



Annual Report 2019

Introductory word of the CEO

Dear associates, business partners, dear colleagues,

Let me present the annual report of OQEMA, s.r.o. for 2019, a year in which we succeeded in continuing the good business of the previous year and to maintain the profits of the company on a very high level achieved in the past period. My sincerest thanks for this great result go mainly to our employees who make a highly experienced team with a proactive approach to our customers and who are always ready to provide quality services upon good knowledge of the customers' needs and demands.

Business plan

Our main business plan is to produce and distribute industrial chemicals and chemical specialities for our customers in industry, agriculture, and trade. Thanks to the professional team of our employees, their extensive experience and thorough knowledge of the industrial market and the environment of the individual fields of industry we are offering new and innovative solutions with an added value. Our competitive advantage is based on providing a full range of services in delivering chemicals and on technical support for selected industries, which include especially:

- Production of paints, adhesives and building chemistry
- Treatment of drinking, technical, and waste water
- Production of cosmetics, cleaning agents and consumer chemistry for households
- Pharmaceutical industry
- Food industry and production of animal feeds
- Engineering and surface treatment of metals.

We are a part of the OQEMA group that belongs to the leading distributors of industrial chemicals, chemical specialities and services in Europe. At the moment the group has nearly 1,200 employees in 21 countries across Europe and an extensive network of competent partners. More than 27,000 customers benefit from a wealth of knowledge and extensive portfolio of the products in our offer list, which includes over 15,000 items.

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Market share and development of sales

In the previous year, economy in the Czech Republic continued to grow, but in the second half of 2019 there was a gradual decrease in the demand for industrial chemicals. The total sales for 2019 reached CZK 1,164 million, which is a less than 5 % drop compared to 2018. The main reason of this drop in sales was a lower price level of industrial chemicals on the entire market, while the volume of chemicals sold remained the same as in the previous year.

Despite the drop in earnings and further increase of staff costs related to the situation on the labour market, we managed to achieve a profit before tax equalling to CZK 32.578 million, which is only 124 thousand CZK less than in 2018. EBITDA for 2019 was CZK 46.926 million, i.e. less than 4 % drop compared to the year before. We managed to maintain the same sales of our product line with higher added value from our stock and achieved increased growth in the sales of specialty chemicals. In 2019 we extended our range by 69 new products and at the end of the year we had a total of 1,392 different chemicals and chemical specialties on our offer, including technical support for selected applications.

Just as in the previous year, besides the distribution of essential industrial chemicals we concentrated also on developing distribution of special chemicals in which we are seeing a potential for further growth and possible expansion of our offered services. This was also the main focus of our activities on the market, covering trade fairs, exhibitions, and congresses where we, individually or as part of the OQEMA group promoted our products and services and sought new suppliers for selected segments of the industry.

One of the key events of the previous year was traditionally the "European Coatings Show" in Nuremberg, which we attended in March 2019. We won the "Best Distributor Award for 2019" there, a prize of the Synthomer company, our long-standing supplier of dispersions and powder polymers used in the production of paints, adhesives, and building chemistry. Just like in the year before, we were the partners of the "Pigments and Binders Conference" held in the Czech Republic, which took place in November for the 12th time.

In the food industry we premiered as exhibitors at the "Food Ingredients" trade fair held in Paris in December 2019 where we had an opportunity to meet with many customers and negotiate a potential expansion in food and drink additives with potential suppliers.

Introductory word of the CEO

In cosmetics and consumer chemistry for households we participated in the "IN-Cosmetics" trade show in Paris and in the "SEPAWA" international congress in Berlin, focusing mainly on detergents and cleaning agents.

At the end of the year we succeeded in concluding an agreement with ITALMATCH CHEMICALS that specialises in high-performance additives for water treatment and processes in oil, gas, industrial lubricants and plastics. The exclusive partnership agreement covers the distribution of the AWS product lines (Advanced Water Solutions), i.e. the brands Dequest[®], Dequest[®] FS, Turpinal[®] phosphonates, Dequest[®] P/PB, Bellasol[®], Belclene[®] and Belsperse[®] LMW polymers, BromiCide[®] corrosion inhibitors, Belcor[®] / Bricorr[®] corrosion inhibitors and Qualifloc[®] flocculants, which we will be offering to our customers together with application and technical support.

Daughter company OQEMA, s.r.o., Slovakia

Our daughter company OQEMA, s.r.o. from Slovakia achieved total sales of EUR 8,902 thousand in 2019, which means a 25 % drop in sales compared to 2018. Despite the significant drop in sales it achieved EUR 144,28 thousand profit before taxing, i.e. approximately the same as in the previous year after the subtraction of the excessive return from refunded VAT.

Investments in 2019

In 2019 the main investments went mainly towards the development of our new office building in Slatiňany, which started in July and will be finished in the second half of 2020.

As part of modernisation of equipment at our central warehouse in Slatiňany we invested in a new roller track with controlled drive for filling flammables and a new semi-automatic filling station for inorganic chemicals that meets the highest standards of work safety.

At our unit in Sokolov we invested in a better security of our production facilities and in disaster prevention that included the installation of a new CCTV system enabling a faster reaction in case of a chemical leak or any other unforeseeable emergency situation.

In the sphere of environment, we continued with our project covering the "Mitigation of an old environmental burden at EURO-Šarm warehouse complex, Pilsen-South". The aim of the project is to mitigate an old environmental burden at a complex in Pilsen and to eliminate or at least minimize the health and ecological hazards occurred in the past due to pollution of the geological environment and underground waters, especially by chlorinated aliphatic hydrocarbons. The project is funded from our own resources as well as from the State Environmental Fund, the Environment Operational Programme for old ecological burdens.

Staff training and education

In the previous year our company paid great attention to the level of quality of our employees. We continued in systematic training of our staff in chemical legislation, environmental protection, prevention of severe emergencies, and in foreign languages.

Environmental protection and the integrated Management System (IMS)

In accordance with its policy, the company maintains and develops an integrated management system focusing on the quality and protection of the environment, and a system of safety and health at work management in line with the requirements of ČSN EN ISO 9001, ČSN EN 14001 and the Responsible Care programme.

The company defines and meets goals aiming at improving quality, environmental profile and prevention of safety hazards. Through an ongoing modernisation of our facilities we are increasing the level of safety and protection of health of our employees and the public.

In May there was a supervisory audit of the quality system certification pursuant to ČSN ISO 9001:2015 as well as of the environmental certification under ČSN ISO 14001:2015. No shortcomings were found.

We successfully passed also the supervisory audit in distribution of animal feeds and managed to maintain the existing system of feeds safety certification under GMP+ B1.

To ensure a continuous improvement of the internal control of our processes we increased the number of qualified internal auditors and internal audits focusing on special legislative requirements.

Just as every year, the system was checked by the strictest of auditors – our customers. In all cases we had been approved as a qualified supplier, which we are perceiving as a commitment for our further activities and collaboration with our partners.

Under the environmental protection system, we evaluated the defined indicators for separation of waste, emissions of volatile substances, consumption of water and fuels. In waste management we had a good experience with taking part in the ECOBAT battery collecting system and we are planning further similar projects for a higher

Introductory word of the CEO

involvement of all our employees in an even better system of waste separation.

This year our company also underwent the regular audit of the Czech Environmental Inspectorate aimed at meeting the legislative requirements regarding environmental protection and handling of chemicals. No breaches of the valid legislation were found during the inspections in our warehouses.

Under the system of preventing severe disasters, our central warehouse in Slatiňany was checked during a demanding audit involving many controlling authorities, this time again without any serious shortcomings found. The preparedness of the warehouse for emergency situations was tested again under a special themed exercise held together with the Fire Rescue Brigade of Chrudim. These exercises are highly appreciated by both parties and increase the safety of our operation.

