plastic production of the Teknia Group in the field of the management of technical production preparation, quality management and business activity management. The agreement is concluded for five years after the date of execution with the possibility of an automatic extension by one year unless any of the contracting parties notices the agreement three months before the expiration of the particular contracting period at least.

### **2.3. *Agreements/Contracts Concluded between Teknia Uhersky Brod, a.s. and Teknia Martos, S.L.U.***

On 2<sup>nd</sup> January 2012 the companies concluded an agreement on the provision with management services for the division plastic production of the Teknia Group in the field of the material management. The agreement is concluded for four years after the date of execution with the possibility of an automatic extension by one year unless any of the contracting parties notices the agreement three months before the expiration of the particular contracting period at least.

### **2.4. *Agreements/Contracts Concluded between Teknia Uhersky Brod, a.s. and Teknia R&D, S.L.U.***

On 1<sup>st</sup> June 2013 the Companies concluded the Agreement on energy consultancy and energy audit. The agreement is concluded for three years after the date of execution with the possibility of an automatic extension by other next three years unless any of the contracting parties notices the agreement in writing three months before the expiration of the particular contracting period at least.

### **2.5. *Agreements/Contracts Concluded between TEKNIA Rzeszów S.A and Teknia Uhersky Brod, a.s.***

On 1<sup>st</sup> July 2014 the Companies concluded an agreement on the provision with management services for the division plastic production of the Teknia Group in the field of HR and the material management. The

agreement is concluded for five years after the date of execution with the possibility of an automatic extension by one year unless any of the contracting parties notices the agreement three months before the expiration of the particular contracting period at least.

## **2.6 Agreement / Contract Concluded between Teknia Uhersky Brod, a.s. and Teknia KG d.o.o.**

The Companies concluded on 27<sup>th</sup> October 2015 an agreement on pressing mould hire exclusively for Teknia Uhersky Brod, a.s.. The agreement is concluded for the period of the product manufacture or until the last order of the products by Teknia Uhersky Brod, a.s..

The Companies concluded on 27<sup>th</sup> October 2015 general agreement on delivery of products produced with the hired mould, too. The agreement is concluded for unlimited period with a 3-month-period of notice.

## **3. Other Legal Acts in the Interest or on Initiative of Related Companies**

During the reported Accounting Period services, material, goods and property were purchased from related companies within the current business activity connected with the line of business of the controlled and in other way related company. The controlling influence of the controlling company had no impact on financial position of the controlled company which would exceed the current business activity run with diligent care. Deliveries realized during the reported period would realize every company acting with diligent care even if it was not a concern member. The details concerning the sort and number of deliveries result from the accounts of the controlled company. Dividends for the previous accounting period were distributed to the controlling company during the reported Accounting Period.

On initiative of the parent company Teknia Manufacturing Group, S.L.U. the statutory director of Teknia Uhersky Brod, a.s. delegated full powers to the representative of the parent company to provide a guarantee to the maximal amount of EUR 40,000,000 concerning the bond issue the Teknia Manufacturing Group, S.L.U. plans to do.

## **4. Measures of Teknia Uhersky Brod, a.s. Taken in Interest or on Impulse of Related Companies**

Teknia Uhersky Brod, a.s. did not take any measures in interest of the related companies.

## **5. Other Legal Acts taken by Teknia Uhersky Brod, a.s. in Interest of Related Companies in the Accounting Period**

There are no legal acts made between related companies or in interest or on impulse of related parties which could possibly harm the Company.

## **6. Final Declaration of the Statutory Director of Teknia Uhersky Brod, a.s.**

We declare hereby that we stated in the Related Party Transactions Report of Teknia Uhersky Brod, a.s. prepared pursuant to section 82 Corporation Act No. 90/2012 Sb. for the accounting period from 1<sup>st</sup> January 2015 to 31<sup>st</sup> December 2015 all in the Accounting Period concluded or realized and at the date of preparation of the Report us known:



- Agreements and contracts between related companies,
- fulfilments and considerations provided to related companies,
- other legal acts made in interest of these companies,
- all measures taken in interest or on initiative of these companies.

We declare hereby that we are not aware of the fact that any financial or property harm would arise to the controlled company Teknia Ufersky Brod, a.s. from the agreements / contracts or measures due to relation to the controlling company.

The Report is to be filed pursuant to section 21a Accounting Act No. 563/1991 Sb. in document collection at register court and is to be enclosed to the Annual Report prepared pursuant to special legal regulation regulating the accountancy.

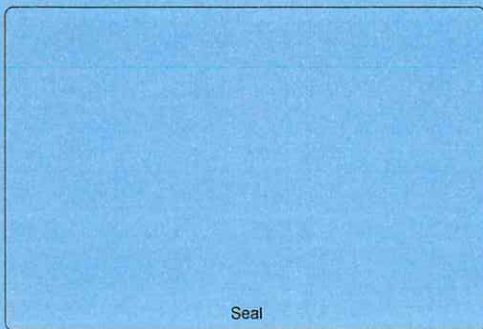
The undersigned person countersigns that the Report was prepared properly and all data he had at disposal for the whole reported Accounting Period were taken into account.

Place: Uferský Brod

Dated: 15<sup>th</sup> March 2016

.....  
Javier Lazpita Sarriugarte  
Statutory director of  
Teknia Ufersky Brod, a.s.

