



Annual Report

Teknia Uhersky Brod, a.s.

Rybářská 2330
688 01 Uherský Brod

2022

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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: 27th 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 of plastic parts for automotive industry

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. Teknia Automotive is the production part of the group which is subdivided into plastic, metal working, metal pressing, pipe forming and aluminium pressing divisions. The Teknia Group has 22 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 Autoliv, Continental, Robert Bosch, Faurecia, ZF TRW, Varroc, Adient, Denso etc. Our main final costumers are Škoda, Volkswagen, Renault and Dacia.

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 Uhersky Brod, a.s. applies quality management system IATF 16949 and ISO 14001 for all its activities.

VI. Company Bodies as of 31st December 2022

Chairman of Board of Directors:

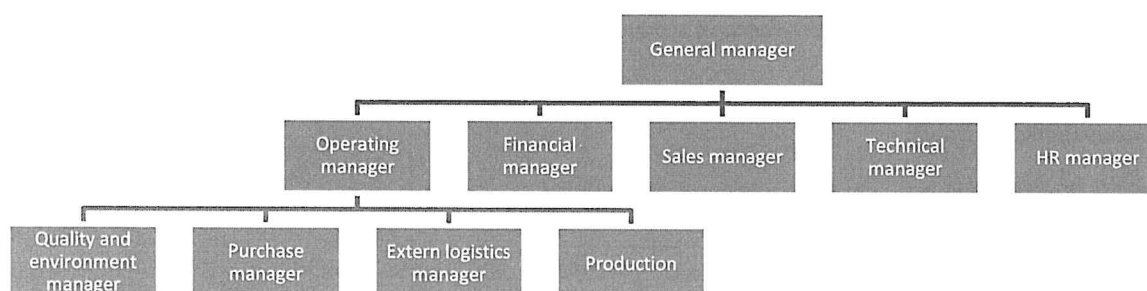
JAVIER LAZPITA SARRIUGARTE, date of birth: 2nd November 1960, Zaldibar, Fuegos Kalea 6, p 03, Kingdom of Spain

Member of Board of Directors:

JAVIER LAZPITA SARRIUGARTE, date of birth: 2nd November 1960, Zaldibar, Fuegos Kalea 6, p 03, Kingdom of Spain

VII. Organisation Chart

The Accounting Unit had not any organisation unit abroad in 2022.



General manager
 Operating manager
 Quality and environment manager

Radim Záruba
 Jaroslav Vojtek
 Ivan Kratochvíl

Financial manager	Kateřina Havlíčková
Sales manager	Radim Dubec
Purchase manager	unoccupied
Technical manager	Pavel Holek
Extern logistics manager	Stanislava Lovecká
Human resources manager	Miroslava Slováková

VIII. Economic Information

Basic Economic Information – development (in thousand CZK)

Year	2020	2021	2022
Equity	312 048	309 953	293 304
Total assets	535 342	524 670	545 205
Total revenues	580 263	606 918	607 368
Revenues from production	470 823	483 868	513 809
Profit/loss after tax	12 491	10 396	-16 649
Average employee number	260	253	247

The beginning of 2022 was influenced by the ending Covid-19 pandemic and reduced demand due to the lack of semi-conductors. The loss showed is the direct consequence of the massive increase of all inputs, especially of energy and material costs in connection with the Ukraine conflict.

The Company responded by the introduction of several austerity measures immediately and was actively in talks with its customers about compensations. On the basis of a detailed analysis and thanks to a properly aimed improvement programme the quality could be improved substantially which brought wastage rate reduction and process efficiency increase with a positive impact on the work productivity. The key thing was to stabilize the cashflow which was successfully done by optimization of current assets, especially of material stocks.

One of the main tasks was to stabilize production teams with permanent employees to eliminate fluctuations in production planning which could be fulfilled gradually thanks to the new strategy in personal area.

IX. Conservation

The introduced waste system is kept working and is being improved in the production plant of Uherský Brod and Nivnice. The condition is checked continually by management regularly every month and assessed within the planned and carried out internal audits. 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 transition audit according to the ISO14001:2015 standard was performed in the production plants of Uherský Brod and Nivnice in July. During the audit, no breach of standard or law was found out. 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 250 full time job employees as of 31st December 2022.

Training of Employees:

The Company spent CZK 258,000 on training in 2022, there were 81 training activities.

Staff turn-over rate:

In 2022 the staff turn-over rate was 1.7 % at direct employees, at indirect employees 0.8 % and at white collar workers 1.2% (total average monthly staff turn-over rate amounted to 1.37 %).

Sickness rate:

In 2022 the average sickness rate was 8.9 %. At direct employees it was 11.4 %, at indirect employees 6.3 % and at white collar workers 2.5 %.

XI. Expected Development in 2023

The revenues plan was set with respect to possible continuing problems of our customers with supply chains and energy price increase. But thanks to other rationalization measures we could prepare a budget anticipating stable economic activities in 2023.

We assume another gradual price reduction of input plastic materials depending on the oil price which has started in the second half of the year 2022 already. Nevertheless, we will have to face a still high inflation rate having impact on the prices of other inputs.

Teknia Uhersky Brod, a.s. wants to achieve its target to provide high quality services to its customers and supply them with high quality products. These are guaranties for future successful placing of further orders and projects in accordance with the prepared strategy plan until 2025.

XII. Other Information

The Company does not exercise any significant activities in research and development. The Company did not acquire any own shares in 2022. The Company has not any branch or part of it abroad.

XIII. Material Subsequent Events in 2023 after the Balance Sheet Date

See point 17. Material Subsequent Events in the notes to the Financial statements.