In the forthcoming year we are planning to extend our integrated system by other certifications, which shall provide for higher quality of our services in delivering food additives as well as bottling and warehousing of chemicals.

Risk management

In 2019 we updated the risk management system and then assessed the individual risks in terms of negative impacts on the company and its undertaking. Upon this analysis we then adopted measures aimed at minimizing these risks.

Expected development and strategy in 2020

In 2020 we are expecting a positive development of our business. We will continue focusing on seeking further new opportunities to develop sales and improve services for our customers, especially in the sphere of special chemicals. At our Slatiňany facility we will complete the investment in the new office building and will prepare documentation for a further phase of reconstruction of the central warehouse, which will involve bottling of corrosive liquids.

In Pilsen we will continue with the "Mitigation of an old environmental burden at EURO-Šarm warehouse complex, Pilsen-South" project.

In Šenov, 10 March 2020

Ing. Oldřich Zahradník

Chief Executive Officer

Basic Company Data

Company	OQEMA, s.r.o.
Registered office	Těšínská 222, 739 34 Šenov
Legal form	Společnost s ručením omezeným

List of persons (person, legal entity) with more than 20% share of the capital

OQEMA AG
Ing. Oldřich Zahradník

Object of activity

– Purchase of goods for resale and sale

– Production and import of chemicals and chemical products classified as explosive, oxidizing, extremely flammable, highlyflammable, flammable, highly toxic, toxic, carcinogenic, mutagenic or toxic for reproduction, dangerous for the environment, and sale of chemical products classified as highly toxic and toxic

– Production and sale of chemicals and chemical products classified as flammable, harmful, corrosive, irritant, sensitizing

Date of establishment	31. 7. 1995, registration in registered office under label C38395
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Company management	Chief Executive Officer	Ing. Oldřich Zahradník
	Financial Manager	Ing. Marcela Šmigalová
	Investment Director	Luboš Hadrava
	Operations Director	Ing. Alena Hadravová
	Head of Purchasing	Ing. Libuše Čebišová
	Head of Sale	Ing. Jan Jedlička
	Marketing Manager	Ing. Petr Špinler

Number of employees	as of December 31, 2019	101
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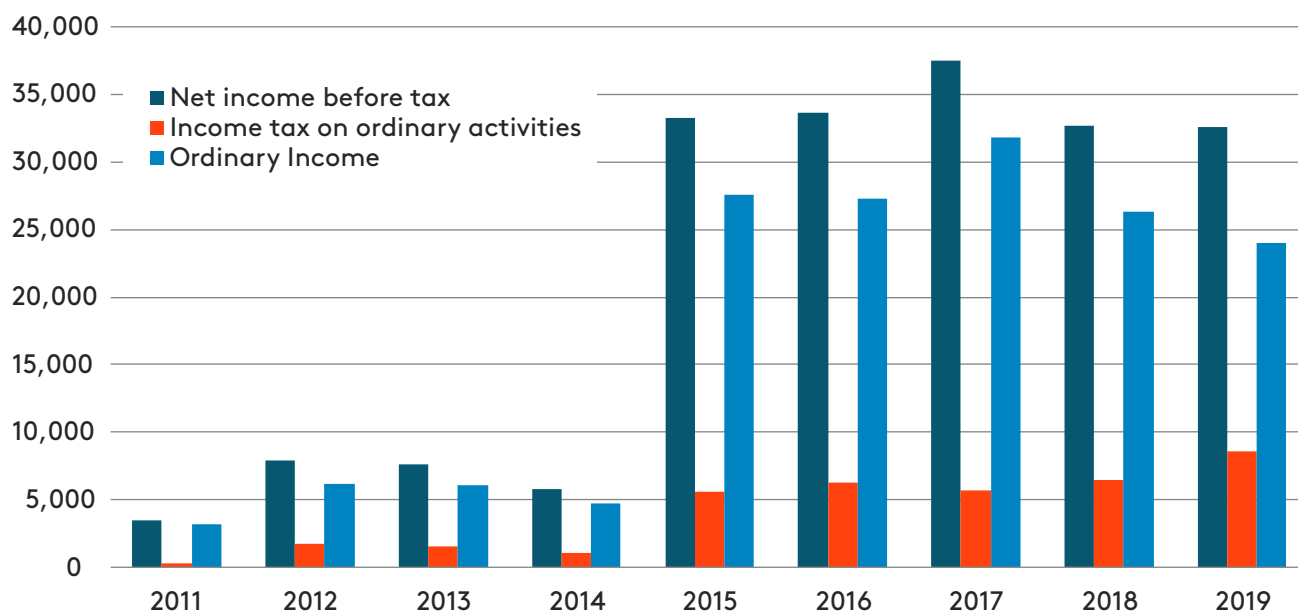
Members of statutory bodies	Ing. Oldřich Zahradník
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The share in the registered capital of other companies

70 % OQEMA, s.r.o., Slovensko
100 % PPD CHEMICALS s.r.o.

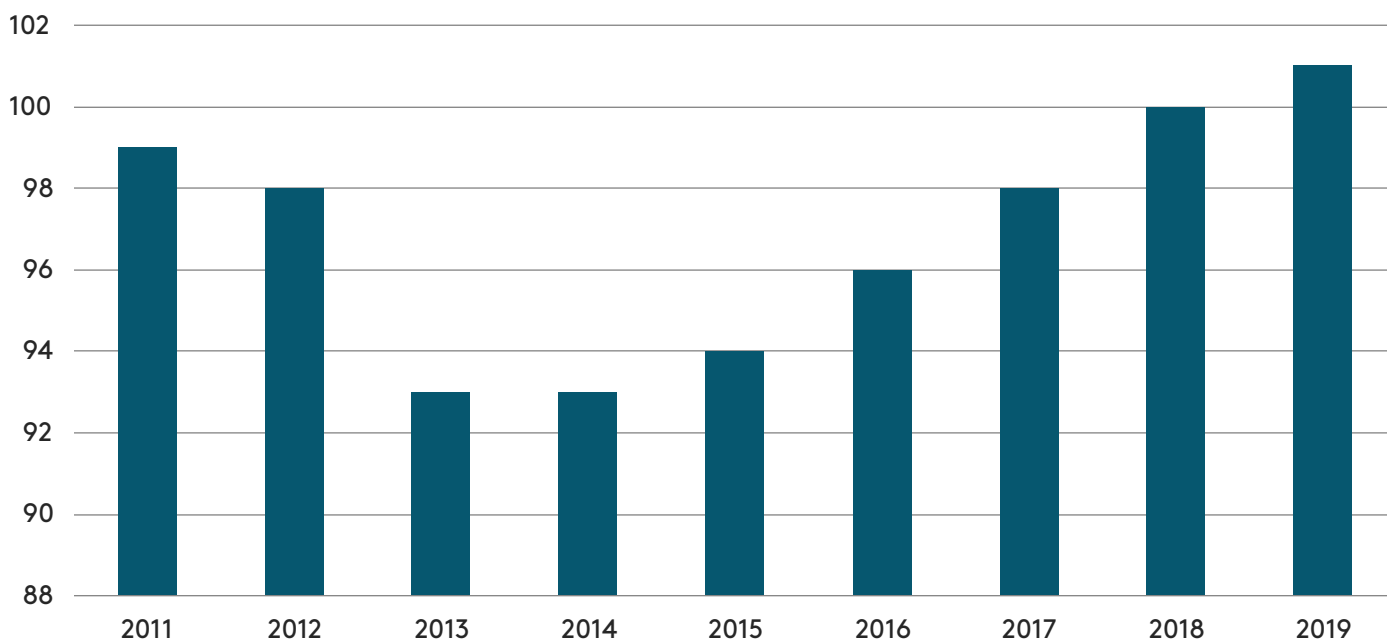
Ordinary Income 2011 - 2019

	2011	2012	2013	2014	2015	2016	2017	2018	2019
Net income before tax	3,537	7,949	7,649	5,813	33,207	33,577	37,491	32,703	32,578
Income tax on ordinary activities	345	1,751	1,556	1,056	5,605	6,286	5,743	6,434	8,617
Ordinary Income	3,192	6,198	6,093	4,757	27,602	27,291	31,748	26,269	23,961