# BALANCE SHEET



asat **3 1 . 1 2 . 2 0 1 5**

in thousands CZK

ID no. **4 9 9 7 1 0 3 4**

Business name

**Teknia Uherský Brod,**

**a.s.**

Registered office

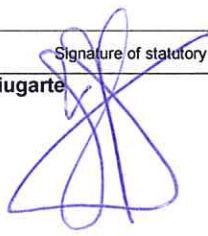
**Rybářská 2330**

**Uherský Brod**

**688 01**

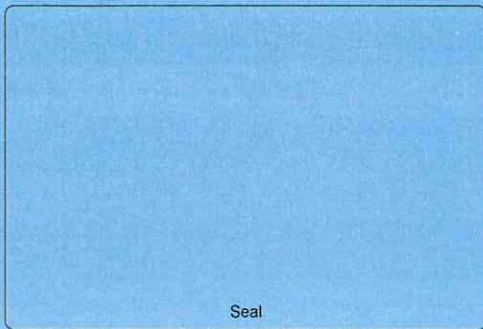
Ident.	ASSETS	line	Current accounting period			Previous account. period
			Gross	Adjustments	Net	Netto
	TOTAL ASSETS	001	<b>790 996</b>	<b>-276 992</b>	<b>514 004</b>	<b>506 949</b>
B.	Fixed assets	003	<b>558 323</b>	<b>-272 142</b>	<b>286 181</b>	<b>265 195</b>
B.I.	Intangible assets	004	<b>15 763</b>	<b>-10 763</b>	<b>5 000</b>	<b>3 689</b>
B.I.3.	Software	007	<b>11 372</b>	<b>-10 522</b>	<b>850</b>	<b>1 018</b>
B.I.4.	Valuable rights (patents, copyrights, trademarks and brands)	008	<b>81</b>	<b>-81</b>	<b>0</b>	<b>0</b>
B.I.6.	Other intangibles	010	<b>160</b>	<b>-160</b>	<b>0</b>	<b>0</b>
B.I.7.	Intangible assets under construction	011	<b>4 150</b>		<b>4 150</b>	<b>2 671</b>
B.II.	Tangible fixed assets	013	<b>542 560</b>	<b>-261 379</b>	<b>281 181</b>	<b>261 506</b>
B.II.1.	Land	014	<b>14 382</b>		<b>14 382</b>	<b>14 382</b>
B.II.2.	Buildings and structures	015	<b>195 154</b>	<b>-39 342</b>	<b>155 812</b>	<b>159 727</b>
B.II.3.	Machinery, equipment, vehicles, fixtures and fittings	016	<b>303 318</b>	<b>-221 472</b>	<b>81 846</b>	<b>71 321</b>
B.II.7.	Tangible fixed assets under construction	020	<b>29 706</b>	<b>-565</b>	<b>29 141</b>	<b>16 076</b>
C.	CURRENT ASSETS	031	<b>216 170</b>	<b>-4 850</b>	<b>211 320</b>	<b>233 459</b>
C.I.	INVENTORIES	032	<b>72 835</b>	<b>-3 259</b>	<b>69 576</b>	<b>97 045</b>
C.I.1.	Raw material	033	<b>26 538</b>	<b>-1 536</b>	<b>25 002</b>	<b>23 077</b>
C.I.2.	Work-in-progress and semi-finished products	034	<b>6 276</b>	<b>-1 000</b>	<b>5 276</b>	<b>5 937</b>
C.I.3.	Finished products	035	<b>7 700</b>	<b>-723</b>	<b>6 977</b>	<b>9 559</b>
C.I.5.	Goods	037	<b>21 143</b>		<b>21 143</b>	<b>24 202</b>
C.I.6.	Prepayments on inventories	038	<b>11 178</b>		<b>11 178</b>	<b>34 270</b>
C.III.	Short-term receivables	048	<b>122 831</b>	<b>-1 591</b>	<b>121 240</b>	<b>125 075</b>
C.III.1.	Trade receivables	049	<b>115 081</b>	<b>-1 591</b>	<b>113 490</b>	<b>100 781</b>
C.III.2.	Receivables from controlling entities	050	<b>4 559</b>		<b>4 559</b>	<b>20 907</b>
C.III.6.	Government - tax receivables	054	<b>1 585</b>		<b>1 585</b>	<b>2 091</b>
C.III.7.	Short-term advances	055	<b>364</b>		<b>364</b>	<b>102</b>
C.III.8.	Estimated accrued revenues	056	<b>1 242</b>		<b>1 242</b>	<b>1 194</b>
C.IV.	Current financial assets	058	<b>20 504</b>		<b>20 504</b>	<b>11 339</b>
C.IV.1.	Cash	059	<b>102</b>		<b>102</b>	<b>77</b>
C.IV.2.	Bank accounts	060	<b>20 402</b>		<b>20 402</b>	<b>11 262</b>
D.I.	Prepayments and accrued income	063	<b>16 503</b>		<b>16 503</b>	<b>8 295</b>
D.I.1.	Prepaid expenses	064	<b>16 503</b>		<b>16 503</b>	<b>8 295</b>

Ident.	LIABILITIES	line	Current accounting period	Previous account. period
			Net	Netto
	TOTAL LIABILITIES AND EQUITY	001	<b>514 004</b>	<b>506 949</b>
A.	Equity	002	<b>246 886</b>	<b>220 935</b>
A.I.	Subscribed capital	003	<b>121 780</b>	<b>121 780</b>
A.I.1.	Subscribed capital	004	<b>121 780</b>	<b>121 780</b>
A.III.	Reserves, indivisible reserve and other revenue reserves	014	<b>9 197</b>	<b>9 197</b>
A.III.1.	Legal reserve fund	015	<b>9 197</b>	<b>9 197</b>
A.IV.	Retained earnings	017	<b>69 133</b>	<b>50 538</b>
A.IV.1.	Retained earnings of previous years	018	<b>69 133</b>	<b>50 538</b>
A.V.1	Profit / loss of current accounting period	021	<b>46 776</b>	<b>39 420</b>
B.	Liabilities	022	<b>248 646</b>	<b>271 784</b>
B.I.	Provisions	023	<b>7 639</b>	<b>5 526</b>
B.I.3.	Provision for income tax	026	<b>4 399</b>	<b>3 579</b>
B.I.4.	Others provisions	027	<b>3 240</b>	<b>1 947</b>
B.II.	Long-term liabilities	028	<b>15 622</b>	<b>4 441</b>
B.II.9.	Other payables	037	<b>5 862</b>	<b>0</b>
B.II.10.	Deferred tax liabilities	038	<b>9 760</b>	<b>4 441</b>
B.III.	SHORT-TERM LIABILITIES	039	<b>143 691</b>	<b>161 127</b>
B.III.1.	Trade payables	040	<b>108 305</b>	<b>109 125</b>
B.III.5.	Payables to employees	044	<b>5 531</b>	<b>4 620</b>
B.III.6.	Payables to social security and health insurance	045	<b>3 047</b>	<b>2 562</b>
B.III.7.	Government - tax payables and subsidies	046	<b>703</b>	<b>1 117</b>
B.III.8.	Short-term advances received	047	<b>8 744</b>	<b>20 100</b>
B.III.10.	Estimated accrued items	049	<b>12 180</b>	<b>18 939</b>
B.III.11.	Other payables	050	<b>5 181</b>	<b>4 664</b>
B.IV.	Bank loans and borrowings	051	<b>81 694</b>	<b>100 690</b>
B.IV.1.	Long-term bank loans	052	<b>61 331</b>	<b>75 173</b>
B.IV.2.	Short-term bank loans	053	<b>20 363</b>	<b>25 517</b>
C.I.	Accruals and deferred income	055	<b>18 472</b>	<b>14 230</b>
C.I.1.	Accrued expenses	056		<b>5</b>
C.I.2.	Deferred income	057	<b>18 472</b>	<b>14 225</b>

