

This document is an English translation of the Czech auditor's report.

Only the Czech version of the report is legally binding.

It is different from the Czech version in that it does not include notes to the financial statements.

INDEPENDENT AUDITOR'S REPORT

to the Owner of Sarantis Czech Republic, s.r.o.

Opinion

We have audited the accompanying financial statements of Sarantis Czech Republic, s.r.o., with its headquarters at Žerotínova 1133/32, Praha, Czech Republic, IC (Registration Number) 25705971, (hereafter the Company) prepared in accordance with Czech accounting regulations, which comprise the balance sheet as at 31. 12. 2018, the income statement, statement of changes in equity and cash flow statement for the period from 1. 1. 2018 to 31. 12. 2018 and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements give a true and fair view of the assets, liabilities and equity of Sarantis Czech Republic, s.r.o. as at 31. 12. 2018 and of the costs, revenues and its profit or loss and its cash flows for the period from 1. 1. 2018 to 31. 12. 2018, in accordance with Czech accounting regulations.

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

Other information included 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 Statutory representative is responsible for this other information.

Our opinion on the 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 of the company obtained from 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 the applicable laws and regulations, in particular, whether the other information complies with the laws and regulations in terms of formal requirements and procedures for preparing the other

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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 the applicable laws and regulations.

In addition, our responsibility is to report, based on our knowledge and understanding of the Company obtained from 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 Statutory representative for the Financial Statements

Statutory representative is responsible for the preparation and fair presentation of the financial statements in accordance with Czech accounting regulations, 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 Statutory representative is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting unless the Statutory representative 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 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 regulations, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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- 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 Statutory representative.
- Conclude on the appropriateness of the Statutory representative's 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 Statutory representative regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

In Prague, 28th June 2019

Audit firm:



BDO Audit s. r. o.

Certificate No. 018

Partner:



Ondřej Šnejdar

Certificate No. 1987

BALANCE SHEET
in a full scope as at
31.12.2018

Commercial name or other name of accounting entity
Sarantis Czech Republic, s.r.o.

Corporate ID
25705971
in CZK thousands


Registered office or address of accounting entity
Žerotínova 1133/32, Žižkov, 130 00 Praha 3

Article	ASSETS	Line	Current period			Previous period
			Gross	Adjustment	Net	Net
	TOTAL ASSETS	001	357 144	-10 735	346 409	275 792
A.	Receivables for subscribed capital	002	0	0	0	0
B.	Fixed assets	003	11 593	-8 377	3 216	4 527
B. I.	Intangible fixed assets	004	7 180	-4 776	2 404	3 465
1.	Development	005	0	0	0	0
2.	Valuable rights	006	7 180	-4 776	2 404	3 465
1.	Software	007	7 180	-4 776	2 404	3 465
2.	Other valuable rights	008	0	0	0	0
3.	Goodwill	009	0	0	0	0
4.	Other intangible fixed assets	010	0	0	0	0
5.	Advance payments for intangible fixed assets and intangible fixed assets under construction	011	0	0	0	0
1.	Advance payments for intangible fixed assets	012	0	0	0	0
2.	Intangible fixed assets under construction	013	0	0	0	0
B. II.	Tangible fixed assets	014	4 412	-3 601	811	1 062
B. II. 1.	Land, buildings and structures	015	0	0	0	0
1.	Land	016	0	0	0	0
2.	Buildings and structures	017	0	0	0	0
2.	Tangible movable assets and sets of tangible movable assets	018	4 412	-3 601	811	1 062
3.	Valuation difference on acquired assets	019	0	0	0	0
4.	Other tangible fixed assets	020	0	0	0	0
1.	Cultivated areas	021	0	0	0	0
2.	Livestock (herd and draught animals)	022	0	0	0	0
3.	Other tangible fixed assets	023	0	0	0	0
5.	Advance payments for tangible fixed assets and tangible fixed assets under construction	024	0	0	0	0
1.	Advance payments for tangible fixed assets	025	0	0	0	0
2.	Tangible fixed assets under construction	026	0	0	0	0
B. III.	Non-current financial assets	027	1	0	1	0
B. III. 1.	Equity investments - controlled or controlling entity	028	1	0	1	0
2.	Loans and borrowings - controlled or controlling entity	029	0	0	0	0
3.	Equity investments in associates	030	0	0	0	0
4.	Loans and borrowings - associates	031	0	0	0	0
5.	Other non-current securities and investments	032	0	0	0	0
6.	Loans and borrowings - other	033	0	0	0	0
7.	Other non-current financial assets	034	0	0	0	0
1.	Sundry non-current financial assets	035	0	0	0	0
2.	Advance payments for non-current financial assets	036	0	0	0	0