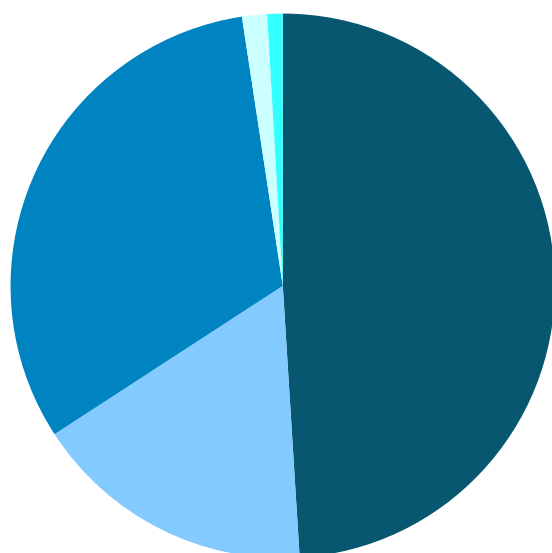
Average of Employees 2011 - 2019

	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total	99	98	93	93	94	96	98	100	101



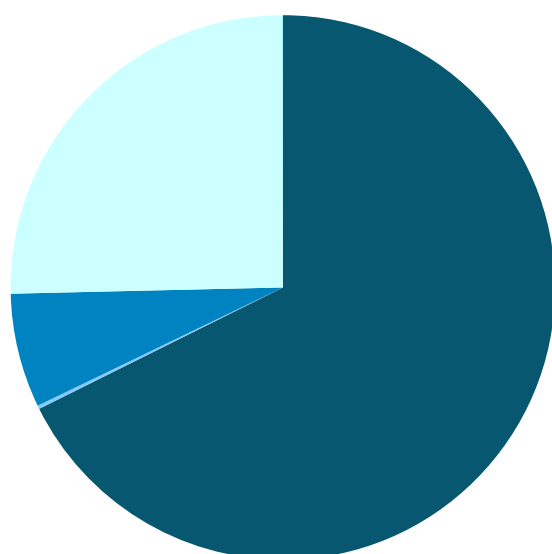
Structure of Assets and Liabilities as of 31.12.2019

ASSETS		LIABILITIES	
Stock subscriptions receivables	0	Equity	319,068
Fixed assets	231,184	Reserves	962
Inventory	79,297	Long-term obligations	32,005
Receivables	149,879	Short-term obligations	119,543
Financial assets	7,018	Accruals	99
Accruals	4,299		
TOTAL	471,677	TOTAL	471,677



Assets

- Stock subscriptions receivables
- Fixed assets
- Inventory
- Receivables
- Financial assets
- Accruals

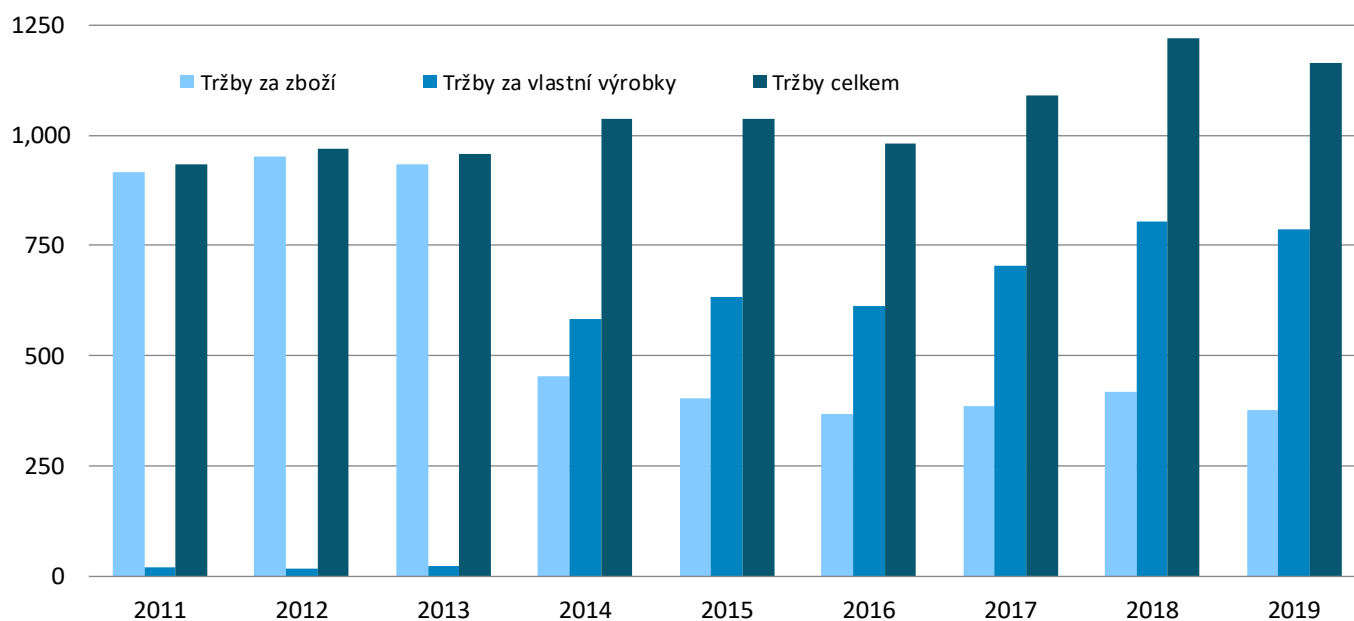


Liabilities

- Equity
- Reserves
- Long-term obligations
- Short-term obligations
- Accruals

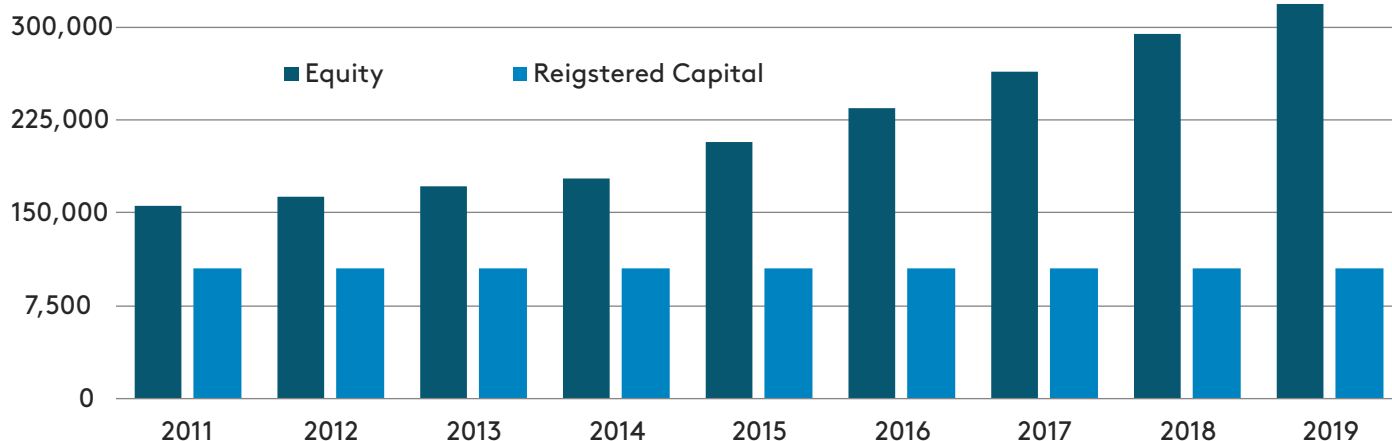
Turnover 2011 - 2019

	2011	2012	2013	2014	2015	2016	2017	2018	2019
Turnover from goods	915,27	952,86	935,09	454,22	402,48	368,64	384,63	416,77	377,90
Turnover from own products	19,66	16,01	22,44	582,99	634,54	612,30	704,81	803,96	786,07
Turnover total	934,93	968,87	957,53	1,037.21	1,037.02	980,94	1089,44	1,220.73	1163.97