Place: Uherský Brod

Date: 18th April 2023

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Javier Lazpita Sarriugarte
Chairman of Board of Directors

**REPORT ON RELATIONS BETWEEN RELATED PARTIES
OF
Teknia Uhersky Brod, a.s.**

(for the Year Ended at 31st December 2022)

Teknia Uhersky Brod, a.s.
 Related Party Transactions Report
 For the Year Ended at 31st December 2022

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 1st January 2022 to 31st December 2022 (hereinafter referred to as "Accounting Period").

1. Related Parties 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 1.1.2022	Changes in Accounting Period			Total capital interest as at 31.12. 2022
			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 31st December 2022. It is the controlling company pursuant to section 74 Corporation Act No. 90/2012 Coll. 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:

Company name	Total participation as at 31.12.2022
Teknia Polska Sp. Z O. O	100 %
Teknia Germany GmbH	100 %
Teknia Stuttgart	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 Ampuero, S.L.U.	100 %
Teknia Azuqueca, S.L.U.	100 %
Teknia Martos, S.L.U.	100 %
Teknia Santander, S.L.U	100 %
Componentes de Automoción Marroquies, SARL	100 %
Teknia Entidad de Gestión, S.L.U.	100 %
Teknia San Luis Potosi, S.A. de C.V.	100 %
Teknia Manresa, S.L.U.	100 %
Teknia Brasil, S.A.	100 %
Teknia USA INC.	100 %
TEKNIA K.G. DOO	100 %
Teknia Japan Gk	100 %
TEKNYA GEBZE MAKYNE SANAVY VE TYCARET ANON	100 %
TEKNIA MEXICO CITY S.A. de C.V.	100 %

Teknia Ampuero, S.L.U. has the following shares or business shares in other companies:

<u>Company name</u>	<u>Total participation as at 31.12.2022</u>
Teknia Tepeji S.A. de C.V.	100 %
Teknia Oradea S.R.L	100 %

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

<u>Company name</u>	<u>Total participation as at 31.12.2022</u>
Teknia Kálisz Sp. Z O. O	100 %
Teknia Rzeszów Sp. Z O.O.	100 %

Společnost Teknia USA INC. has the following shares or business shares in other companies:

<u>Company name</u>	<u>Total participation as at 31.12.2022</u>
Teknia Nashville, LLC	100 %

2. Agreements/Contracts Concluded among Related Parties 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 at least three months before the expiration of the particular contracting period. With the supplement dated 1st February 2021 the credit limit was increased to EUR 5,000,000. With the supplement dated 27th April 2022 the credit limit was changed in EUR 2,000,000.

The companies concluded an agreement on a long-term credit amounting to EUR300,000 with maturity within five years on 28th July 2022.

On 2nd January 2014 the companies concluded the Licence Agreement of **TEKNIA**[®] 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 at least three months before the expiration of the particular contracting period.

The amount of the fee for the granted licence has been changed by a supplementary agreement with effect from 1st January 2019. With the supplement dated 1st January 2022 the amount of the fee for the granted licence and trademark has been changed.

On 15th 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 1st 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 at least three months before the expiration of the particular contracting period. This Agreement replaces the agreement of 1st January 2011. This Agreement was replaced and divided between Teknia Uherský Brod a.s. and Teknia Entidad – see point 2.7.

With effect from 1st April 2019 all service agreements between the companies of Teknia group has been cancelled and replaced by the new "Framework services contract". The parties are:

- Teknia Azuqueca SLU
- Teknia Martos SLU
- Componentes de Automocion Marroquies SAR
- Teknia Elorrio S.L.U
- Teknia Kalisz Sp. Z o.o.

- Teknia Pedrola, S.L.U
- Teknia Nashville LLC
- Teknia Barcelona S.L.U
- Teknia Bilbao XXI, S.L.U.
- Teknia Ampuero, S.L.U.
- Teknia Oradea SRL
- Teknia Tepeji, S.A. de C.V
- Teknia Manresa, S.LO.U
- Teknia KG DOO Kragujevac
- Teknia Gebze SVTAS
- Teknia Uhersky Brod, a.s.
- Teknia Rzeszow, S.P, z o.o.
- Teknia San Luis Potosi, SA de CV
- Teknia Mexico City , S.A. de CV
- Teknia Brasil LTD

The subject of the Agreement are management, quality, PR, technical and trade services. The Agreement was concluded until 31.12.2022 with the possibility of its extension by one year unless any of the contracting parties notices the agreement at least three months before the expiration of the particular contracting period.

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 at least three months before the expiration of the particular contracting period.

The agreement was replaced by "Framework services contract" (see point 2.1. of the report) with effect from 1st April 2019.

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

On 2nd 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 at least three months before the expiration of the particular contracting period.

The agreement was replaced by "Framework services contract" (see point 2.1. of the report) with effect from 1st April 2019.

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

On 1st 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 at least three months before the expiration of the particular contracting period.

On 30th April 2019 the Companies concluded the Agreement on consultancy and assistance concerning the studies of possible technologies, production process improvement, development technical support, design changes, simulations and testing including final product validation. The agreement is concluded for two years. If none of the contracting parties notices the agreement at least three months before the expiration of the particular contracting period, it will be extended automatically by a year.

Teknia R&D, S.L.U. merged with Teknia Entidad de Gestión, S.L.U. on 1st January 2020, all contractual obligations pass to the legal successor.

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

On 1st 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 at least three months before the expiration of the particular contracting period.

The agreement was replaced by "Framework services contract" (see point 2.1. of the report) with effect from 1st April 2019.

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

The Companies concluded on 27th 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 27th 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.