Article	ASSETS	Line	Current period			Previous period
			Gross	Adjustment	Net	Net
C.	Current assets	037	344 754	-2 358	342 396	270 426
C. I.	Inventories	038	121 338	-430	120 908	97 491
C. I. 1.	Material	039	0	0	0	0
2.	Work in progress and semifinished goods	040	0	0	0	0
3.	Products and goods	041	121 338	-430	120 908	97 491
1.	Products	042	0	0	0	0
2.	Goods	043	121 338	-430	120 908	97 491
4.	Young and other animals and their groups	044	0	0	0	0
5.	Advance payments for inventories	045	0	0	0	0
C. II.	Receivables	046	196 784	-1 928	194 856	118 971
C. II. 1.	Long-term receivables	047	523	0	523	523
1.	Trade receivables	048	0	0	0	0
2.	Receivables - controlled or controlling entity	049	0	0	0	0
3.	Receivables - associates	050	0	0	0	0
4.	Deferred tax asset	051	0	0	0	0
5.	Receivables - others	052	523	0	523	523
1.	Receivables from owners	053	0	0	0	0
2.	Long-term prepayments made	054	523	0	523	523
3.	Estimated receivables	055	0	0	0	0
4.	Sundry receivables	056	0	0	0	0
C. II. 2.	Short-term receivables	057	196 261	-1 928	194 333	118 448
1.	Trade receivables	058	195 523	-1 928	193 595	117 011
2.	Receivables - controlled or controlling entity	059	0	0	0	0
3.	Receivables - associates	060	0	0	0	0
4.	Receivables - others	061	738	0	738	1 437
1.	Receivables from owners	062	0	0	0	0
2.	Social security and health insurance contributions	063	0	0	0	0
3.	State - tax receivables	064	101	0	101	338
4.	Short-term prepayments made	065	635	0	635	553
5.	Estimated receivables	066	0	0	0	371
6.	Sundry receivables	067	2	0	2	175
C. III.	Current financial assets	068	0	0	0	0
1.	Investments - controlled or controlling entity	069	0	0	0	0
2.	Other current financial assets	070	0	0	0	0
C. IV.	Cash	071	26 632	0	26 632	53 964
1.	Cash on hand	072	15	0	15	41
2.	Cash at bank	073	26 617	0	26 617	53 923
D.	Other assets	074	797	0	797	839
D. 1.	Deferred expenses	075	797	0	797	839
2.	Complex deferred expenses	076	0	0	0	0
3.	Accrued income	077	0	0	0	0

Article	LIABILITIES & EQUITY	Line	Current period	Previous period
	TOTAL LIABILITIES & EQUITY	078	346 409	275 792
A.	Equity	079	134 931	144 548
A. I.	Share capital	080	39 320	39 320
A. I. 1.	Share capital	081	39 320	39 320
2.	Treasury shares and holdings (-)	082	0	0
3.	Changes in share capital	083	0	0
A. II.	Share premium and capital funds	084	0	0
A. II. 1.	Share premium	085	0	0
2.	Capital funds	086	0	0
1.	Other capital funds	087	0	0
2.	Gains or losses from the revaluation of assets and liabilities (+/-)	088	0	0
3.	Gains or losses from the revaluation upon transformations of business corporations (+/-)	089	0	0
4.	Gains or losses from transformations of business corporations (+/-)	090	0	
5.	Gains or losses from valuation upon transformations of business corporations (+/-)	091	0	
A. III.	Legal, statutory and other reserve funds	092	3 932	3 932
A. III. 1.	Other reserve funds	093	3 932	3 932
2.	Statutory and other reserves	094	0	0
A. IV.	Retained earnings (+/-)	095	43 085	57 434
A. IV. 1.	Accumulated profits or losses brought forward	096	43 862	56 900
2.	Jiný výsledek hospodaření minulých let (+/-)	098	-777	534
A. V.	Profit or loss for the current period (+/-)	099	48 594	43 862
A. VI.	Decisions on advances for the payment of profit sharing (-)	100	0	0
B. + C.	Liabilities	101	211 478	131 244
B.	Provisions	102	1 300	2 836
B. 1.	Provision for pensions and similar obligations	103	0	0
2.	Provisions for income tax	104	1 300	2 836
3.	Provision according to special legal regulations	105	0	0
4.	Other provisions	106	0	0
C.	Payables	107	210 178	128 408
C. I.	Long-term payables	108	17	208
C. I. 1.	Bonds issued	109	0	0
1.	Convertible bonds	110	0	0
2.	Other bonds	111	0	0
2.	Payables to credit institutions	112	0	0
3.	Long-term prepayments received	113	0	0
4.	Trade payables	114	0	0
5.	Long-term bills of exchange to be paid	115	0	0
6.	Payables - controlled or controlling entity	116	0	0
7.	Payables - associates	117	0	0
8.	Deferred tax liability	118	17	208
9.	Payables - others	119	0	0
1.	Payables to owners	120	0	0
2.	Estimated payables	121	0	0
3.	Sundry payables	122	0	0