Equity and Basic Capital 2011 - 2019

	2011	2012	2013	2014	2015	2016	2017	2018	2019
Equity	156,044	163,069	170,970	177,271	206,726	234,867	264,030	294,916	319,068
Registered Capital	105,500	105,500	105,500	105,500	105,500	105,500	105,500	105,500	105,500



Registered office of OQEMA, s.r.o.	Těšínská 222, 739 34 Šenov
Phone	+420 597 485 910
Fax	+420 596 831 102
Web address	https://oqema.cz
E-mail	oqema@oqema.cz
Twitter	@EuroSarm
GPS coordinates	49°47'26.8"N 18°23'40.8"E
Central warehouse Slatiňany	Vítězství 251, 538 21 Slatiňany
Phone	+420 469 777 763
Fax	+420 469 777 700
GPS coordinates	49°55'12.8"N 15°49'36.9"E
Warehouse Šenov	Těšínská 222, 739 34 Šeno
Phone	+420 597 485 919
Fax	+420 597 485 900
GPS coordinates	49°47'23.6"N 18°23'39.6"E
Warehouse Plzeň	Velenická 230/91, 326 00 Plzeň
Phone	+420 376 944 444
Fax	+420 376 944 440
GPS coordinates	50°10'52.4"N 12°40'05.1"E
Production in Sokolov	Tovární 2093, 356 80 Sokolov
Phone	+420 354 777 991
Fax	+420 354 777 990
GPS coordinates	50°10'52.4"N 12°40'05.1"E
Zastoupení pro Slovensko	OQEMA, s.r.o
Phone	+421 465 420 778
Phone	+421 465 420 779
Fax	+421 465 420 780
Web address	http://www.oqema.sk
E-mail	oqema@oqema.sk

Independent Auditor's Report

to the member of
OQEMA, s.r.o.
Těšínská 222, 739 34 Šenov
Reg.No.: 639 88 186

Opinion

We have audited the accompanying financial statements of OQEMA, 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 December 2019, and the income statement, statement of changes in equity and statement of cash flows for the year ended 31.12.2019 and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. For details of the Company, please see Section 1 of Notes to the financial statements.

In our opinion, the financial statements give a true and fair view of the financial position of OQEMA, s.r.o. as at 31 December 2019, 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 the Council 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 for the period ended 31 December 2018 were audited by another auditor who expressed an unmodified opinion on those financial statements dated 08 February 2019.

Other Information Presented 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 Company's 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 Managing Director 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Managing Director.

Rödl & Partner

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

Prague, 10.03.2020

Rödl & Partner Audit, s.r.o.
Platněřská 2, 110 00 Praha 1
Licence Number 354
represented by the managing director

Andreas Höfinghoff

Ing. Martin Krásný, statutory auditor, license number 2286

Financial statement of the company

Minimální závazný výčet informací upravený Vyhláškou č. 500/2002 Sb.	ROZVAHA BALANCE SHEET v plném rozsahu full version ke dni/as at 31.12.2019 (v celých tisících Kč) (in TCZK)	Obchodní firma nebo jiný název účetní jednotky Name of the accounting entity OQEMA, s.r.o. Sídlo nebo bydliště účetní jednotky a místo podnikání liší-li se od bydliště Address or registered office or residence of the accounting entity and the principal place of business, if different from residence Těšínská 222 739 34 Šenov
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Rok	Měsíc	IČ
19	12	63988186

Číselné označení položek ve sloupci "a" odpovídá příloze č. 1 k vyhlášce č. 500/2002 Sb.
 Numerical identification of items in column "a" is consistent with Annex No.1 to Regulation No. 500/2002 Coll.

Označ. Ident. a	AKTIVA b	Běžné účetní období (Current period)			Minulé úč. období Netto/Net (Prior period) 4
		Brutto/Gross 1	Korekce/Adjustmen 2	Netto/Net 3	
	AKTIVA CELKEM TOTAL ASSETS	602 125	-130 448	471 677	503 807
B.	Stálá aktiva Fixed assets	351 607	-120 423	231 184	225 085
B. I.	Dlouhodobý nehmotný majetek Intangible fixed assets	18 994	-17 934	1 060	1 669
B. I. 2.	Ocenitelná práva Royalties	18 805	-17 745	1 060	1 669
B. I. 2. 1.	Software Software	18 779	-17 719	1 060	1 669
B. I. 2. 2.	Ostatní ocenitelná práva Other Royalties	26	-26	0	0
B. I. 4.	Ostatní dlouhodobý nehmotný majetek Other intangible fixed assets	189	-189	0	0
B. II.	Dlouhodobý hmotný majetek Tangible fixed assets	315 489	-102 489	213 000	206 483
B. II. 1.	Pozemky a stavby Land and buildings, halls and constructions	204 280	-41 480	162 800	170 872
B. II. 1. 1.	Pozemky Land	13 350	0	13 350	13 350
B. II. 1. 2.	Stavby Buildings, halls and constructions	190 930	-41 480	149 450	157 522
B. II. 2.	Hmotné movité věci a jejich soubory Movable items and sets of movable items	79 513	-53 833	25 680	23 255
B. II. 3.	Oceňovací rozdíl k nabytému majetku Adjustment to acquired fixed assets	8 968	-7 176	1 792	2 391
B. II. 5.	Poskytnuté zálohy na dlouhodobý hmotný majetek a nedokončený dlouhodobý hmotný majetek Advances paid for tangible fixed assets and tangible fixed assets in the course of construction	22 728	0	22 728	9 965
B. II. 5. 2.	Nedokončený dlouhodobý hmotný majetek Tangible fixed assets in the course of construction	22 728	0	22 728	9 965
B. III.	Dlouhodobý finanční majetek Long-term financial investments	17 124	0	17 124	16 933
B. III. 1.	Podíly – ovládaná nebo ovládající osoba Investments – controlled and controlling entities/subsidiaries	17 124	0	17 124	16 933
C.	Oběžná aktiva Current assets	246 219	-10 025	236 194	273 478
C. I.	Zásoby Inventories	79 532	-235	79 297	89 462
C. I. 1.	Materiál Materials	4 138	0	4 138	6 894
C. I. 2.	Nedokončená výroba a polotovary Work-in-progress and semi-finished products	8 911	0	8 911	10 854
C. I. 3.	Výrobky a zboží Finished products and goods for resale	66 199	-235	65 964	71 374
C. I. 3. 1.	Výrobky Finished products	64 458	-235	64 223	65 625