Date of compilat <b>15.3.2016</b>	Signature of statutory body or natural person  <b>Javier Lazpita Sarriugarte</b>
Legal form <b>stock company</b>	
Entrepreneurial activity <b>Production, trade and services not stated in annexes</b> <b>1 - 3 of trade law</b> Comment:	



# CASH FLOW STATEMENTS



asat **3 1 . 1 2 . 2 0 1 5**

From **1.1.2015** To: **31.12.2015**

in thousands CZK

ID no. **4 9 9 7 1 0 3 4**

Business name

**Teknia Uhersky Brod,**

**a.s.**

Registered office

**Rybářská 2330**

**Uherský Brod**

**688 01**

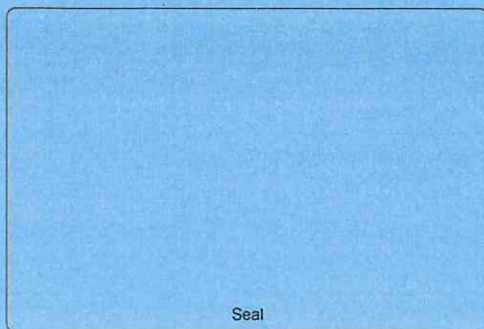
Ident.	CASH FLOW STATEMENTS	line	Values in accounting period	
			Current accounting period	Previous account. period
P.	Cash and cash equivalents at beginning of accounting period	001	<b>11 339</b>	<b>3 777</b>
<b>Cash flow from ordinary activities</b>				
Z.	Profit/loss from ordinary activities before taxation (does not include accounts 591 to 596)	002	<b>60 996</b>	<b>48 659</b>
A.1.	Adjustments for non-cash transactions	003	<b>26 372</b>	<b>25 375</b>
A.1.1.	Depreciation of fixed assets (except of net book value of fixed assets sold, depreciation of adjustment for assets acquisition (+/-)).	004	<b>25 045</b>	<b>24 335</b>
A.1.2.	Change in adjustments, provisions	005	<b>157</b>	<b>96</b>
A.1.3.	Profit/loss on disposal of fixed assets	006	<b>70</b>	<b>-23</b>
A.1.5.	Net interest expense (+) (except of capitalized interest) and interest income (-)	008	<b>1 001</b>	<b>967</b>
A.1.6.	Adjustments for other non-cash movements	009	<b>99</b>	<b>0</b>
A*	Net cash flow from operating activities before tax, changes in working capital and extraordinary items	010	<b>87 368</b>	<b>74 034</b>
A.2.	Change in non-financial items of working capital	011	<b>-500</b>	<b>16 759</b>
A.2.1.	Increase/decrease in trade and other receivables, including prepayments and accrued income (+/-)	012	<b>-21 596</b>	<b>1 403</b>
A.2.2.	Increase/decrease in trade payables, including accruals and deferred income (+/-)	013	<b>-7 233</b>	<b>48 264</b>
A.2.3.	Increase/decrease in inventories	014	<b>28 329</b>	<b>-32 908</b>
A**	Net cash flow from operating activities before taxes and extraordinary items	016	<b>86 868</b>	<b>90 793</b>
A.3.	Interest paid, excl. capitalized interests	017	<b>-1 469</b>	<b>-1 289</b>
A.4.	Interest received (+)	018	<b>468</b>	<b>322</b>
A.5.	Income tax on ordinary activities paid and additional assessments for past periods (including deposits and refunds) (-)	019	<b>-8 080</b>	<b>-5 014</b>
A***	Net cash flow from operating activities	022	<b>77 787</b>	<b>84 812</b>
<b>Cash flow from investment activities</b>				
B.1.	Costs associated with acquisition of fixed assets	023	<b>-45 200</b>	<b>-91 057</b>
B.2.	Proceeds on sales of fixed assets	024	<b>51</b>	<b>23</b>
B.3.	Loans and credits to related persons	025	<b>16 348</b>	<b>-20 907</b>
B***	Net cash flow from investing activities	026	<b>-28 801</b>	<b>-111 941</b>
<b>Cash flow from financial activities</b>				
C.1.	Net effect of changes in long-term liabilities and short-term liabilities, belonging to the financial activities area, to cash and cash equivalents	027	<b>-18 996</b>	<b>44 319</b>

Ident.	CASH FLOW STATEMENTS	line	Values in accounting period	
			Current accounting period	Previous account. period
C.2.	Net effect of changes in equity on cash and cash equivalents, share profits or possibly legal reserve including advances paid for this increase (+)	028	<b>-20 825</b>	<b>-9 628</b>
C.2.6.	Dividends paid and profit shares including withholding tax paid relating to these demands and including settlement with partners in partnership and general partners in limited partnerships	034	<b>-20 825</b>	<b>-9 628</b>
C***	Net cash from financing activities	035	<b>-39 821</b>	<b>34 691</b>
F.	Net increase/decrease in cash and cash equivalents	036	<b>9 165</b>	<b>7 562</b>
R.	Cash and cash equivalents at end of period	037	<b>20 504</b>	<b>11 339</b>

Date of compilat <b>15.3.2016</b>	<div>Signature of statutory body or natural person</div> <div><b>Javier Lazpita Sarriugarte</b></div> 
Legal form <b>stock company</b>	
Entrepreneurial activity <b>Production, trade and services not stated in annexes</b> <b>1 - 3 of trade law</b>	
Comment:	