2.7 *Agreement / Contract Concluded between Teknia Uhersky Brod, a.s. and Teknia Entidad de Gestión S.L.U.*

The Companies concluded on 31st October 2017 an agreement which divides the original agreement between Teknia Uherský Brod a.s. and Teknia Manufacturing Group, S.L. of 15th December 2014 on the provision with management and financial, accounting, legal services and HR, material management assistance, IT support and sales-technical assistance. This Agreement came into force on 1st November 2017.

In 2019 two supplementary agreements were concluded with effect from 1st April 2019. In the supplementary agreement No. 1 the list of granted services was enlarged, in the supplementary agreement No. 2 the actual costs and rules for their allocation were specified.

2.8 *Agreement / Contract Concluded between Teknia Uhersky Brod, a.s. and Teknia MARTOS, S.L.U.*

The Companies concluded on 30st November 2020 an agreement to support local energy audits, an energy advisory service based on monitoring energy performance, and collecting, processing and analyzing energy consumption data. The contract is valid for 4 years.

3. Other Legal Acts in the Interest or on Initiative of Related Parties

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.

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

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 Parties 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. The benefits stemming from the above relationships outweigh the disadvantages. The relationships do not entail any risks for the controlled entity.

6. Final Declaration of the Chairman of the Board of Directors 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 Coll. for the accounting period from 1st January 2022 to 31st December 2022 all in the Accounting Period concluded or realized and at the date of preparation of the Report us known:

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

We declare hereby that we are not aware of the fact that any financial or property harm would arise to the controlled company Teknia Uhersky 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 Coll. in document collection at register court and according to section 84 paragraph 2 of Act No. 90/2012 Coll. on business corporations has 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: Uherský Brod

Dated: 18th April 2023

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Javier Lazpita Sarriugarte
Chairman of the Board of Directors of
Teknia Uhersky Brod, a.s.

KRATKY AUDIT

(Translation of a report originally issued in Czech to the financial statements.)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Teknia Uherský Brod, a.s.

Opinion

We have audited the accompanying financial statements of Teknia Uherský Brod, a.s. (the Company) prepared in accordance with accounting principles generally accepted in the Czech Republic, which comprise the balance sheet as at 31 December 2022, and the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. For details of the Company, see Notes to the financial statements.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with accounting principles generally accepted 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 clauses. 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 Matters

The financial statements of Teknia Uherský Brod, a.s. for the year ended December 31, 2021, were audited by another auditor who expressed an unmodified opinion on those statements on February 11, 2022.

Emphasis of a matter

We draw the attention to point 17. Significant Subsequent Events of the Notes to the Financial statements, where the management of the Company describes the reason and amount of the restatement (improvement in Company's result in amount of CZK 11,165 thousand and increase in the unbilled revenue) of the original Financial statements as at 31 December 2022, to which we issued our opinion on 17 February 2023. Our opinion is not modified in relation to this matter.

Other Information

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. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement.

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 principles generally accepted 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.

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 above regulations 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 skepticism throughout the audit. We also:

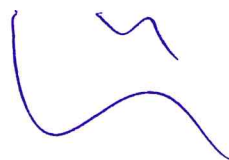
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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 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.

kratkyaudit s.r.o.
K nádraží 225, 664 59 Telnice
License No. 583

Ondřej Krátký
License No. 2437

18 April 2023



Teknia Uhersky Brod, a.s. as at 31 December 2022

Czech Statutory Financial Statement Forms (in thousands of Czech crowns)

BALANCE SHEET

		Current year			Prior year
		Gross	Allowances	Net	Net
TOTAL ASSETS		1 017 241	-472 036	545 205	524 670
A.	STOCK SUBSCRIPTION RECEIVABLE				
B.	FIXED ASSETS	759 261	-467 864	291 397	317 762
B. I.	Intangible fixed assets	29 959	-25 270	4 689	7 809
B. I. 1.	Development				
2.	Valuable rights	29 319	-25 110	4 209	7 494
1.	Software	29 238	-25 029	4 209	7 494
2.	Other valuable rights	81	-81	0	
3.	Goodwill				
4.	Other intangible fixed assets	160	-160	0	
5.	Advances granted for intangible fixed assets and intangible fixed assets in progress	480		480	315
1.	Advances granted for intangible fixed assets				
2.	Intangible fixed assets in progress	480		480	315
B. II.	Tangible fixed assets	729 302	-442 594	286 708	309 953
B. II. 1.	Land and structures	261 186	-94 545	166 641	175 632
1.	Land	16 238		16 238	16 238
2.	Structures	244 948	-94 545	150 403	159 394
2.	Movable assets and sets of movable assets	467 628	-348 049	119 579	134 205
3.	Gain or loss on revaluation of acquired property				
4.	Other tangible fixed assets				
1.	Perennial crops				
2.	Livestock				
3.	Miscellaneous tangible fixed assets				
5.	Advances granted for tangible fixed assets and tangible fixed assets in progress	488		488	116
1.	Advances granted for tangible fixed assets				
2.	Tangible fixed assets in progress	488		488	116
B. III.	Long-term investments	0	0	0	0
B. III. 1.	Interests – controlled or controlling entity				
2.	Loans and borrowings – controlled or controlling entity				
3.	Interests – significant influence				
4.	Loans and borrowings - significant influence				
5.	Other long-term securities and interests				
6.	Loans and borrowings - other				
7.	Other long-term investments				
1.	Miscellaneous long-term investments				
2.	Advances granted for long-term investments				
C.	CURRENT ASSETS	247 745	-4 172	243 573	193 246
C. I.	Inventories	105 378	-4 088	101 290	93 968
C. I. 1.	Materials	56 611	-1 698	54 913	55 867
2.	Work in progress and semi-finished production	8 666	-582	8 084	6 008
3.	Finished products and goods	32 497	-1 808	30 689	21 575
1.	Finished products	22 805	-1 808	20 997	13 662
2.	Goods	9 692		9 692	7 913
4.	Livestock				
5.	Advances granted for inventories	7 604		7 604	10 518
C. II.	Receivables	129 162	-84	129 078	88 968
C. II. 1.	Long-term receivables	0	0	0	0
1.	Trade receivables				
2.	Receivables – controlled or controlling entity				
3.	Receivables – significant influence				
4.	Deferred tax asset				
5.	Other receivables				
5.1.	Receivables from partners				
5.2.	Long-term advances granted				
5.3.	Unbilled revenue				
5.4.	Miscellaneous receivables				

The accompanying income statement, cash flow statement, statement of changes in equity and notes are an integral part of the financial statements.