Financial statement of the company

Označ. Ident. a	AKTIVA b	Běžné účetní období (Current period)			Minulé úč. období Netto/Net (Prior period) 4
		Brutto/Gross 1	Korekce/Adjustmen 2	Netto/Net 3	
C. I. 3. 2.	Zboží <i>Goods for resale</i>	1 741	0	1 741	5 749
C. I. 5.	Poskytnuté zálohy na zásoby <i>Advances paid for inventories</i>	284	0	284	340
C. II.	Pohledávky <i>Receivables</i>	159 669	-9 790	149 879	179 458
C. II. 1.	Dlouhodobé pohledávky <i>Long-term receivables</i>	0	0	0	1 863
C. II. 1. 4.	Odložená daňová pohledávka <i>Deferred tax asset</i>	0	0	0	1 863
C. II. 2.	Krátkodobé pohledávky <i>Short-term receivables</i>	159 669	-9 790	149 879	177 595
C. II. 2. 1.	Pohledávky z obchodních vztahů <i>Trade receivables</i>	155 848	-9 790	146 058	170 658
C. II. 2. 4.	Pohledávky – ostatní <i>Receivables – other</i>	3 821	0	3 821	6 937
C. II. 2. 4. 3.	Stát – daňové pohledávky <i>Due from state – tax receivables</i>	2 121	0	2 121	0
C. II. 2. 4. 4.	Krátkodobé poskytnuté zálohy <i>Short-term advances paid</i>	593	0	593	250
C. II. 2. 4. 5.	Dohadné účty aktivní <i>Estimated receivables</i>	2	0	2	24
C. II. 2. 4. 6.	Jiné pohledávky <i>Other receivables</i>	1 105	0	1 105	6 663
C. IV.	Peněžní prostředky <i>Cash and Cash Equivalents</i>	7 018	0	7 018	4 558
C. IV. 1.	Peněžní prostředky v pokladně <i>Cash</i>	676	0	676	484
C. IV. 2.	Peněžní prostředky na účtech <i>Cash in bank</i>	6 342	0	6 342	4 074
D.	Časové rozlišení aktiv <i>Accruals and deferrals of asset</i>	4 299	0	4 299	5 244
D. 1.	Náklady příštích období <i>Prepaid expenses</i>	4 277	0	4 277	5 244
D. 3.	Příjmy příštích období <i>Accrued income</i>	22	0	22	0

Financial statement of the company

označ. Ident. a	PASIVA b	Stav v běžném úč. období Current period 5	Stav v minulém úč. období Prior period 6
	PASIVA CELKEM <i>TOTAL LIABILITIES + EQUITY</i>	471 677	503 807
A.	Vlastní kapitál <i>Equity</i>	319 068	294 916
A. I.	Základní kapitál <i>Share capital</i>	105 500	105 500
A. I. 1.	Základní kapitál <i>Share capital</i>	105 500	105 500
A. II.	Ážio a kapitálové fondy <i>Share premium and capital contributions</i>	36 594	36 403
A. II. 2.	Kapitálové fondy <i>Capital contributions</i>	36 594	36 403
A. II. 2. 1.	Ostatní kapitálové fondy <i>Other capital contributions</i>	31 000	31 000
A. II. 2. 2.	Oceňovací rozdíly z přecenění majetku a závazků <i>Gains or losses from revaluation of assets and liabilities</i>	5 594	5 403
A. IV.	Výsledek hospodaření minulých let <i>Retained earnings</i>	153 013	126 744
A. IV. 1.	Nerozdělený zisk nebo neuhrazená ztráta minulých let <i>Retained earnings/Accumulated losses</i>	153 013	126 744
A. V.	Výsledek hospodaření běžného účetního období (+/-) <i>Profit / (loss) for the current period (+ / -)</i>	23 961	26 269
B. + C.	Cizí zdroje <i>Liabilities</i>	152 510	208 891
B.	Rezervy <i>Provisions for future liabilities and charges</i>	962	0
4.	Ostatní rezervy <i>Other provisions</i>	962	0
C.	Závazky <i>Liabilities</i>	151 548	208 891
C. I.	Dlouhodobé závazky <i>Long-term liabilities</i>	32 005	55 000
C. I. 2.	Závazky k úvěrovým institucím <i>Long-term bank loans</i>	32 000	55 000
C. I. 8.	Odložený daňový závazek <i>Deferred tax liability</i>	5	0
C. II.	Krátkodobé závazky <i>Short-term liabilities</i>	119 543	153 891
C. II. 2.	Závazky k úvěrovým institucím <i>Short-term bank loans</i>	14 826	19 904
C. II. 3.	Krátkodobé přijaté zálohy <i>Short-term advances received</i>	62	66
C. II. 4.	Závazky z obchodních vztahů <i>Trade payables</i>	86 568	108 813
C. II. 8.	Závazky – ostatní <i>Liabilities – other</i>	18 087	25 108
C. II. 8. 1.	Závazky ke společníkům <i>Payabl. to shareholders</i>	89	332
C. II. 8. 3.	Závazky k zaměstnancům <i>Payables to employees</i>	2 964	4 134
C. II. 8. 4.	Závazky ze sociálního zabezpečení a zdravotního pojiš. <i>Payabl. to social security and health insurance institutions</i>	1 870	2 290
C. II. 8. 5.	Stát – daňové závazky a dotace <i>Due to state – taxes and subsidies payable</i>	8 743	16 062
C. II. 8. 6.	Dohadné účty pasivní <i>Estimated payables</i>	4 373	2 238

Financial statement of the company

označ. Ident. a	PASIVA b	Stav v běžném úč. období Current period 5	Stav v minulém úč. období Prior period 6
C. II. 8. 7.	Jiné závazky <i>Other payables</i>	48	52
D.	Časové rozlišení pasiv <i>Accruals and deferrals of liabilities</i>	99	0
D. 2.	Výnosy příštích období <i>Deferred income</i>	99	0

Sestaveno dne: 10.03.2020

Prepared on:

Podpis statutárního orgánu nebo fyzické osoby, která je účetní jednotkou

Signature of Statutory Representative or natural person who is accounting entity



Financial statement of the company

Minimální závazný výčet informací upravený Vyhláškou č. 500/2002 Sb.	Výkaz zisku a ztráty Profit and Loss Account v plném rozsahu <i>full version</i> ke dni/as at 31.12.2019 (v celých tisících Kč) (in TCZK)	Obchodní firma nebo jiný název účetní jednotky Name of the accounting entity OQEMA, s.r.o. Sídlo nebo bydliště účetní jednoty a místo podnikání liší-li se od bydliště Address or registered office or residence of the accounting entity and the principal place of business, if different from residence Těšínská 222 739 34 Šenov						
<table border="1" style="margin: auto;"> <tr> <td style="padding: 2px;">Rok</td> <td style="padding: 2px;">Měsíc</td> <td style="padding: 2px;">IČ</td> </tr> <tr> <td style="padding: 2px;">19</td> <td style="padding: 2px;">12</td> <td style="padding: 2px;">63988186</td> </tr> </table>			Rok	Měsíc	IČ	19	12	63988186
Rok	Měsíc	IČ						
19	12	63988186						
Číselné označení položek ve sloupci "a" odpovídá příloze č. 2 k vyhlášce č. 500/2002 Sb. Numerical identification of items in column "a" is consistent with Annex No. 1 to Regulation No. 500/2002 Coll.								

