



INDEPENDENT AUDITOR'S REPORT

PRICOL WIPING SYSTEMS CZECH s.r.o.

Logistický areál D8 park, Zdibsko 613, Klecany, PSČ: 250 67

IČ: 06024335

Opinion

We have audited the accompanying financial statements of PRICOL WIPING SYSTEMS CZECH s.r.o. (hereinafter also the “Company”) prepared in accordance with accounting principles generally accepted in the Czech Republic, which comprise the balance sheet as at 31.3. 2020, and the income statement, statement of changes in equity and statement of cash flows from 1.4.2019 to 31.3.2020, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. For details of the Company, see Note I. to the financial statements.

In our opinion, the financial statements give a true and fair view of the financial position of PRICOL WIPING SYSTEMS CZECH s.r.o. as at 31.3. 2020, and of its financial performance and its cash flows from 1.4.2019 to 31.3.2020 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 Information in the Annual Report

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

Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with applicable law or regulation, in particular, whether

the other information complies with law or regulation in terms of formal requirements and procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with these requirements could influence judgments made on the basis of the other information.

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

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

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

Responsibilities of the Managing Director for the Financial Statements

The Managing Director 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 Managing Director 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 Managing Director 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 Company Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the above mentioned laws and 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.

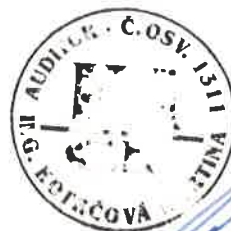
As part of an audit in accordance with the above law or regulation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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 Managing Director.
- Conclude on the appropriateness of the Managing Director 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 Managing Director 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.

Prague 16.6.2020



Ing. Martina Kotrčová
odpovědný auditor
oprávnění č. 1311
Přemyslovská 40
Praha 3 – Žižkov

Czech Statutory Financial Statement Forms (in thousands of Czech crowns)
(Translation of financial statements originally issued in Czech)