# PROFIT AND LOSS STATEMENT



asat... **3 1 . 1 2 . 2 0 1 5**

From **1.1.2015** To: **31.12.2015**

in thousands CZK

ID no. **4 9 9 7 1 0 3 4**

Business name

**Teknia Uherský Brod,**  
**a.s.**

Registered office

**Rybářská 2330**  
**Uherský Brod**  
**688 01**

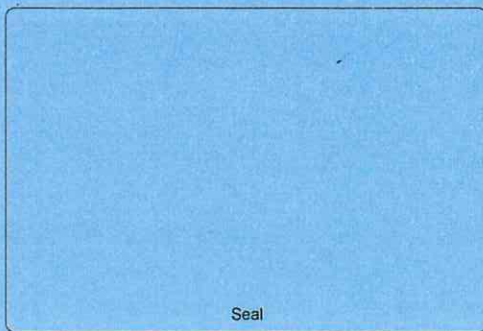
Ident.	PROFIT AND LOSS STATEMENT	line	Values in accounting period	
			Current accounting period	Previous account. period
I.	Sales of goods	001	<b>100 680</b>	<b>41 666</b>
A.	Costs of goods sold	002	<b>82 921</b>	<b>37 849</b>
+	Sale margin	003	<b>17 759</b>	<b>3 817</b>
II.	Production	004	<b>544 537</b>	<b>499 808</b>
II.1.	Product and service revenue	005	<b>548 877</b>	<b>500 763</b>
II.2.	Increase/decrease in finished goods and in work in progress	006	<b>-4 340</b>	<b>-955</b>
B.	Consumption from production	008	<b>380 612</b>	<b>343 558</b>
B.1.	Consumption of material and energy	009	<b>297 313</b>	<b>272 770</b>
B.2.	Services	010	<b>83 299</b>	<b>70 788</b>
+	Value added	011	<b>181 684</b>	<b>160 067</b>
C.	Staff costs	012	<b>103 721</b>	<b>88 119</b>
C.1.	Wages and salaries	013	<b>76 685</b>	<b>64 680</b>
C.3.	Social security and health insurance costs	015	<b>25 246</b>	<b>21 788</b>
C.4.	Other social costs	016	<b>1 790</b>	<b>1 651</b>
D.	Taxes and fees	017	<b>240</b>	<b>195</b>
E.	Depreciation and amortization	018	<b>25 045</b>	<b>24 335</b>
III.	Proceeds on fixed assets and material	019	<b>26 437</b>	<b>29 914</b>
III.1.	Proceeds on sale of fixed assets	020	<b>51</b>	<b>23</b>
III.2.	Proceeds on sale of material	021	<b>26 386</b>	<b>29 891</b>
F.	Net book value of fixed assets and material sold	022	<b>23 570</b>	<b>27 070</b>
F.1.	Net book value of fixed assets sold	023	<b>121</b>	
F.2.	Material sold	024	<b>23 449</b>	<b>27 070</b>
G.	Changes in provisions and adjustments relating to operating activities and complex deferred expenses	025	<b>157</b>	<b>96</b>
IV.	Other operating income	026	<b>7 422</b>	<b>3 012</b>
H.	Other operating expenses	027	<b>3 055</b>	<b>1 761</b>
*	Profit/loss from operating activities	030	<b>59 755</b>	<b>51 417</b>
X.	Interest income	042	<b>468</b>	<b>322</b>
N.	Interest expense	043	<b>1 469</b>	<b>1 288</b>
XI.	Other financial revenues	044	<b>9 745</b>	<b>5 509</b>
O.	Other financial expenses	045	<b>7 503</b>	<b>7 301</b>
*	Profit/loss from financial activities	048	<b>1 241</b>	<b>-2 758</b>
Q.	Income tax on ordinary activities	049	<b>14 220</b>	<b>9 239</b>
Q.1.	- Due	050	<b>8 900</b>	<b>5 758</b>
Q.2.	- Deferred	051	<b>5 320</b>	<b>3 481</b>
**	Profit/loss from ordinary activities	052	<b>46 776</b>	<b>39 420</b>

Ident.	PROFIT AND LOSS STATEMENT	line	Values in accounting period	
			Current accounting period	Previous account. period
***	Profit/loss for the period	060	<b>46 776</b>	<b>39 420</b>
****	Profit/loss before tax	061	<b>60 996</b>	<b>48 659</b>

Date of compilat <b>15.3.2016</b>	Signature of statutory bodylor natural person
Legal form <b>stock company</b>	<b>Javier Lazpita Sarriugarte</b> 
Entrepreneurial activity <b>Production, trade and services not stated in annexes</b> <b>1 - 3 of trade law</b>	
Comment:	



# CHANGES IN SHAREHOLDERS EQUITY



asat **3 1 . 1 2 . 2 0 1 5**

From **1.1.2015** To: **31.12.2015**

in thousands CZK

ID no. **4 9 9 7 1 0 3 4**

Business name  
**Teknia Uherský Brod,**  
**a.s.**

Registered office  
**Rybářská 2330**  
**Uherský Brod**  
**688 01**

Ident.	CHANGES IN SHAREHOLDERS EQUITY	line	Values in accounting period	
			Current accounting period	Previous account. period
A. Subscribed capital in Companies register entered (411)				
A.1.	Opening balance	001	121 780	121 780
A.4.	Closing balance	004	121 780	121 780
C. Subscribed capital (A. +/- B).with account (-)252				
C.1.	Opening balance A. +/- B.	009	121 780	121 780
C.6.	Closing balance A. +/- B. incl. (252)	014	121 780	121 780
E. Legal reserves (421)				
E.1.	Opening balance	019	9 197	7 716
E.2.	Increase	020		1 481
E.4.	Closing balance	022	9 197	9 197
I. Credit from account periods (428 + credit 431)				
I.1.	Opening balance	035	50 538	32 036
I.2.	Increase	036	39 420	28 130
I.3.	Decrease	037	20 825	9 628
I.4.	Closing balance	038	69 133	50 538
K. Profit/loss for the period after tax				
K.1.	Opening balance	047	39 420	29 610
K.2.	Increase	048	46 776	39 420
K.3.	Decrease	049	39 420	29 610
K.4.	Closing balance	050	46 776	39 420
Equity in total (summation C to K)				
X.1.	Opening balance	051	220 935	191 142
X.2.	Increase	052	86 196	69 031
X.3.	Decrease	053	60 245	39 238
X.4.	Closing balance	054	246 886	220 935

Date of compilat <b>15.3.2016</b>	Signature of statutory body or natural person
Legal form <b>stock company</b>	Javier Lazpita Sarriugarte
Entrepreneurial activity <b>Production, trade and services not stated in annexes</b> <b>1 - 3 of trade law</b>	
Comment:	



For the year ended at 31 December 2015  
(in thousands CZK)

In the Notes only information important for the assessment of the financial and property positions of the company from the view of external users is stated.

## 1. Company Details and Main Business Activity

### *Establishment and Company Details*

Teknia Uhersky Brod, a.s. (Company) was incorporated on 27 December 1993.

Scope of business activity:

- Production, trade and services not stated in the attachments 1 - 3 to the Trade Law

### *Owners of the Company*

The sole shareholder of the Company as at 31 December 2015 is:

TEKNIA MANUFACTURING GROUP, S.L.	100.0%
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### *Registered office*

Teknia Uhersky Brod, a.s.  
Rybářská 2330  
Uherský Brod, post code 688 01  
Czech Republic

### *Identification number*

499 71 034

### *Statutory director and members of the board of directors at 31 December 2015*

#### *Statutory director*

Javier Lazpita Sarriugarte

#### *Members of the Board of Directors*

Javier Lazpita Sarriugarte, chairman

José María Sánchez Jiménez, member

The statutory director represents the Company in all matters. The statutory director acts on behalf of the Company alone.

For the year ended at 31 December 2015  
(in thousands CZK)

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*Changes in supervisory board entered into Company Register:*

On 20 December 2014 Mr Javier Quesada Suescun ceased to be member of Board of Directors. This change has been entered into the Company Register on 30 January 2015.