Teknia Uherský Brod, a.s. as at 31 December 2022
Czech Statutory Financial Statement Forms (in thousands of Czech crowns)

BALANCE SHEET

		Current year			Prior year
		Gross	Allowances	Net	Net
C. II. 2.	Short-term receivables	129 162	-84	129 078	88 968
1.	Trade receivables	93 591	-84	93 507	71 166
2.	Receivables – controlled or controlling entity	17 842		17 842	13 892
3.	Receivables – significant influence				
4.	Other receivables	17 729		17 729	3 910
4.1.	Receivables from partners				
4.2.	Social security and health insurance				
4.3.	Due from government - tax receivables	5 503		5 503	3 550
4.4.	Short-term advances granted	573		573	359
4.5.	Unbilled revenue	11 652		11 652	
4.6.	Miscellaneous receivables	1		1	1
C. III.	Short-term financial assets	0	0	0	0
1.	Interests - controlled or controlling entity				
2.	Other short-term financial assets				
C. IV.	Cash	13 205	0	13 205	10 310
1.	Cash in hand	79		79	111
2.	Cash at bank	13 126		13 126	10 199
D.	Prepaid expenses and accrued income	10 235	0	10 235	13 662
D. 1.	Prepaid expenses	10 235		10 235	13 662
2.	Prepaid expenses (specific-purpose expenses)				
3.	Accrued income				

The accompanying income statement, cash flow statement, statement of changes in equity and notes are an integral part of the financial statements.

Teknia Uhersky Brod, a.s. as at 31 December 2022

Czech Statutory Financial Statement Forms (in thousands of Czech crowns)

BALANCE SHEET

		Current year	Prior year
TOTAL EQUITY & LIABILITIES		545 205	524 670
A.	EQUITY	293 304	309 953
A. I.	Basic capital	121 780	121 780
A. I. 1.	Registered capital	121 780	121 780
2.	Own ownership interests (-)		
3.	Changes in basic capital		
A. II.	Share premium and revaluation reserve	0	0
A. II. 1.	Share premium		
2.	Capital funds		
1.	Other capital funds		
2.	Gain or loss on revaluation of assets and liabilities (+/-)		
3.	Gain or loss on revaluation upon corporate transformation (+/-)		
4.	Differences arising on corporate transformation (+/-)		
5.	Differences arising between balance sheet date and transformation date (+/-)		
A. III.	Reserves from profit	9 197	9 197
A. III. 1.	Other reserves	9 197	9 197
2.	Statutory and other reserves		
		0	0
A. IV.	Profit (loss) brought forward (+/-)	178 976	168 580
IV. 1.	Retained earnings	178 976	168 580
2.	Other profit (loss) brought forward (+/-)		
A. V.	Profit (loss) for the year (+/-)	-16 649	10 396
A. VI.	Approved decision on advances for profit distribution (-)	0	0
B. + C.	PROVISIONS AND LIABILITIES	249 032	205 069
B.	Provisions	3 626	2 387
B. 1.	Provision for pensions and similar obligations		
2.	Provision for corporate income tax		
3.	Provisions recognized under special legislation		
4.	Other provisions	3 626	2 387
C.	Liabilities	245 406	202 682
C. I.	Long-term liabilities	49 761	59 542
1.	Bonds payable		
1.	Convertible bonds		
2.	Other bonds		
2.	Amounts owed to credit institutions	24 790	37 907
3.	Long-term advances received		
4.	Trade payables		
5.	Long-term notes payable		
6.	Liabilities – controlled or controlling entity	6 330	
7.	Liabilities – significant influence		
8.	Deferred tax liability	18 641	21 635
9.	Other liabilities		
1.	Liabilities to partners		
2.	Unbilled deliveries		
3.	Miscellaneous liabilities		
C. II.	Current liabilities	195 645	143 140
1.	Bonds payable		
1.	Convertible bonds		
2.	Other bonds		
2.	Amounts owed to credit institutions	25 809	27 991
3.	Short-term advances received	23 044	9 092
4.	Trade payables	89 325	62 496
5.	Short-term notes payable		
6.	Liabilities – controlled or controlling entity	37 077	19 888
7.	Liabilities – significant influence		
8.	Other liabilities	20 390	23 673
1.	Liabilities to partners		
2.	Short-term borrowings		
3.	Liabilities to employees	7 605	6 125
4.	Liabilities arising from social security and health insurance	3 894	2 995
5.	Due to government – taxes and subsidies	588	450
6.	Unbilled deliveries	8 303	14 103
7.	Miscellaneous liabilities		
D.	Accruals and deferred income	2 869	9 648
D. 1.	Accruals		
2.	Deferred income	2 869	9 648
Prepared on:	Signature of entity's statutory body:	Person responsible for accounting (name, signature):	Person responsible for financial statements (name, signature):
18.4.2023	JAVIER LAZPITA SARRIUGARTE	Věra Ivanovská	Kateřina Haviřová

The accompanying income statement, cash flow statement, statement of changes in equity and notes are an integral part of the financial statements.