BALANCE SHEET - LONG FORM

		Current year March 31, 2020			Prior Year March 31, 2019	Opening Balance April 1, 2018
		Gross	Provisions	Net	Netto	Netto
	TOTAL ASSETS	1 065 588	-885 128	380 462	478 787	598 323
A	STOCK SUBSCRIPTION RECEIVABLE	0	0	0	0	0
B	FIXED ASSETS	749 714	-868 401	83 314	111 465	138 750
B I	Intangible assets	41 549	-40 420	1 129	4 822	8 399
B I 1	Foundation and organization expenses	0	0	0	0	0
2	Research and development	0	0	0	0	0
3	Software	40 914	-40 420	494	4 266	7 046
4	Patents, royalties and similar rights	0	0	0	0	0
5	Goodwill	0	0	0	0	0
6	Other intangible assets	0	0	0	0	0
7	Intangible assets in progress	635	0	635	556	1 353
8	Advances granted for intangible assets	0	0	0	0	0
B II	Tangible assets	708 166	-625 981	82 185	106 643	128 352
B II 1	Land	0	0	0	0	0
2	Constructions	7 559	-1 145	6 414	6 303	2 138
3	Separable movable items and groups of movable items	463 740	-404 901	63 839	67 552	70 722
4	Perennial crops	0	0	0	0	0
5	Livestock	0	0	0	0	0
6	Other tangible assets	225 323	-219 934	5 389	5 480	7 820
7	Tangible assets in progress	5 051	0	5 051	21 628	43 301
8	Advances granted for tangible assets	1 492	0	1 492	5 679	4 371
9	Gain or loss on revaluation of acquired property	0	0	0	0	0
B III	Financial investments	0	0	0	0	0
B III 1	Subsidiaries	0	0	0	0	0
2	Associates	0	0	0	0	0
3	Other long-term securities and interests	0	0	0	0	0
4	Loans to subsidiaries and associates	0	0	0	0	0
5	Other long-term investments	0	0	0	0	0
6	Long-term investments in progress	0	0	0	0	0
7	Advances granted for long-term investments	0	0	0	0	0
C	CURRENT ASSETS	310 103	-18 728	291 378	380 799	457 203
C I	Inventory	215 428	-14 853	200 575	181 915	216 752
C I 1	Materials	143 797	-14 853	128 944	139 465	186 932
2	Work in progress and semi-finished production	36 446	0	36 446	27 962	10 051
3	Finished products	34 414	0	34 414	13 787	16 216
4	Livestock	0	0	0	0	0
5	Goods	770	0	770	701	3 552
6	Advances granted for inventory	0	0	0	0	0
C II	Long-term receivables	0	0	0	0	0
C II 1	Trade receivables	0	0	0	0	0
2	Receivables from subsidiaries	0	0	0	0	0
3	Receivables from associates	0	0	0	0	0
4	Receivables from partners, co-operative members and participants in association	0	0	0	0	0
5	Unbilled revenue	0	0	0	0	0
6	Other receivables	0	0	0	0	0
7	Deferred tax asset	0	0	0	0	0
C III	Short-term receivables	91 262	-1 872	87 389	159 011	187 396
C III 1	Trade receivables	80 186	-1 872	76 314	149 073	168 824
2	Receivables from subsidiaries	0	0	0	0	0
3	Receivables from associates	0	0	0	0	0
4	Receivables from partners, co-operative members and participants in association	0	0	0	0	0
5	Social security and health insurance	0	0	0	0	0
6	Due from government - tax receivables	10 976	0	10 976	9 909	18 428
7	Other advances granted	0	0	0	0	0
8	Unbilled revenue	0	0	0	0	0
9	Other receivables	100	0	100	29	145
C IV	Short-term financial assets	3 414	0	3 414	19 873	53 056
C IV 1	Cash	86	0	86	101	58
2	Bank accounts	1 328	0	1 328	19 772	52 958
3	Short-term securities and interests	0	0	0	0	0
4	Short-term financial assets in progress	0	0	0	0	0
D	OTHER ASSETS - TEMPORARY ACCOUNTS OF ASSETS	5 770	0	5 770	4 523	2 389
D I	Accrued assets and deferred liabilities	5 770	0	5 770	4 523	2 389
D I 1	Prepaid expenses	5 770	0	5 770	4 523	2 389
2	Prepaid expenses (specific-purpose expenses)	0	0	0	0	0
3	Unbilled revenue	0	0	0	0	0



Pricol Wiping Systems Czech s.r.o. - March 31, 2020

Czech Statutory Financial Statement Forms (in thousands of Czech crowns)
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BALANCE SHEET - LONG FORM

		Current Year	Prior Year	Opening Balance
		March 31, 2020	March 31, 2019	April 1, 2018
TOTAL EQUITY & LIABILITIES		380 482	476 787	598 323
A.	EQUITY	-104 633	-72 102	869
A I	Basic capital	10	10	10
A I 1	Registered capital	10	10	10
2	Own shares and own ownership interests (-)	0	0	0
3	Changes in basic capital	0	0	0
A II	Capital funds	51 162	51 162	29 266
A II 1	Share premium (agio)	0	0	0
2	Other capital funds	51 162	51 162	29 266
3	Gain or loss on revaluation of assets and liabilities	0	0	0
4	Gain or loss on revaluation of company transformations	0	0	0
A III	Reserve funds, (indivisible fund) and other funds created from profit	0	0	0
A III 1	Legal reserve fund/Indivisible fund	0	0	0
2	Statutory and other funds	0	0	0
A IV	Profit (loss) for the previous years	-123 619	-28 407	-28 407
IV 1	Retained earnings for the previous years	0	0	0
2	Accumulated loss of previous years	-123 619	-28 407	-28 407
A V	Profit (loss) for the year (+ / -)	-32 186	-94 868	0
B.	LIABILITIES	485 094	548 889	595 454
B I	Reserves	0	0	0
B I 1	Reserves created under special legislation	0	0	0
2	Reserve for pensions and similar obligations	0	0	0
3	Reserve for corporate income tax	0	0	0
4	Other reserves	0	0	0
B II	Long-term liabilities	0	0	0
B II 1	Trade payables	0	0	0
2	Liabilities to subsidiaries	0	0	0
3	Liabilities to associates	0	0	0
4	Liabilities to partners, co-operative members and participants in association	0	0	0
5	Advances received	0	0	0
6	Bonds payable	0	0	0
7	Notes payable	0	0	0
8	Unbilled deliveries	0	0	0
9	Other liabilities	0	0	0
10	Deferred tax liability	0	0	0
B III	Current liabilities	267 690	278 086	313 841
B III 1	Trade payables	137 273	171 086	230 601
2	Liabilities to subsidiaries	0	0	0
3	Liabilities to associates	0	0	0
4	Liabilities to partners, co-operative members and participants in association	0	0	0
5	Liabilities to employees	120	-0	-4
6	Liabilities arising from social security and health insurance	3 757	3 911	3 281
7	Due to government – taxes and subsidies	1 043	993	1 183
8	Advances received	0	0	0
9	Bonds payable	0	0	0
10	Unbilled deliveries	99 830	76 308	54 239
11	Other liabilities	25 667	25 789	24 542
B IV	Bank loans and borrowings	217 405	270 803	281 613
B IV 1	Long-term bank loans	79 009	94 977	274 898
2	Short-term bank loans	131 215	169 013	0
3	Borrowings	7 181	6 813	6 715
C.	OTHER LIABILITIES - TEMPORARY ACCOUNTS OF LIABILITIES	0	0	0
C I	Accrued liabilities and deferred assets	0	0	0
C I 1	Accruals	0	0	0
2	Deferred income	0	0	0