*Changes in statutory director entered into Company Register:*

On 20 December 2014 a new post of statutory director arose, Mr Javier Lazpita Sarriugarte was appointed to this post by the Board of Directors. This change has been entered into the Company Register on 30 January 2015.

*Changes in Supervisory Board entered into Company Register:*

On 6 February 2014 Mr Javier Lazpita Sarriugarte ceased to be member of the Supervisory Board. This change has been entered into the Company Register on 30 January 2015.

On 20 December 2014 Mr Ing. Miroslav Frantík and Mr. Diego Martelo Muñoz-Cobos ceased to be members of the Supervisory Board. This change has been entered into the Company Register on 30 January 2015.

*Changes in Board of Directors entered into Company Register:*

On 20 December 2014 Mr José María Sánchez Jiménez and Mr Javier Lazpita Sarriugarte were appointed to members of Board of Directors by the general meeting. This change has been entered into the Company Register on 30 January 2015.

On 20 December 2014 Javier Lazpita Sarriugarte was appointed a chairman of the Board of Directors by the Board of Directors. This change has been entered into the Company Register on 30 January 2015.

*Procuration as at 31 December 2015*

Lukáš Rajsígl

The proxy acts on behalf of the Company alone.

*Changes in procuration in the Company Register:*

There were no changes in procuration in 2015.

*Other changes in the Company Register:*

There were no other changes in 2015.

For the year ended at 31 December 2015  
(in thousands CZK)

### *Organizational Structure*

The head of the Company is the managing director. The Company is divided in 7 departments. Each department has its head or department manager.

The departments are as follows:

- production
- human resources
- quality management
- finance department
- sales department
- technical department
- logistics and purchase

## **2. Significant Accounting Methods Applied by the Company**

The books are kept in accordance with the particular provisions of the Accounting Act No. 563/1991 Coll. as amended and regulation No. 500/2002 Coll. as amended.

The Company applies fully the general accounting principles and methods.

The Financial Statements has been prepared under the going concern assumption.

### **(a) Tangible and Intangible Fixed Assets**

Tangible fixed assets are considered to be tangible fixed assets over 40 thousand CZK, intangible fixed assets are over 60 thousand CZK. Low value intangible assets are intangible assets up to 60 thousand CZK with useful life over 1 year. The accounting unit specified low value tangible fixed assets with the value of 20 thousand CZK to 40 thousand CZK. These low value tangible fixed assets are kept on a special analytical account 750 and are expensed in the year they were purchased. Other low value tangible assets up to 20 thousand CZK are not reported in the balance sheet and are expensed in the year they were purchased.

#### Depreciation methods and depreciation period according to fixed assets groups:

Fixed assets	Method	Period of depreciation
Buildings and constructions	straight line	20 or 30 years
Fence, water, sewer system and gas connection, cabling, material container	straight line	15 years
Machinery	straight line	5, 6 or 8 years
Computers and computer units, notebooks and servers, cars	straight line	4 years
Software	straight line	6 years
Patents and other intangible assets	straight line	5 years



For the year ended at 31 December 2015  
(in thousands CZK)

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(b) Inventory

Direct and auxiliary material is stated at standard costs. Related costs and price differences are recorded on a special analytical account and expensed proportionate to the volume of inventory decrease.

Recycled direct material is stated at standard costs as purchased material as it has in case of its processing the same value for the accounting unit.

Indirect material is stated at standard costs using the FIFO method, i.e. the first value for the inventory additions is used as the first value for the inventory usage.

Finished products and semi-finished products are stated at own production costs.

Work - in progress is stated at direct material cost and direct wages cost.

The goods are stated at purchase price using the FIFO method.

(c) Allowances to assets and Provisions

*Allowance to doubtful debts*

The company creates provisions for doubtful debts based on financial credibility of its customers and the aging structure of the receivables. 100 % accounting provisions are created for unpaid receivables overdue more than 6 month. 50 - 100% accounting provisions are created for unpaid receivables overdue 1 - 180 days with respect to known circumstances existing at the date of the preparation of the Financial Statements. Besides the creation according to the due date the individual risks in the case of particular debtors are taken into account. In addition to that the Company creates individual provisions for unpaid receivables from taxes paid abroad.

*Inventory provisions*

The Company creates inventory provisions to the amount of predictable risks and possible losses which are known as at the date of preparation of the Financial Statements.

The Company creates 100 % provision for recycled material, 100 % provisions for the slow - moving material and further 20 % - 100 % provision for material which the Company cannot utilize at the moment.

The Company created provision for finished products that were subject to claims or represented defect products as at the inventory count or defective work. Provisions are created for inventories with carrying value temporarily exceeding their net realisable value. 20 % and 100 % provision was created for slow- moving inventories.

The Company created 20 % and 100 % provision for semi - finished products that were assessed as slow – moving or not moving and for semi-products represented as defective work.

*Provisions*

For the year ended at 31 December 2015  
(in thousands CZK)

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Provisions are created to pay future risks and expenses with known purpose, which are probable to occur, nevertheless their amount is not sure or the date they will be drawn is not sure. The Company created especially provisions for complaints, severance payments, untaken holiday, for social and health insurance connected with management remuneration. The provision for untaken holiday is created based on the analysis of untaken holiday for the accounting period as at the date of balance and average wage costs including the social and health insurance cost for the particular employees.

**(d) Conversion of Foreign Currencies**

The Company applies for translation of petty cash, bank accounts, receivables and payables denominated in foreign currency daily foreign exchange rate of the Czech National Bank.

Business trips abroad are booked pursuant to provisions of the Czech Labour Code.

Assets and liabilities denominated in foreign currencies as at the balance sheet date are translated using the official exchange rate of the Czech National Bank as at the balance sheet date. Unrealised foreign exchange gains and losses are recognized in the profit and loss.

**(e) Leased assets**

Regular lease payments are expensed on a straight line basis over the lease term. After the end of the lease term and exercise of the option to purchase the leased asset is capitalised at its purchase price.

**(f) Income Tax**

The income tax for the tax period consists of due tax and the change in deferred tax.

The due tax represents an estimate of income tax calculated from the tax base using the tax rate valid on the first day of the tax period and all additional tax payments and returns from previous tax periods.

Deferred tax is based on all temporary differences between the carrying and tax value of assets and liabilities, and other temporary differences (tax losses), multiplied by the tax rate expected to be valid in the future periods.

A deferred tax asset is recognized only if it is probable that it will be utilized in future accounting periods.

**(g) Classification of Payables**

The Company classifies the part of the long term payables, bank and other loans with maturity period shorter than one year from the balance date, as short-term.