Označení Ident. a	TEXT b	Skutečnost v účetním období	
		sledovaném Current per. 1	minulém Prior per. 2
I.	Tržby z prodeje výrobků a služeb <i>Sales of own products and services</i>	786 068	803 951
II.	Tržby za prodej zboží <i>Sales of goods</i>	377 900	416 770
A.	Výkonová spotřeba <i>Cost of sales</i>	1 037 050	1 103 576
A. 1.	Náklady vynaložené na prodané zboží <i>Cost of goods sold</i>	352 691	391 011
A. 2.	Spotřeba materiálu a energie <i>Materials and energy consumption</i>	616 785	650 788
A. 3.	Služby <i>Services</i>	67 574	61 777
B.	Změna stavu zásob vlastní činnosti <i>Changes in inventories of finished goods and work-in-progress</i>	1 701	-3 699
C.	Aktivace <i>Capitalization</i>	-506	-675
D.	Osobní náklady <i>Personnel costs</i>	74 105	70 113
D. 1.	Mzdové náklady <i>Wages and salaries</i>	53 480	51 253
D. 2.	Náklady na sociální zabezpečení, zdravotní pojištění a ostatní náklady <i>Social security and health insurance costs and other charges</i>	20 625	18 860
D. 2. 1.	Náklady na sociální zabezpečení a zdravotní pojištění <i>Social security and health insurance costs</i>	18 295	17 165
D. 2. 2.	Ostatní náklady <i>Other charges</i>	2 330	1 695
E.	Úpravy hodnot v provozní oblasti <i>Adjustments to values in operating activities</i>	13 782	15 327
E. 1.	Úpravy hodnot dlouhodobého nehmotného a hmotného majetku <i>Adjustments to values of intangible and tangible fixed assets</i>	14 212	14 017
E. 1. 1.	Úpravy hodnot dlouhodobého nehmotného a hmotného majetku - trvalé <i>Adjustments to values of intangible and tangible fixed assets - permanent</i>	14 212	14 017
E. 2.	Úpravy hodnot zásob <i>Adjustments to values of inventories</i>	-240	409
E. 3.	Úpravy hodnot pohledávek <i>Adjustments to values of receivables</i>	-190	901
III.	Ostatní provozní výnosy <i>Other operating income</i>	2 488	3 682
III. 1.	Tržby z prodaného dlouhodobého majetku <i>Sale of fixed assets</i>	0	148

Financial statement of the company

Označení Ident. a	TEXT b	Skutečnost v účetním období	
		sledovaném Current per. 1	minulém Prior per. 2
2.	Tržby z prodaného materiálu <i>Sale of raw materials</i>	1 223	898
3.	Jiné provozní výnosy <i>Other operating income</i>	1 265	2 636
F.	Ostatní provozní náklady <i>Other operating expenses</i>	7 089	4 118
F. 1.	Zůstatková cena prodaného dlouhodobého majetku <i>Net book value of fixed assets sold</i>	9	0
F. 2.	Prodaný materiál <i>Materials sold</i>	327	365
F. 3.	Daně a poplatky <i>Taxes and fees</i>	722	708
F. 4.	Rezervy v provozní oblasti a komplexní náklady příštích období <i>Provisions (operating activities) and complex deferred expenses</i>	962	0
F. 5.	Jiné provozní náklady <i>Other operating expenses</i>	5 069	3 045
*	Provozní výsledek hospodaření (+/-) <i>Operating profit (loss) (+/-)</i>	33 235	35 643
IV.	Výnosy z dlouhodobého finančního majetku – podíly <i>Revenues from long-term financial investments - interests</i>	1 803	0
IV. 1.	Výnosy z podílů – ovládaná nebo ovládající osoba <i>Revenues from investments – controlled and controlling entities/subsidiaries</i>	1 803	0
J.	Nákladové úroky a podobné náklady <i>Interest and similar expense</i>	1 938	2 154
J. 2.	Ostatní nákladové úroky a podobné náklady <i>Other interest and similar expense</i>	1 938	2 154
VII.	Ostatní finanční výnosy <i>Other financial income</i>	4 756	5 041
K.	Ostatní finanční náklady <i>Other financial expenses</i>	5 278	5 827
*	Finanční výsledek hospodaření (+/-) <i>Financial profit / (loss) (+/-)</i>	-657	-2 940
**	Výsledek hospodaření před zdaněním (+/-) <i>Profit / (loss) before taxation</i>	32 578	32 703
L.	Daň z příjmů <i>Corporate income tax</i>	8 617	6 434
L. 1.	Daň z příjmů splatná <i>Corporate income tax – due</i>	6 749	6 794
2.	Daň z příjmů odložená <i>Corporate income tax – deferred</i>	1 868	-360
**	Výsledek hospodaření po zdanění (+/-) <i>Profit / (loss) after taxation</i>	23 961	26 269
***	Výsledek hospodaření za účetní období (+/-) <i>Profit / (loss) for the accounting period after taxation (+/-)</i>	23 961	26 269
*	Čistý obrat za účetní období = I. + II. + III. + IV. + V. + VI. + VII. <i>Net turnover from the current period = I. + II. + III. + IV. + V. + VI. + VII.</i>	1 173 015	1 229 444

Sestaveno dne:

10.03.2020

Prepared on:

Podpis statutárního orgánu nebo fyzické osoby, která je účetní jednotkou

Signature of Statutory Representative or natural person who is accounting entity

Notes to the Financial Statements for the year 2019

The attached individual Financial Statements (unconsolidated) have been prepared in accordance with the Act No. 563/1991 Coll., On Accounting, as amended, (hereinafter referred to as the "Accounting Act"), and the Implementing Decree No. 500/2002 Coll., which implements certain provisions of the Act No. 563/1991 Coll., On Accounting, as amended, for reporting entities that are businesses maintaining double-entry bookkeeping, as amended, as applicable for 2019 and 2018, (hereinafter referred to as the "Implementing Decree to the Accounting Act"), and according to Czech accounting standards for entrepreneurs. The data in the appendix are based on the entity's records (accounting documents, ledgers and other records) and other documents which an entity has available. Figures are in thousands of CZK, unless stated otherwise.

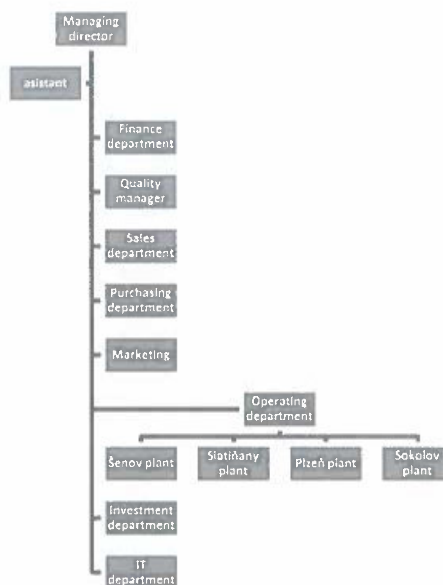
The appendix is made for the accounting period beginning on 1 January 2019 and ending on 31 December 2019.

I. General data:

1. Trade name: OQEMA, s.r.o.
2. Reg.No: 63988186
3. Registered office: Těšínská 222, 739 34 Šenov
4. Legal form: společnost s ručením omezeným (Limited Liability Co.)
5. Subject of activity:
 1. purchase of goods for resale and sale (except the activities listed in the Appendix. 2 and 3 Act No.455 / 91 Coll
 2. production and import of chemicals and chemical products classified as explosive, oxidizing, extremely flammable, highly flammable, flammable, highly toxic, toxic, carcinogenic, mutagenic or toxic for reproduction, dangerous for the environment, and sale of chemical products classified as highly toxic and toxic,
 3. production and sale of chemicals and chemical products classified as flammable, harmful, corrosive, irritant, sensitizing
6. Date of founding: 31. 7. 1995
Balance Sheet date: 31. 12. 2019
Financial statements date: 10. 3. 2020
7. List of the entities with more than 20% share in the core capital:
7800/10550 OQEMA AG, D – Schloß Straße 39, Korshenbroich, Federal Republic of Germany
2750/10550 Ing. Oldřich Zahradník, Havířov - Životice, Hraniční 18
8. Description of changes and additions made in the past fiscal year in the trade register:
On 22 November ended the function of company secretary Mr. Heinrich Eickmann. This fact was entered in the Trade Register on 9 December 2019.

On 13 May 2019 a pledge over the shares of OQEMA AG was erased.
9. Names and surnames of statutory bodies as of 31. 12. 2019:
Oldřich Zahradník, Ing. – executive head
10. The business entity falls within the category of a middle-sized entity.

11. Organization Structure applicable as of 31. 12. 2019:



12. The accounting entity does not have a branch abroad.

13. The title and address of the companies in which the entity has more than 20% of the share capital:

OQEMA, s. r.o.