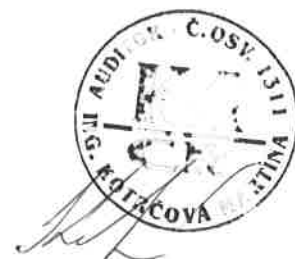


Pricol Wiping Systems Czech s.r.o. - March 31, 2020

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INCOME STATEMENT

		Current Year	Prior Year
		4/2019 - 3/2020	4/2018 - 3/2019
I	Revenue from sale of goods	20 282	34 688
A.	Cost of goods sold	8 856	14 461
+	Gross margin	11 426	20 226
II.	Production	1 187 510	1 228 849
II. 1	Revenue from sale of finished products and services	1 158 398	1 213 366
2	Change in inventory produced internally	29 111	15 483
3	Own work capitalized		
B.	Production related consumption	1 020 313	1 159 338
B. 1	Consumption of material and energy	775 128	836 085
B. 2	Services	245 185	323 253
+	Value added	178 623	89 738
C	Personnel expenses	142 914	133 804
C 1	Wages and salaries	104 027	98 760
C. 2	Bonuses to members of company or cooperation bodies		
C. 3	Social security and health insurance	36 018	32 208
C 4	Other social costs	2 869	2 836
D	Taxes and charges	248	242
E	Amortization and depreciation of intangible and tangible fixed assets	32 637	31 584
III.	Revenue from sale of intangible and tangible fixed assets and materials	25 281	23 313
III 1	Revenues from sale of intangible and tangible fixed assets		29
2	Revenue from sale of materials	25 281	23 284
F	Net book value of intangible and tangible fixed assets and materials sold	26 964	22 226
F 1	Net book value of intangible and tangible fixed assets sold	317	
r 2	Materials sold	26 646	22 226
G.	Change in reserves and provisions relating to operations and in prepaid expenses (specific-purpose expenses)	4 924	-439
IV	Other operating revenues	2 360	662
H.	Other operating expenses	1 720	903
V	Transfer of operating revenues		
II	Transfer of operating expenses		
*	Profit or loss on operating activities	-3 143	-74 608
VI.	Revenue from sale of securities and interests		
J	Securities and interests sold		
VII.	Income from financial investments	0	0
VII 1	Income from subsidiaries and associates		
2	Income from other long-term securities and interests		
3	Income from other financial investments		
VIII.	Income from short-term financial assets		
K.	Expenses related to financial assets		
IX	Gain on revaluation of securities and derivatives		
L.	Loss on revaluation of securities and derivatives		
M.	Change in reserves and provisions relating to financial activities		
X	Interest income		
N	Interest expense	6 307	6 524
XI	Other finance income	48 167	37 626
O.	Other finance cost	70 903	51 363
XII	Transfer of finance income		
P	Transfer of finance cost		
*	Profit or loss on financial activities	-29 043	-20 260