**3. Change in Accounting Methods and Principles**



For the year ended at 31 December 2015  
(in thousands CZK)

In 2015 there were no changes in accounting methods and principles.

#### 4. Tangible and Intangible Fixed Assets

##### (a) Intangible Fixed Assets

	Valuable rights	Software	Other low value IFA	Low value IFA under construction	Total
<b>Purchase price</b>					
Balance as at 1. 1. 2015	81	11 584	326	2 671	14 662
Additions	--	166	--	1 479	1 645
Disposals	--	-378	-166	--	-544
Transfers	--	--	--	--	--
Balance as at 31. 12. 2015	81	11 372	160	4 150	15 763
<b>Accumulated depreciation</b>					
Balance as at 1. 1. 2015	81	10 566	326	--	10 973
Depreciations	--	334	--	--	334
Disposals	--	-378	-166	--	-544
Transfers	--	--	--	--	--
Balance as at 31. 12. 2015	81	10 522	160	--	10 763
<b>Net book value as at 1. 1. 2015</b>	<b>0</b>	<b>1 018</b>	<b>0</b>	<b>2 671</b>	<b>3 689</b>
<b>Net book value as at 31. 12. 2015</b>	<b>0</b>	<b>850</b>	<b>0</b>	<b>4 150</b>	<b>5 000</b>

##### b) Tangible Fixed Assets

For the year ended at 31 December 2015  
(in thousands CZK)

	Land	Buildings	Machinery and equipment	Fixed assets under construction	Payments	Total
<b>Purchase price</b>						
Balance as at 1. 1. 2015	14 382	191 520	283 767	17 472	--	507 141
Additions	--	1 246	25 757	18 068	--	45 071
Disposals	--	-133	-8 123	-1 396	--	-9 652
Transfers	--	2 521	1 917	-4 438	--	--
Balance as at 31. 12. 2015	14 382	195 154	303 318	29 706	--	542 560
<b>Accumulated amortizations</b>						
Balance as at 1. 1. 2015	--	31 793	212 446	--	--	244 239
Depreciation	--	7 561	17 149	--	--	24 710
Disposals	--	-12	-8 123	--	--	-8 135
Transfers	--	--	--	--	--	--
Balance as at 31. 12. 2015	--	39 342	221 472	--	--	260 814
<b>Adjustments</b>						
Balance as at 1. 1. 2015	--	--	--	1 396	--	1 396
Change in adjustments	--	--	--	-831	--	-831
Balance as at 31. 12. 2015	--	--	--	565	--	565
<b>Net book value as at 1. 1. 2015</b>	<b>14 382</b>	<b>159 727</b>	<b>71 321</b>	<b>16 076</b>	<b>--</b>	<b>261 506</b>
<b>Net book value as at 31. 12. 2015</b>	<b>14 382</b>	<b>155 812</b>	<b>81 846</b>	<b>29 141</b>	<b>--</b>	<b>281 181</b>

The most significant additions in 2015 are:

- Reconstruction of production rooms in the plant Uherský Brod amounting totally to CZK 4,796 thousand
- Purchase of vibratory and sonar welder for the total purchase price amounting to CZK 4,963 thousand
- Purchase of two press machines with closing force 300 t and of one press machine with closing force 500 t for the total purchase price amounting to CZK 14,849 thousand.

Fixed assets pledged by right of lien are stated under point 13.

## 5. Leased Assets

### (a) Finance Leases

The Company was not committed to pay lease instalments under finance leases in 2015.

### (b) Operating Leases

The Company purchased a copying machine with a printer in 2015 and in 2012 three cars in the form of operating lease for 48 months after their hand over without the duty to buy them

For the year ended at 31 December 2015  
(in thousands CZK)

after all instalments will be paid. The copying machine with the printer started to be used on 1<sup>st</sup> October 2015. The cars started to be used on 3<sup>rd</sup> December 2012.

The total amount of leased copier, printer and cars is CZK 2,010 thousand CZK without VAT.

The total annual costs concerning the lease in 2015 amounted to CZK 619 thousand CZK (in 2014 CZK 610 thousand).

The Company purchased handling instrumentation in 2011 – 2015 for 36 or 60 months after their hand over without the duty to buy it after all instalments will be paid.

The total annual costs for these leased assets amounted to CZK 2,082 thousand in 2015 (in 2014 CZK 1,755 thousand).

The Company purchased a CO<sub>2</sub> collector in 2015 for 3 years with automatic extension for other 2 years in case the agreement is not terminated without the duty to buy it after all instalments will be paid. The collector started to be used in May 2015.

The total annual costs for this leased asset amounted to CZK 83 thousand in 2015.

## 6. Tangible and Intangible Fixed Assets not Shown in the Balance Sheet

The Company shows low value fixed assets amounting to CZK 3,271 thousand CZK within off-balance evidence as at 31 December 2015. The purchase price of the subjects is from CZK 20 to 40 thousand.

## 7. Inventory

The Company created an adjustment to inventory:

	Balance as at 1.1.2015	Change compared to previous year	Balance as at 31.12.2015
Material	1 261	275	1 536
Semi-finished products	1 245	-245	1 000
Products	1 613	-890	723
Total	4 119	-860	3 259

## 8. Trade Receivables and Trade Payables

	Balance as at 1.1.2015	Change compared to previous year	Balance as at 31.12.2015	Adjustments as at 31.12.2015	Overdue as at 31.12.2015
Short-term receivables	101 817	13 264	115 081	1 591	19 670
Long-term receivables	--	--	--	--	--
Short-term payables	109 125	-820	108 305	--	20 395
Long-term payables	--	--	--	--	--

For the year ended at 31 December 2015  
(in thousands CZK)

## 9. Adjustments

	Balance as at 1.1.2015	Additions	Disposals	Balance as at 31.12.2015
Adjustments to fixed assets	1 396	565	1 396	565
Adjustments to inventory	4 119	275	1 135	3 259
Adjustments to receivables	1 036	1 591	1 036	1 591
Total	6 551	2 431	3 567	5 415

## 10. Registered Capital

	Registered capital 2015
119 registered shares with nominal value of 1 000 000 CZK	119 000
26 registered shares with nominal value of 100 000 CZK	2 600
18 registered shares with nominal value of 10 000 CZK	180
Balance as at 31. 12. 2015	121 780

	Registered capital 2014
119 registered shares with nominal value of 1 000 000 CZK	119 000
26 registered shares with nominal value of 100 000 CZK	2 600
18 registered shares with nominal value of 10 000 CZK	180
Balance as at 31. 12. 2014	121 780

## 11. Changes in Equity

Changes in equity are showed in the separate statement.

Proposal for distribution of the current year's (2015) profit:

- 1) payment of dividends,
- 2) the remaining amount will be kept in the Company.