Share amount:	70%
Registered office:	Kalinciaka 5, Prievidza, Slovakia
Amount of equity as of 31. 12. 2019:	949 thousand EUR
Economic result for the year 2019:	122 thousand EUR

PPD CHEMICALS s. r.o.

Share amount:	100%
Registered office:	Těšínská 222, Šenov
Amount of equity as of 31. 12. 2019:	252 thousand. Kč
Economic result for the year 2019:	- 2 thousand. Kč

14. Consolidating accounting entity:

The Company is the parent company of the group, which includes the above-mentioned companies and the attached Financial Statements have been prepared as separate. The consolidated Financial Statements have been prepared according to international accounting standards by the parent company OQEMA AG with its registered office in Schloß Straße 39, Korshenbroich, Federal Republic of Germany. According to the Czech accounting regulations, the company has an exemption to prepare the consolidated Financial Statements in accordance with the Czech law; however, the consolidated Financial Statements of the parent company will be published in the Commercial Register.

15. Core capital OQEMA, s.r.o.:

OQEMA AG	78 000 thousand CZK
Ing. Oldřich Zahradník	27 500 thousand CZK

The company's share capital is fully paid.

II. Information about the accounting methods, general accounting principles and valuation methods

In the course of the accounting period, which is a calendar year, the accounting was based on matters that are subject to accounting so as to comply with the principle of accrual. When accounting was applied, the accounting methods stipulated by the accounting method primarily of fair presentation and going concern were applied.

1. Fixed assets:

Assessment method:

- of tangible fixed assets (DHM) and intangible assets (DNM), DHM and DNM created through the entity's own activities
- of securities, equity investments

DHM and DNM are stated at purchasing costs, which include the acquisition costs, transport costs and other related costs, interest on loan is not part of the cost. Assessment of DHM and DNM is reduced by subsidies from the state budget. Costs of technical appreciation of assets increase their acquisition cost, repair and maintenance of assets is expensed.

DHM and DNM created by the entity's activity are evaluated by their own costs.

Securities and investments are valued at acquisition cost, and once a year the amount of equity investments are revalued using the equity method, which is the basis for the revaluation of the equity capital of the company. Revaluation is recognized in equity as a revaluation of assets and liabilities.

Method of determining depreciation schedules

Depreciation of assets is calculated based on the purchase price and the estimated useful life of the asset.

Following the Accounting Act (no. 563/1991 Coll.), On Decree no. 500/2002 Coll., Czech accounting standards for businesses and Act no. 586/1992 Coll., On income taxes, as amended, a depreciation schedule for depreciation of tangible fixed assets, intangible fixed assets and small tangible fixed assets, which has been archived since the day of the Company's inception.

The depreciation schedule is created for buildings, tangible fixed assets with the purchase value over CZK 20 thousand and for intangible assets with purchase value over CZK 60 thousand. No depreciation schedule is created for land.

The annual depreciation rate is determined by the ratio of input price and length of depreciation. The length of the amortization accounting is not applied in the same way as the length of depreciation for tax purposes, accounting and tax depreciation are therefore equal.

Method of determining the replacement cost for assets valued at this price and acquired during the reporting period

The replacement cost has not been applied in the accounting period 2018.

Service life / depreciation period of asset groups:

Asset group	Depreciation period in years
Buildings, halls, structures	10-30
Machines, instruments and equipment	3-10
Vehicles	3-8
Tanks, filling of chemicals	10-20
Fixtures	2-5

2. Stock:

Purchased inventories are valued at acquisition cost, which includes the cost of inventories, including incidental costs of acquisition-related costs (freight, customs, etc.).

Products and work in progress are valued at their own planned cost according to processed calculations.

The price of goods and work in progress includes direct material costs, labour costs of production personnel and overhead costs (mainly the auxiliary material, amortization costs of returnable packaging, operation costs of handling technology).

Allowance for slow moving and obsolete inventory or otherwise impaired inventory is recognized based on the evaluation of turnover and individual evaluation of inventories.

3. Receivables:

Receivables are stated at their nominal value upon creation. Purchased receivables are stated at acquisition cost. In the case of doubtful receivables, the value is reduced through provisions, which are charged to expenses.

In 2019 a lump allowance had been created against receivables in the amount of 2 % from the value of the receivables against which an individual accounting allowance had not been created, from the non-insured part of these allowances.

Unbilled active accounts are valued on the basis of expert estimates and calculations.

OQEMA, s.r.o.

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4

4. Equity:

The share capital is recognized at the amount recorded in the Commercial Register.

5. External Resources:

Accounting or statutory reserves were not created in 2018.

Long-term and short-term liabilities are stated at their nominal values.

Unbilled estimated liabilities were valued on the basis of expert estimates and calculations.

6. Leasing:

The leased assets have been charged so that the individual lease payments are included in the cost paid by a previously been deferred.

7. Foreign exchange operations:

Valuation of assets and liabilities in foreign currencies is performed according to § 24 par. 7 of the Accounting Act. During the reporting period assets and liabilities were translated at the fixed rate based on the current exchange rate of the Czech National Bank effective on the last day of the previous month. At the balance sheet date, the balances of assets and liabilities denominated in foreign currencies are translated using the exchange rate applicable to the CNB's balance sheet date and the differences were accounted nominally.

8. Use of estimates:

The estimates and assumptions that affect the reported amounts of assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses for the reporting period, were determined by the company's management on the basis of all the relevant information available. Nevertheless, as it is apparent from the nature of estimates, the actual results in the future may differ from these estimates.

9. Accounting for revenues and expenses:

Revenues and expenses are accounted on accrual basis, i.e. in the period to which they relate.

10. Income Tax:

The income tax is calculated according to applicable tax rate from the accounting profit increased or decreased by permanently or temporarily tax-deductible expenses and non-taxable income (e.g. non-deductible provisions and allowances, entertainment expenses, differences between book and tax depreciations, etc.). Also, items decreasing the tax base (donations), deductibles and discounts on income tax are taken into account.

The deferred tax liability reflects the net tax effects of temporary differences between the carrying values of assets and liabilities for financial reporting purposes and the amounts of income tax with respect to the time of implementation.

11. Subsidy:

Prescriptions of subsidies are accounted at the moment of their acceptance or finding unquestionable entitlement to its acceptance. Operating grants received to cover costs are charged to operating or financial revenues. Investment subsidies received for the acquisition of fixed assets reduces the acquisition value of the property.

12. Significant events after the balance sheet date:

In order to refine the information provided in these financial statements a change in reporting large volume chemical dispensers in the Balance Sheet of 2019 had been made: from position C.I.3.1 Products to position C.I.2. Unfinished produce and intermediate products in the total value of CZK 7 796 thousand. Due to this fact, a correction of the previous period had been made as well, in the amount of CZK 9 682 thousand.

In the Profit and loss statement there has been a change in the reporting of costs on the sale of packaging materials from position F.2. Materials sold to A.1. Costs of sold goods in the total amount of CZK 2 446 thousand. Due to this fact, a correction of the previous period had been made as well, in the amount of CZK 2 675 thousand.

Besides the above stated there had not been any substantial changes in valuation, depreciation and accounting methods.

13. Significant events after the date of the Financial statements:

After the date of the financial statements until the date of the compiling of the financial statements there had not been any significant events that would affect the results reported in the 2019 financial statements.

The financial statement as per 31 December 2019 was compiled with the presumption of an uninterrupted continuity of the company. The attached financial statements therefore contain no amendments that could issue from this insecurity.