Teknia Uherský Brod, a.s. for the year ended 31 December 2022
Czech Statutory Financial Statement Forms (in thousands of Czech crowns)

INCOME STATEMENT

		Current year	Prior year
I.	Revenue from sale of finished products and services	513 809	483 868
II.	Revenue from sale of goods	24 164	90 213
A.	Production-related consumption	418 336	402 629
A.1.	Cost of goods sold	18 090	65 136
A.2.	Consumption of material and energy	317 733	253 759
A.3.	Services	82 513	83 734
B.	Change in inventory produced internally (+/-)	-10 338	1 461
C.	Own work capitalized (-)	0	0
D.	Personnel expenses	145 195	138 368
D.1.	Wages and salaries	107 676	103 487
D.2.	Social security and health insurance costs and other costs	37 519	34 881
D.2.1.	Social security and health insurance costs	35 308	33 228
D.2.2.	Other costs	2 211	1 653
E.	Value adjustments in respect of operating activities	31 283	26 640
E.1.	Value adjustments in respect of intangible and tangible fixed assets	30 497	29 746
E.1.1.	Value adjustments in respect of intangible and tangible fixed assets - permanent	30 497	29 746
E.1.2.	Value adjustments in respect of intangible and tangible fixed assets - temporary		
E.2.	Value adjustments in respect of inventory	813	-3 014
E.3.	Value adjustments in respect of receivables	-27	-92
III.	Other operating income	59 823	21 313
III.1.	Income from sale of fixed assets	25	585
III.2.	Income from sale of materials	26 706	10 937
III.3.	Miscellaneous operating income	33 092	9 791
F.	Other operating expenses	34 418	15 356
F.1.	Net book value of fixed assets sold		
F.2.	Net book value of materials sold	26 659	10 842
F.3.	Taxes and charges relating to operations	291	268
F.4.	Provisions relating to operations and prepaid expenses (specific-purpose expenses)	1 239	-351
F.5.	Miscellaneous operating expenses	6 229	4 597
*	Profit or loss on operating activities (+/-)	-21 098	10 940
IV.	Income from long-term investments - interests	0	0
IV.1.	Income from interests in subsidiaries or parents		
IV.2.	Other income from interests		
G.	Cost of interests sold	0	0
V.	Income from other long-term investments	0	0
V.1.	Income from other long-term investments - subsidiaries or parents		
V.2.	Other income from other long-term investments		
H.	Expenses relating to other long-term investments	0	0
VI.	Interest receivable and similar income	270	156
VI.1.	Interest receivable and similar income - subsidiaries or parents	270	156
VI.2.	Other interest receivable and similar income		
I.	Value adjustments and provisions relating to financial activities	0	0
J.	Interest payable and similar expenses	1 224	708
J.1.	Interest payable and similar expenses - subsidiaries or parents	1 224	708
J.2.	Other interest payable and similar expenses		
VII.	Other finance income	9 302	11 368
K.	Other finance cost	7 421	7 634
*	Profit or loss on financial activities (+/-)	927	3 182
**	Profit or loss before taxation (+/-)	-20 171	14 122

The accompanying balance sheet, cash flow statement, statement of changes in equity and notes are an integral part of the financial statements.

Teknia Uhersky Brod, a.s. for the year ended 31 December 2022
Czech Statutory Financial Statement Forms (in thousands of Czech crowns)

INCOME STATEMENT

		Current year	Prior year
L.	Income tax	-3 522	3 726
L.1.	Income tax due	-528	1 021
L.2.	Income tax deferred (+/-)	-2 994	2 705
**	Profit or loss after taxation (+/-)	-16 649	10 396
M.	Transfer of share of profit or loss to partners (+/-)	0	0
***	Profit or loss for the year (+/-)	-16 649	10 396
*	Net turnover	607 368	606 918

Prepared on:	Signature of entity's statutory body:	Person responsible for accounting (name, signature):	Person responsible for financial statements (name, signature):
18.4.2023	JAVIER LAZPITA SARRIUGARTE	Věra Ivanovská	Kateřina Havlíčková

The accompanying balance sheet, cash flow statement, statement of changes in equity and notes are an integral part of the financial statements.

Teknia Uherský Brod, a.s. for the year ended 31 December 2022
Czech Statutory Financial Statement Forms (in thousands of Czech crowns)