Article	LIABILITIES & EQUITY	Line	Current period	Previous period
C. II.	Short-term payables	123	210 161	128 200
C. II. 1.	Bonds issued	124	0	0
1.	1. Convertible bonds	125	0	0
2.	2. Other bonds	126	0	0
2.	Payables to credit institutions	127	0	0
3.	Short-term prepayments received	128	0	0
4.	Trade payables	129	134 283	81 142
5.	Short-term bills of exchange to be paid	130	0	0
5.	Payables - controlled or controlling entity	131	0	0
7.	Payables - associates	132	0	0
8.	Other payables	133	75 878	47 058
1.	1. Payables to owners	134	0	0
2.	2. Short-term financial borrowings	135	0	0
3.	3. Payables to employees	136	1 549	1 527
4.	4. Social security and health insurance payables	137	1 008	940
5.	5. State - tax payables and subsidies	138	3 874	303
6.	6. Estimated payables	139	69 447	44 286
7.	7. Sundry payables	140	0	2
D.	Other liabilities	141	0	0
D. 1.	Accrued expenses	142	0	0
2.	Deferred revenue	143	0	0

Legal status of accounting entity:	limited liability company
Activity:	Production, trade and services not included in Annex 1-3 of Trade Act
Date of authorisation:	17.06.2019
Prepared by:	
Member of statutory body:	
C 62867 kept by City Court in Prague	<div style="text-align: right;">  Jan Krzysztof Kamiński Sarantis Czech Republic, s.r.o. </div>

PROFIT AND LOSS STATEMENT
in a full scope for the period ended
31.12.2018


Commercial name or other name of accounting entity
Sarantis Czech Republic, s.r.o.

Corporate ID 25705971 in CZK thousands

Registered office or address of accounting entity
Žerotínova 1133/32, Žižkov, 130 00 Praha 3

Article (N) (V)	TEXT	Line	Current period	Previous period
I.	Sales of products and services	001	269	369
II.	Sales of goods	002	753 882	626 082
A.	Production consumption	003	654 037	536 339
1.	Costs of goods sold	004	382 764	297 864
2.	Consumption of material and energy	005	16 196	13 973
3.	Services	006	255 077	224 502
B.	Increase/decrease in finished goods and in work in progress (+/-)	007	0	0
C.	Own work capitalised (-)	008	0	0
D.	Personnel expenses	009	29 882	27 628
1.	Wages and salaries	010	21 791	20 220
2.	Social security and health insurance costs and other costs	011	8 091	7 408
1.	Social security and health insurance costs	012	7 645	7 085
2.	Other social costs	013	446	323
E.	Adjustments to values in operating activities	014	1 365	2 060
1.	Adjustments to values of intangible and tangible fixed assets	015	1 591	1 802
1.	Adjustments to values of intangible and tangible fixed assets - permanent	016	1 591	1 802
2.	Adjustments to values of intangible and tangible fixed assets - temporary	017	0	0
2.	Adjustments to values of inventories	018	2	428
3.	Adjustments to values of receivables	019	-228	-170
III.	Other operating income	020	1 615	3 115
1.	Income from fixed assets sold	021	0	0
2.	Income from materials sold	022	0	0
3.	Sundry operating income	023	1 615	3 115
F.	Other operating expenses	024	4 329	5 662
1.	Net book value of fixed assets sold	025	0	0
2.	Material sold	026	0	0
3.	Taxes and fees	027	40	35
4.	Provisions relating to operating activities and complex deferred expenses	028	0	0
5.	Sundry operating expenses	029	4 289	5 627
*	Operating profit or loss (+/-)	030	66 153	57 877

Article (N) (V)	TEXT	Line	Current period	Previous period
IV.	Income from non-current financial assets - equity investments	031	0	0
1.	Income from equity investments - controlled or controlling entity	032	0	0
2.	Other income from equity investments	033	0	0
G.	Expenses incurred on investments sold	034	0	0
V.	Income from other non-current financial assets	035	0	0
1.	Income from other non-current financial assets - controlled or controlling entity	036	0	0
2.	Other income from other non-current financial assets	037	0	0
H.	Costs of other non-current financial assets	038	0	0
VI.	Interest income and similar income	039	0	0
1.	Interest income and similar income - controlled or controlling entity	040	0	0
2.	Other interest income and similar income	041	0	0
I.	Adjustments to values and reserves relating to financial activities	042	0	0
J.	Interest expenses and similar expenses	043	0	0
1.	Interest expenses and similar expenses - controlled or controlling entity	044	0	0
2.	Other interest expenses and similar expenses	045	0	0
VII.	Other financial income	046	2 305	3 582
K.	Other financial expenses	047	8 155	6 870
*	Financial profit or loss (+/-)	048	-5 850	-3 288
**	Profit / loss before tax (+/-)	049	60 303	54 589
L.	Income tax	050	11 709	10 727
1.	Income tax - due	051	11 593	10 765
2.	Deferred income tax (+/-)	052	116	-38
**	Profit or loss net of tax (+/-)	053	48 594	43 862
M.	Transfer of share of profit or loss to owners (+/-)	054	0	0
***	Profit or loss for the current period (+/-)	055	48 594	43 862
*	Net turnover for the current period	056	758 071	633 148

Legal status of accounting entity:	limited liability company
Activity:	Production, trade and services not included in Annex 1-3 of Trade Act
Date of authorisation:	17.06.2019
Prepared by:	
Member of statutory body:	 Jan Krzysztof Kamiński Sarantis Czech Republic, s.r.o.
C 62867 kept by City Court in Prague	