Pricol Wiping Systems Czech s.r.o. - March 31, 2020

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INCOME STATEMENT

		Current Year	Prior Year
		4/2019 - 3/2020	4/2018 - 3/2019
Q.	Tax on profit or loss on ordinary activities	0	0
Q. 1	- due		
Q. 2	- deferred		
**	Profit or loss on ordinary activities after taxation	-32 186	-94 868
XIII	Extraordinary gains		
R	Extraordinary losses		
S.	Tax on extraordinary profit or loss	0	0
S 1	- due		
S 2	- deferred		
*	Extraordinary profit or loss	0	0
	Transfer of share of profit or loss to partners (+/-)		
***	Profit or loss for the year (+/-)	-32 186	-94 868
	Profit or loss before taxation	-32 186	-94 868

Sestaveno dne:	Podpis statutárního orgánu nebo fyzické osoby, která je účetní jednotkou: <p style="text-align: center;">PRICOL WIPING SYSTEMS CZECH s.r.o. Zdibsko 613 250 67 Klecany IČO: 06024335</p>
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Pricol Wiping Systems Czech s.r.o. - March 31, 2020
Czech Statutory Financial Statement Forms (in thousands of Czech crowns)
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CASH FLOW STATEMENT

For the year ended March 31, 2020

		Current Year	Prior Year	Opening Balance
		March 31, 2020	March 31, 2019	April 1, 2018
Cash flows from operating activities				
Z.	Profit or loss on ordinary activities before taxation (+/-)	-32 186	-94 868	0
A. 1	Adjustments to reconcile profit or loss to net cash provided by or used in operating	44 186	36 331	0
A. 1 1.	Depreciation and amortization of fixed assets, write-off of receivables and adjustment	32 637	31 584	
A. 1 2.	Change in provisions	4 924	-1 747	
A. 1 3.	Change in reserves			
A. 1 4.	Foreign exchange differences			
A. 1 5.	(Gain)/Loss on disposal of fixed assets	317	-29	
A. 1 6.	Interest expense and interest income	6 307	6 524	
A. 1 7.	Other non-cash movements (e.g. revaluation at fair value to profit or loss, dividends received)			
A.	Net cash from operating activities before taxation, changes in working capital and extraordinary items	12 000	-58 537	0
A. 2	Change in non-cash components of working capital	1 817	198 892	0
A. 2. 1.	Change in inventory	-24 439	36 584	
A. 2. 2.	Change in trade receivables	73 614	19 751	
A. 2. 3.	Change in other receivables and in prepaid expenses and unbilled revenue	-2 385	6 481	
A. 2. 4.	Change in trade payables	-33 813	-59 515	
A. 2. 5.	Change in other payables, short-term loans and in accruals and deferred income	-11 160	195 592	
A.	Net cash from operating activities before taxation, interest paid and extraordinary items	13 817	140 355	0
A. 3	Interest paid	-6 307	-6 524	
A. 4	Tax paid	-2 853	-2 720	
A. 5	Gains and losses on extraordinary items			
A.	Net cash provided by (used in) operating activities	4 657	131 111	0
Cash flows from investing activities				
B. 1.	Purchase of fixed assets	-4 803	-6 298	
B. 2.	Proceeds from sale of fixed assets		29	
B. 3.	Interest received			
B. 4.	Dividends received			
B.	Net cash provided by (used in) investing activities	-4 803	-6 269	0
		0	0	0
Cash flows from financing activities				
C. 1.	Change in long-term liabilities and long-term loans	-15 968	-179 921	
C. 2. 1.	Effect of changes in basic capital on cash			
C. 2. 2.	Dividends or profit sharing paid			
C. 2. 3.	Effect of other changes in basic capital on cash	-345	21 896	45 670
C.	Net cash provided by (used in) financing activities	-16 313	-158 025	45 670
F.	Net increase (decrease) in cash	-16 459	-33 183	45 670
P.	Cash and cash equivalents at beginning of year	19 873	53 056	7 386
R.	Cash and cash equivalents at end of year	3 414	19 873	53 056

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250 67 Klecany
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