CASH FLOW STATEMENT

For the years ended 31 December 2022 and 2021

		Current year	Prior year
Cash flows from operating activities			
Z.	Profit or loss on ordinary activities before taxation (+/-)	-20 171	14 122
A. 1.	Adjustments to reconcile profit or loss to net cash provided by or used in operating activities	32 514	26 259
A. 1. 1.	Depreciation and amortization of fixed assets and write-off of receivables	30 497	29 746
A. 1. 2.	Change in allowances	-785	-3 457
A. 1. 3.	Change in provisions	1 873	
A. 1. 4.	Foreign exchange differences		
A. 1. 5.	(Gain)/Loss on disposal of fixed assets	-25	-585
A. 1. 6.	Interest expense and interest income	954	553
A. 1. 7.	Other non-cash movements (e.g. revaluation at fair value to profit or loss, dividends received)		2
A *	Net cash from operating activities before taxation, changes in working capital and extraordinary items	12 343	40 381
A. 2.	Change in non-cash components of working capital	-11 068	-13 543
A. 2. 1.	Change in inventory	-6 510	7 641
A. 2. 2.	Change in trade receivables	-34 594	19 063
A. 2. 3.	Change in other receivables and in prepaid expenses and unbilled revenue	-12 226	
A. 2. 4.	Change in trade payables	30 036	-40 247
A. 2. 5.	Change in other payables, and in accruals and deferred income	3 890	
A **	Net cash from operating activities before taxation, interest paid and extraordinary items	1 275	26 838
A. 3. 1.	Interest paid	-1 224	-709
A. 4. 1.	Income Tax paid	-393	-1 995
A ***	Net cash provided by (used in) operating activities	-342	24 134
Cash flows from investing activities			
B. 1. 1.	Purchase of fixed assets	-3 449	-72 769
B. 2. 1.	Proceeds from sale of fixed assets	25	585
B. 3. 1.	Loans granted	-3 950	
B. 4. 1.	Interest received	270	156
B. 5. 1.	Dividends received		
B ***	Net cash provided by (used in) investing activities	-7 104	-72 028
Cash flows from financing activities			
C. 1.	Change in long-term liabilities, and long-term and short-term loans	10 341	29 335
C. 2. 1.	Effect of other changes in equity on cash		
C. 2. 2.	Profit shares paid		
C. 2. 3.	Effect of other changes in own capital on cash		
C ***	Net cash provided by (used in) financing activities	10 341	29 335
F.	Net increase (decrease) in cash	2 895	-18 559
P.	Cash and cash equivalents at beginning of year	10 310	28 869
R.	Cash and cash equivalents at end of year	13 205	10 310

Prepared on:	Signal Signature of entity's statut(statutory body):	Person responsible for accounting (name, signature):	Person responsible for financial statements (name, signature):
18.4.2023	JAVIER LAZPITA SARRIUGARTE	Věra Ivanovská	Kateřina Havlíčková

The accompanying balance sheet, income statement, statement of changes in equity and notes are an integral part of the financial statements.

Teknia Uherský Brod, a.s. as at 31 December 2022

Czech Statutory Financial Statement Forms (in thousands of Czech crowns)

Statement of Changes in Equity

		Balance at 1 January 2022	Prior period result distribution	Profit/loss for the period	Other profit/loss	Changes in funds	Revaluation differences	Others	Balance at 31 December 2022
A.	EQUITY	309 953	0	-16 649	0	0	0	0	293 304
A. I.	Basic capital	121 780	0	0	0	0	0	0	121 780
A. I. 1.	Registered capital	121 780							121 780
2.	Own ownership interests (-)								
3.	Changes in basic capital								
A. II.	Share premium and revaluation reserve	0	0	0	0	0	0	0	0
A. II. 1.	Share premium								
2.	Capital funds								
1.	Other capital funds								
2.	Gain or loss on revaluation of assets and liabilities (+/-)								
3.-5.	Gain or loss on revaluation upon corporate transformation (+/-)								
A. III.	Reserves from profit	9 197	0	0	0	0	0	0	9 197
A. III. 1.	Other reserves	9 197							9 197
2.	Statutory and other reserves								
A. IV.	Profit (loss) brought forward (+/-)	168 580	10 396	0	0	0	0	0	178 976
IV. 1.	Retained earnings	168 580	10 396						178 976
2.	Other profit (loss) brought forward (+/-)								
A. V.	Profit (loss) for the year (+/-)	10 396	-10 396	-16 649					-16 649
A. VI.	Approved decision on advances for profit distribution (-)	0							0

Prepared on:	Signature of the statutory body:	Person responsible for accounting (name, signature):	Person responsible for financial statements (name, signature):
18.04.2023	JAVIER LAZPITA SARRIUGARTE	Věra Ivanovská	Kateřina Havlíčková

For the year ended at 31st December 2022

(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 27th December 1993.

Scope of business activity:

- Production of plastic parts for automotive

Owners of the Company

The sole shareholder of the Company as at 31st December 2022 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

Members of the Board of Directors as at 31st December 2022

Member and chairman of Board of Directors

Javier Lazpita Sarriugarte

Till 22nd March 2022 the only member and chairman of the board of directors was Mr Lukáš Rajsigl, from 23rd March 2022 to 23rd May 2022 the post was held by Mr Antonio Miralles Gonzales.

He represents the Company in all matters and acts on behalf of the Company alone.

For the year ended at 31st December 2022

(in thousands CZK)

Name and registered office of accounting unit preparing consolidated financial statements of the closest and broadest group of accounting unit

TEKNIA MANUFACTURING GROUP, S.L., 48230 Elorrio, Barrio San Agustin 3.
Kingdom of Spain

The consolidated financial statements are available on
<http://www.tekniagroup.com/investor/financial-report>

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.

Category of accounting unit: big accounting unit

(a) Tangible and Intangible Fixed Assets

Tangible fixed assets are considered to be tangible fixed assets over 80 thousand CZK, intangible fixed assets are over 80 thousand CZK. Low value tangible assets up to 80 thousand CZK and low value intangible assets up to 80 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:

<u>Fixed assets</u>	<u>Method</u>	<u>Period of depreciation</u>
Buildings and constructions	straight line	20 or 30 years
Fence, water, sewer system and gas connection, cabling, material container, air conditioning, central transport, drying, cooling	straight line	15 years
Machinery, cars	straight line	5,6,8,10 or 15 years
Computers and computer units, notebooks and servers	straight line	4 years
Software	straight line	3-6 years
Patents and other intangible assets	straight line	5 years

For the year ended at 31st December 2022

(in thousands CZK)

(b) Inventory

Purchased inventory including goods inventory are stated at purchase price. The purchase price includes all costs related with the purchase of the inventory (especially transport, customs etc.).

Outs of direct, auxiliary and overhead material are valued by the FIFO method. The outs of recycled direct material are valued by the same method as it has the same value in case of processing for the accounting unit.

Work in progress, semi-finished products and finished products are valued at fixed prices.