For the year ended at 31 December 2015  
(in thousands CZK)

## 12. Provisions

	Provision for corporate income tax	Provision for untaken holiday	Provision for SHI of management rewards	Provision for severance pays and complaints	Total
Balance as at 1. 1. 2015	3 579	1 579	259	109	5 526
Change	820	884	151	258	2 113
Balance as at 31. 12. 2015	4 399	2 463	410	367	7 639

## 13. Bank Credits

2015	Maturity	Repayment schedule	Interest rate	Balance as at 31.12.2015	To be repaid within 1 year	To be repaid within 1 to 5 years	To be repaid in the following years
Investment credit KB	31. 05. 2021	Monthly	1M EURIBOR + contractual margin	35 279	6 518	26 075	2 686
Investment credit KB	30. 06. 2024	Monthly	1M EURIBOR + contractual margin	36 916	4 346	17 382	15 188
Multipurpose credit UniCredit Bank	11. 02. 2016	--	1M EURIBOR + contractual margin	8 418	8 418	--	--
Purpose credit UniCredit Bank	31. 08. 2016	Monthly	3M EURIBOR + contractual margin	1 081	1 081	--	--
Total				81 694	20 363	43 457	17 874

2014	Maturity	Repayment schedule	Interest rate	Balance as at 31.12.2014	To be repaid within 1 year	To be repaid within 1 to 5 years	To be repaid in the following years
Investment credit KB	31. 05. 2021	Monthly	1M EURIBOR + contractual margin	42 879	6 687	26 749	9 443
Investment credit KB	30. 06. 2024	Monthly	1M EURIBOR + contractual margin	41 588	3 715	17 833	20 040
Multipurpose credit UniCredit Bank	15. 02. 2015	--	1M EURIBOR + contractual margin	13 451	13 451	--	--
Purpose credit UniCredit Bank	31. 08. 2016	Monthly	3M EURIBOR + contractual margin	2 772	1 664	1 108	--
Total				100 690	25 517	45 690	29 483



For the year ended at 31 December 2015  
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These credits are secured as follows:

		Credit balance	
		31.12.2015	31.12.2014
Investment credit KB	Assets + blank bill	35 279	42 879
Investment credit KB	Assets + blank bill	36 916	41 588
Multipurpose credit UnicreditBank	Receivables + blank bill	8 418	13 451
Purpose credit UnicreditBank	Receivables + blank bill	1 081	2 772
Total		81 694	100 690

#### 14. Other liabilities

2015	Maturity	Instalment	Interest rate	Balance as at 31.12.2015	To be repaid within 1 year	To be repaid within 1 to 5 years	To be repaid in the following years
Purpose credit UniCredit Leasing CZ	16. 1. 2018	Monthly	Fixed	2 373	1 129	1 244	--
Purpose credit UniCredit Leasing CZ	16. 1. 2018	Monthly	Fixed	4 795	2 281	2 514	--
Purpose credit UniCredit Leasing CZ	11. 2. 2018	Monthly	Fixed	3 875	1 771	2 104	--
Total				11 043	5 181	5 862	--

All these purpose credits are secured by the right of lien for the financed subject.

2014	Maturity	Instalment	Interest rate	Balance as at 31.12.2014	To be repaid within 1 year	To be repaid within 1 to 5 years	To be repaid in the following years
SG Equipment Financee Czech Republic s.r.o.	15. 05. 2015	Monthly	3,55%	4 664	4 664	--	--
Total				4 664	4 664	--	--

This nonbank credit for machinery purchase was secured by the right of lien for the purchased machinery. The credit was paid back duly by the date stated in 2015.

#### 15. Accruals

Accruals are deferred revenues of services related to delivery of goods, which are continuously billed proportionate to the stage of completion.

For the year ended at 31 December 2015  
(in thousands CZK)

## 16. Revenues

The Company produces die-castings mainly and sells services and goods. The sales were in 2015 and 2014 as follows:

		Domestic sales	Sales export	Total
Products	2015	143 104	392 113	535 217
	2014	116 322	374 632	490 954
Services	2015	5 020	8 640	13 660
	2014	4 928	4 881	9 809
Goods	2015	51 415	49 265	100 680
	2014	6 124	35 542	41 666
Total	2015	199 539	450 018	649 557
	2014	127 374	415 055	542 429

Abroad realized revenues involve third countries too, it means countries outside the European Union. Revenues – third countries made 3.54 % (CZK 22,990 thousand) in 2015 of total abroad sales, in 2014 6.07% (CZK 25,214 thousand).

## 17. Related Parties

### (a) Trade Receivables and Payables

The trade receivables and payables described under point 8 comprise of the following balances of accounts concerning the related parties.

	Receivables as at 31. 12.		Payables as at 31. 12.	
	2015	2014	2015	2014
TEKNIA MANUFACTURING GROUP, S.L.U.	--	--	560	10 305
TEKNIA AZUQUECA S.L.U.	--	--	132	384
TEKNIA R&D S.L.U.	--	23	--	--
TEKNIA MARTOS S.L.U.	--	128	--	--
TEKNIA KALISZ SP. Z O.O.	184	6	1	--
TEKNIA RZESZOW S.A.	73	136	--	--
Total	257	293	693	10 689

For the year ended at 31 December 2015  
(in thousands CZK)

(b) Receivables from group undertakings and associated companies

Receivables from group undertakings in 2015 is a credit granted to the mother company, TEKNIA MANUFACTURING GROUP, S.L., amounting to CZK 4,559 thousand.

In 2014 amounting to CZK 20,907 thousand.

(c) Payables to group undertakings and associated companies

There are no payables to group undertakings and associated companies as at 31.12.2015.

(d) Sales and Purchase Transactions

	Sales for		Purchases for	
	2015	2014	2015	2014
TEKNIA MANUFACTURING GROUP, S.L.U.	468	125	19 172	19 803
TEKNIA AZUQUECA S.L.U.	279	425	1 445	1 520
TEKNIA R&D, S.L.U.	--	73	719	545
TEKNIA Martos, S.L.U.	--	--	--	359
TEKNIA Estampación Epila, S.L.U.	--	--	--	6 318
TEKNIA KALISZ SP. Z O.O.	1 458	620	1	--
TEKNIA RZESZOW S.A	996	594	--	--
Total	3 201	1 837	21 337	28 545

(e) Factual Concern

Controlling agreement or profit transfer agreement was not concluded. The relations between related parties are described in the report of statutory body of the Company on relations between the related parties. The Report on mutual relations will be part of the annual report.