The goods outs are valued by the FIFO method.

(c) Adjustments to assets and Provisions

Adjustments to doubtful debts

The company makes adjustments to doubtful debts based on financial credibility of its customers and the aging structure of the receivables. 100 % accounting adjustments are made to unpaid receivables overdue more than 6 month. 50 - 100% accounting adjustments are made to unpaid receivables overdue 1 - 180 days with respect to known circumstances existing at the date of the preparation of the Financial Statements. Besides the due date the individual risks in the case of particular debtors are taken into account.

Adjustments to Inventory

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

The Company makes adjustments for the slow-moving material amounting 100 % of its acquisition cost.

The Company made adjustments to finished products that were subject to claims or represented defect products as at the inventory count or defective work. Adjustments are made to inventories when the valuation used in the accounting is temporarily exceeding the selling price of the inventory. 100 % adjustments were made for slow- moving inventories.

The Company made to 100 % adjustments to semi - finished products that were assessed as slow – moving or not moving and for semi-products represented as defective work.

Provisions

Provisions are made 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 made especially provisions for complaints, by-costs connected with sold moulds, severance payments, untaken holiday, for social and health insurance connected with management remuneration. The provision for untaken holiday is made based on the analysis

For the year ended at 31st December 2022

(in thousands CZK)

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 the daily foreign exchange rate of the Czech National Bank.

Business trips abroad are posted 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.

For the year ended at 31st December 2022

(in thousands CZK)

3. Tangible and Intangible Fixed Assets

(a) Intangible Fixed Assets

	Valuable rights	Software	Other low value IFA	IFA under construction	Total
Purchase price					
Balance as at 1. 1. 2022	81	29 238	160	315	29 794
Additions	--	-	--	166	166
Disposals	--	--	--	--	--
Transfers	--	--	--	--	--
Balance as at 31. 12. 2022	81	29 238	160	480	29 959
Accumulated depreciation					
Balance as at 1. 1. 2022	81	21 744	160	--	21 985
Depreciations	--	3 285	--	--	3 285
Disposals	--	-	--	--	--
Transfers	--	--	--	--	--
Balance as at 31. 12. 2022	81	25 029	160	--	25 270
Net book value as at 1. 1. 2022	0	7 494	0	315	7 809
Net book value as at 31. 12. 2022	0	4 209	0	480	4 689

b) Tangible Fixed Assets

	Land	Buildings	Machinery and equipment	Fixed assets under construction	Payments	Total
Purchase price						
Balance as at 1. 1. 2022	16 238	244 695	464 493	116	0	725 542
Additions	--	253	3 327	2 539	--	6 119
Disposals	--	--	-207	-2 152	--	-2 359
Transfers	--	--	15	-15	--	0
Balance as at 31. 12. 2022	16 238	244 948	467 628	488	0	729 302
Accumulated amortizations						
Balance as at 1. 1. 2022	--	85 301	330 288	--	--	415 589
Depreciation	--	9 244	17 968	--	--	27 212
Disposals	--	--	-207	--	--	- 207
Transfers	--	--	--	--	--	--
Balance as at 31. 12. 2022	--	94 545	348 049	--	--	442 594
Adjustments						
Balance as at 1. 1. 2022	--	--	--	--	--	--
Change in adjustments	--	--	--	--	--	--
Balance as at 31. 12. 2022	--	--	--	--	--	--
Net book value as at 1. 1. 2022	16 238	159 394	122 456	116	0	309 953
Net book value as at 31. 12. 2022	16 238	150 403	119 579	488	0	286 708

For the year ended at 31st December 2022

(in thousands CZK)

The increase in buildings amounts of CZK 253,000. The increase in machinery is in the amount of CZK 3,342,000.

Fixed assets pledged by right of lien are stated under point 9.

4. Inventory

The Company created an adjustment to inventory:

	Balance as at 1.1.2022	Change compared to previous year	Balance as at 31.12.2022
Material	1 332	367	1 698
Semi-finished products	383	199	582
Products	1 561	247	1 808
Total	3 276	813	4 088

The company showed the advances provided for moulds in the account of the advances provided for inventories

5. Trade Receivables and Trade Payables

	Balance as at 1.1.2022 (gross)	Change compared to previous year	Balance as at 31.12.2022 (gross)	Adjustments as at 31.12.2022
Short-term receivables	71 277	22 314	93 591	84
Long-term receivables	--	--	--	--
Short-term payables	62 496	26 829	89 325	--
Long-term payables	--	--	--	--

The Company does not show any receivables or payables as at 31.12.2022 with maturity over 5 years as at the balance sheet date.

The Company does not show any receivables as at 31.12.2022 covered by any physical securities. The Company does not show any conditional obligation relationships not showed in the balance sheet.

The Company showed short-term advances received for moulds. Not invoiced material supplies, price differences and other operating not invoiced supplies are posted on the estimated accounts payable.

6. Accruals

Deferred expenses include especially expenses connected with individual projects deferred with respect of project duration. As well cost related to revenues from sales of moulds which will be realized in the next period.

For the year ended at 31st December 2022

(in thousands CZK)

7. Changes in Equity

Changes in equity are showed in the separate statement.

8. Provisions

	Provision for untaken holiday	Provision for SHI of management rewards	Provision for complaints	Provision for additional costs for moulds	Total
Balance as at 1. 1. 2022	1 954	433	0	0	2 387
Change	527	-260	973		1 240
Balance as at 31. 12. 2022	2 481	173	973	0	3 626

The provision for corporate income tax is commented under point 15, section a).