For the year ended at 31 December 2015  
(in thousands CZK)

## 18. Employees and Senior Managers

Average number of employees and senior managers and wage costs for 2015 and 2014:

2015	Number of employees	Wage costs	Social and health insurance	Social costs
Employees	242	68 391	22 790	1 591
Senior managers	7	8 294	2 456	199
Total	249	76 685	25 246	1 790

2014	Number of employees	Wage costs	Social and health insurance	Social costs
Employees	220	58 607	19 806	1 454
Senior managers	6	6 073	1 982	197
Total	226	64 680	21 788	1 651

Rewards for members of Statutory body and for Board of Directors were not paid in 2015. The top managers may use cars for private purposes as well.

## 19. Social Insurance and Health Insurance Payables

	Balance as at 1.1.2015	Change compared to previous year	Balance as at 31.12.2015
Social insurance	1 776	341	2 117
Health insurance	786	144	930
Total	2 562	485	3 047

None of these payables are overdue.

## 20. Due from State – Tax Payables and Subsidy

	Balance as at 1.1.2015	Change compared to previous year	Balance as at 31.12.2015
Personal income tax from a dependent activity (employment)	581	100	681
Income tax deducted at source	534	-514	20
Total	1 115	-414	701

None of these payables are overdue.

For the year ended at 31 December 2015  
(in thousands CZK)

## 21. Income Tax

### (a) Tax Due

The Company realized a profit before tax of CZK 60,996 thousand in 2015.

The Company made provision for tax due amounting to CZK 8,908 thousand in 2015. The provision was reduced due to tax deposits amounting to CZK 4,509 thousand paid in the course of 2015.

### (b) Deferred Tax

#### Deferred tax

	Receivables		Payables		Difference	
	2015	2014	2015	2014	2015	2014
Tangible fixed assets	108	--	11 405	5 790	- 5 507	-3 641
Intangible fixed assets	--	--	--	--	--	--
Financial assets	--	--	--	--	--	--
Receivables	302	197	--	--	105	67
Inventory	619	782	--	--	-163	112
Provisions	616	370	--	--	246	-20
Tax losses	--	--	--	--	--	--
Revaluation of assets and liabilities accounted made counter equity	--	--	--	--	--	--
Other temporal differences	--	--	--	--	--	--
Deferred tax	1 645	1 349	11 405	5 790	-5 319	-3 481

In accordance with accounting policy stated under 2(f) the Company calculated the deferred tax payable of CZK 9,760 thousand. For the calculation of the deferred tax the tax rate of 19 % was applied. The Company calculated the deferred tax payable of CZK 4,441 thousand in 2014. For the calculation of the deferred tax the tax rate of 19 % was applied.

## 22. Cash- Flow Statement


The Cash-flow statement was prepared by the indirect method in compliance with Czech standards of accounting in an extra statement.

For the year ended at 31 December 2015  
(in thousands CZK)

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### 23. Material Subsequent Event

There was no material subsequent event as at the date of the financial statement preparation.

Date:	Signature of the statutory body of the company or individual being accounting unit
15 <sup>th</sup> March 2016	 Javier Lazpita Sarriugarte Statutory Director



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## **Independent Auditor's Report**

on the Financial Statements  
for the Year Ended 31<sup>st</sup> December 2015

For the shareholder  
and Company's Management

**Teknia Uhersky Brod, a.s.**

Registered Office:  
Rybářská 2330  
688 01 Uherský Brod  
**Id. Nr.: 499 71 034**

Principal activity: Production, trade and services not mentioned in annexes 1 to 3 of trade law

Number of copies: 1 + 1

This document is an English translation of the Czech auditor's report. Only the Czech version of the report is legally binding.

## **Independent auditor's report for the shareholder of company Teknia Uhersky Brod, a.s.**

We have audited the accompanying financial statements of Teknia Uhersky Brod, a.s., prepared according to Czech accounting regulations, which comprise the balance sheet as of 31 December 2015, and the income statement, statement of changes in equity and cash flow statement, for the year then ended, and a summary of significant accounting policies and other explanatory notes. Information about Teknia Uhersky Brod, a.s. is presented in Note 1 to these financial statements.

### **Statutory Body's Responsibility for the Financial Statements**

The statutory body of Teknia Uhersky Brod, a.s. is responsible for the preparation of financial statements that give a true and fair view in accordance with Czech accounting regulations and for such internal control as statutory body determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Act on Auditors and International Standards on Auditing and the related application guidelines issued by the Chamber of Auditors of the Czech Republic. Those laws and regulations require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion, the financial statements give a true and fair view of the financial position of Teknia Uhersky Brod, a.s. as of 31 December 2015, and of its financial performance and its cash flows for the year then ended in accordance with Czech accounting regulations.

## Other Information

The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. The Statutory Body is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of opinion thereon, excluding the separate review of the Report on Related Party Transactions as stated below. However, in connection with our audit of the financial statements, our responsibility is to read the other information and consider whether the other information is not materially inconsistent with the financial statements or our knowledge obtained in the audit, the annual report has been prepared in accordance with the applicable legal requirements, or the other information does not otherwise appear to be materially misstated. If, based on the work we have performed, we conclude that the above is not true, we are required to report such facts.

Based on the work we have performed, we have nothing to report in this regard.

## Report on Review of the Report on Related Party Transactions

We have reviewed the factual accuracy of the information included in the report on related party transactions of Teknia Uhersky Brod, a.s. for the year ended 31 December 2015 prepared in accordance with the provisions of § 82 of the act No. 90/2012, Coll. on commercial companies and cooperatives. This report on related party transactions is the responsibility of Teknia Uhersky Brod, a.s.'s statutory body. Our responsibility is to express a conclusion on the report on related party transactions based on our review.

We conducted our review in accordance with the Auditing Standard No. 56 of the Chamber of Auditors of the Czech Republic. This standard requires that we plan and perform the review to obtain limited assurance as to whether the report on related party transactions is free of material misstatements. A review is limited primarily to inquiries of Company personnel and analytical procedures and examination, on a test basis, of the factual accuracy of information, and thus provides less assurance than an audit. We have not performed an audit of the report on related party transactions and, accordingly, we do not issue an audit opinion.

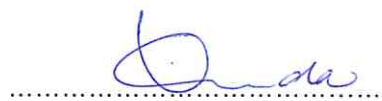
Based on our review, nothing has come to our attention that causes us to believe that the information contained in the report on related party transactions of Teknia Uhersky Brod, a.s. for the year ended 31 December 2015 contains material factual misstatements.

Moore Stephens s.r.o., Bucharova 1314/8, 158 00 Praha 13, licence No. 462

Prague, 15.3.2016



Ing. Miroslav Janděčka  
Partner



Ing. Jiří Liberda  
Auditor, licence No.: 2010