9. Bank Credits

	Type of security	Balance as at	
		31.12.2022	31.12.2021
Investment credit KB	Fixed assets* + Blank bill	7 736	11 973
Morepurpose credit UnicreditBank	Receivables + Blank bill	13 829	15 641
Investment credit UnicreditBank	Blank bill	0	0
Investment credit KB	Blank bill	29 034	38 284
Total		50 599	65 898

* Under fixed assets is understood land in the cadastral area of Nivnice owned by the Company.

None of the credits stated above is to be paid off for more than five years.

10. 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 31st December 2022

(in thousands CZK)

11. Revenues

The Company produces die-castings mainly and sells services and goods. The sales were in 2020 and 2021 as follows:

	Year	Domestic sales	Sales export	Total
Products	2021	131 877	340 344	472 221
	2022	153 825	347 456	501 281
Services	2021	2 941	8 705	11 646
	2022	6 189	6 339	12 528
Goods	2021	48 060	42 153	90 213
	2022	0	24 164	24 164
Total	2021	182 878	391 202	574 081
	2022	160 014	377 959	537 973

Abroad realized revenues involve third countries too, it means countries outside the European Union. Revenues – third countries made 9.33 % (CZK 51,117 thousand) in 2022 of total abroad sales, in 2021 4.95 % (CZK 28,399 thousand).

12. Related Parties

(a) The trade receivables and payables

The trade receivables and payables described under point 5 comprise of the following balances of accounts concerning the related parties.

	Receivables as at 31. 12.		Payables as at 31. 12.	
	2022	2021	2022	2021
TEKNIA MANUFACTURING GROUP, S.L.U.	--	--	4 809	366
TEKNIA AZUQUECA S.L.U.	--	--	453	61
TEKNIA R&D S.L.U.	--	--	--	--
TEKNIA EPILA S.L.U.	--	--	--	--
TEKNIA Martos	--	--		37
TEKNIA ENTIDAD	-	908	4 030	-
TEKNIA Germany	--	--	--	--
TEKNIA RZESZOW S.A	130	478	55	78
Total	130	1 386	9 348	542

For the year ended at 31st December 2022

(in thousands CZK)

(b) Receivables from controlling entities

Receivables from controlling entities in 2022 is a credit granted to the mother company, TEKNIA MANUFACTURING GROUP, S.L., amounting to CZK 17,842,000 as at 31.12.2022 (as at 31.12.2021 amounting to CZK 13,892,000).

(c) Payables – controlling entities

The Company has a short-term credit granted by the mother company, TEKNIA MANUFACTURING GROUP, S.L., amounting to CZK 37,077,000 as at 31.12.2022. As at 31.12.2021 the payable amounted to CZK 19,888,000. The long-term credit granted by TEKNIA MANUFACTURING GROUP amounted to CZK6,330,000 as at 31.12.2022.

(d) Factual Concern

Controlling agreement or profit transfer agreement were 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 is a part of the annual report.

All transactions with related parties were carried out under common market conditions.

13. Employees and Senior Managers

Average number of employees and senior managers for:

	2022	2021
Employees	240	247
Senior managers	7	6
Total	247	253

The top managers may use cars for private purposes as well.

The Company did not grant the members of management bodies any payments in advance, earnest payments, loans or other similar performances.

14. Purchased services

The most significant costs for services spent by the Company were for:

	2022	2021
Transport	13 775	10 158
Co-operations	18 672	13 026
Leases of machinery and space and connecting services	7 103	10 923
Quality control	5 337	10 115
IT services	3 187	4 489

For the year ended at 31st December 2022

(in thousands CZK)

15. Income Tax

(a) Tax Due

The Company realized a loss before tax of CZK 20,171,000 in 2022. That is why the tax due is zero.

(b) Deferred Tax

Deferred tax

	Receivables		Payables		Difference	
	2021	2022	2021	2022	2021	2022
Tangible fixed assets	--	--	22 732	22 027	2 048	705
Intangible fixed assets	--	--	--	--	--	--
Financial assets	--	--	--	--	--	--
Receivables	21	16	--	--	18	-5
Inventory	622	777	--	--	573	155
Provisions	454	689	--	--	66	235
Tax losses	--	1904	--	--	--	1 904
Revaluation of assets and liabilities accounted made counter equity	--	--	--	--	--	--
Other temporal differences	--	--	--	--	--	--
Deferred tax	1 097	3 386	22 732	22 027	2 705	2 994

In accordance with accounting policy stated under 2(f) the Company calculated the deferred tax payable of CZK 18,641,000. For the calculation of the deferred tax the tax rate of 19 % was applied. The Company calculated the deferred tax payable of CZK 21,635,000 in 2021. For the calculation of the deferred tax the tax rate of 19 % was applied.

16. Cash- Flow Statement

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

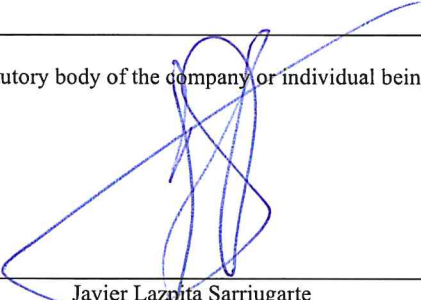
For the year ended at 31st December 2022

(in thousands CZK)

17. Material Subsequent Events

The financial statements as at 31 December 2022 were originally issued as at 17 February 2023. Afterwards a correction was made and an accrual in amount of CZK 11 165 thousand was booked. This was due to a recognised compensation by a customer. This compensation was also reflected in the revenues and therefore improved the Company's result.

The Company is not aware of any other significant subsequent events at the date of the notes to the financial statements.

Date:	Signature of the statutory body of the company or individual being accounting unit
18 th April 2023	 Javier Lazpita Sarriugarte Chairman of Board of Directors