Financial statement of the company

III. Additional information on the balance sheet and profit and loss statement

1. Fixed assets:

a) Overview of assets listed in the balance sheet:

Intangible assets (in thousands of CZK)	Purchase price					Accumulated depreciation				
	opening balance	increase	decrease	transfer	closing balance	opening balance	increase	decrease	transfer	closing balance
Software	19 151	272	-644	0	18 779	-17 482	-881	644	0	-17 719
Royalties	26	0	0	0	26	-26	0	0	0	-26
Other long-term intangible assets	223	0	-34	0	189	-223	0	34	0	-189
Intangible fixed assets under construction	0	0	0	0	0	0	0	0	0	0
Total 2019	19 400	272	-678	0	18 994	-17 731	- 881	678	0	-17 934
Total 2018	23 888	1 966	-6 455	0	19 400	-21 901	- 934	5 104	0	-17 731

Tangible assets (in thousands of CZK)	Purchase price					Accumulated depreciation				
	opening balance	increase	decrease	transfer	closing balance	opening balance	increase	decrease	transfer	closing balance
Lands	13 350	0	0	0	13 350	0	0	0	0	0
Constructions	193 667	1 915	-4 654	2	190 930	-36 145	-6 460	1 125	0	-41 480
Machinery and equipment	75 212	8 699	-4 398	0	79 513	-51 957	-6 272	4 396	0	-53 833
Adjustment to acquired assets	8 968	0	0	0	8 968	-6 577	-599	0	0	-7 176
Tangible fixed assets under construction	9 965	16 828	-4 063	-2	22 728	0	0	0	0	0
Total 2019	301 162	27 442	-13 115	0	315 489	-94 679	-13 331	5 521	0	-102 489
Total 2018	291 101	19 901	-1 120	-8 720	301 162	-82 667	-13 082	1 070	0	-94 679

Long-term financial assets	Purchase price				
	opening balance	increase (after revaluation by equivalent)	decrease (after revaluation by equivalent)	transfer	closing balance
Total 2019	16 933	193	-2	0	17 124
Total 2018	12 316	4 619	-2	0	16 933

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7

The accounting entity records the assets off balance sheet not detected in the balance sheet and at a total amount of 7 587 thousand. CZK.

- b) List of tangible fixed assets that are pledged:
There is no lien burden with any property
- c) Assets under operating leases
On the basis of the contract of lease of movable assets, the company has leased 25 personal cars. On the basis of the leasing contract with subsequent purchase of the leased asset the entity has leased 4 vehicles and 8 forklifts. These assets are recorded in memorandum accounts.

2. Inventory

Inventories	31.12.2019
Materials	4 138
Work-in-progress and semi-finished products	8 911
Finished products	64 458
Goods for resale	1 741
Advances paid for inventories	284
TOTAL brutto	79 532
Adjustment for products	-235
TOTAL netto	79 297

On the balance sheet date, as a result of physical inventories, a provision was made for a diminution of inventory to the amount of 235 thousand. CZK.

3. Receivables:

The manner of determination of provisioning and reserves for assets:

Provisions for receivables were created for outstanding receivables according to the current wording of Act 593/1992 Coll.

In 2019, adjustments were created for receivables from debtors in bankruptcy proceedings amounting to CZK 52 thousand, while adjustments for receivables from debtors in bankruptcy proceedings totaling CZK 1 626 thousand were dissolved. Receivables from debtors after the completion of bankruptcy proceedings in the amount of CZK 1 563 thousand were written off.

Adjustments were created for other overdue receivables in the amount of CZK 289 thousand, out of which CZK 130 thousand as the tax adjustments and CZK 159 thousand as the accounting adjustments. The accounting adjustments amounting to CZK 122 thousand were abolished, out of which CZK 70 thousand as the tax adjustments and CZK 52 thousand as the accounting adjustments.

As per 31 December 2019 a lump allowance in the amount of 2 % had been created against receivables to which an individual accounting allowance had not been created, from the non-insured part of these allowances. The total amount of this allowance is CZK 1 217 thousand.

As per 31 December 2019 the allowances had been revalued by the exchange rate of the Czech National Bank (ČNB) as of 31 December 2019; this revaluation is in the amount of -292 thousand CZK (reduction of the value of the allowances), the change of the revaluation compared to 31 December 2018 is -54 thousand CZK, which means an overall reduction of the allowances by this sum.

The total amount of the allowances as per 31 December 2019 is CZK 9 790 thousand, the total value of the allowances as per 31 December 2018 was CZK 10 034 thousand. The reduction of the allowances in 2019 was CZK 244 thousand.

In 2019 there was a write-off of receivables from debtors after the conclusion of a bankruptcy in the amount of CZK 1 563 thousand.

The total amount of short-term trade receivables (account no 311):

Gross amount	155 848	thous.CZK
Adjustments	9 790	thous.CZK
Net amount	146 058	thous.CZK
Including receivables within the group	2 821	thous.CZK

Time structure of receivables (In gross amount):

Pre-maturity receivables	123 490	thous.CZK
Amounts up to 30 days overdue	21 308	thous.CZK
Amounts up to 90 days overdue	1 792	thous.CZK
Amounts up to 180 days overdue	596	thous.CZK
Amounts up to 360 days overdue	13	thous.CZK
Amounts over 360 days overdue	44	thous.CZK
Inc. claims against debtors in banks and insolvency pr.	7 901	thous.CZK

Receivables with a maturity of more than 5 years are not recorded by the company.

4. Financial accounts:

The Company has an overdraft account with KB allowing her to draw a loan to the amount of 20 000 thous. CZK. As of 31 12. 2019 tis amounted to a negative balance of 2 826 thous. CZK (by 31 12. 2018 it amounted to 7 904 thous.CZK), it is distributed in the reported short-term bank loan.

5. Accrued assets:

Prepaid expenses primarily include lease payments paid in advance and are accounted for in the period in which they were earned.

6. Equity:

Statement of changes in equity is a separate annex to the financial statements.

The differences from revaluation are a recognized impact of the revaluation of investments in subsidiaries.

The 2018 income statement was converted to retained earnings from previous years.

7. Provisions:

In 2019 the company had established a provision in lieu of leave in the amount of CZK 962 thousand.

8. Long-term liabilities:

A deferred tax liability of CZK 5 thousand is reported as a long-term liability. Bank loans are also included under long-term liabilities – more under Item 11.

9. Short-term liabilities:

Total current liabilities – trade payables (account no. 321):

Amount:	86 568	thous.CZK
Incl. liabilities in the group:	4 574	thous.CZK

Time structure of liabilities:

Pre-maturity liabilities	77 463	thous.CZK
Amounts up to 15 days overdue	8 935	thous.CZK
Amounts up to 30 days overdue	170	thous.CZK

The company does not have liabilities with a maturity of more than 5 years overdue.

Amount of liabilities towards Social security and health insurance as of 31. 12. 2019:

OSSZ	1 282	thous.CZK
ČPZP	102	thous.CZK
VZP	281	thous.CZK
RBP	48	thous.CZK
OZP	71	thous.CZK
MiV	63	thous.CZK
Voj.ZP	23	thous.CZK

All of the above commitments have been paid by the deadline of 31. 1. 2020.

By the date of submission of financial statements prepared as of 31. 12. 2019, the entity does not recognize any obligations to the state budget or the authorities of pension and health insurance that would cover liabilities outstanding at the balance sheet date.

10. Subsidy:

The company draws a subsidy from the State Environmental Fund (SFŽP), Operational programme Remediation of old environmental burdens within the premises of EURO-Šarm, warehouse Pilsen - South.

OQEMA, s.r.o.

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IČ | ID: 63988186, DIČ | VAT: CZ63988186

IBAN: CZ32 0100 0000 0000 2150 7791

SWIFT / BIC: KOMBCZPPXXX

10

During 2019 the business entity had accounted the drawing of the subsidy in the amount of CZK 13 632 thousand, of which an 327 thousand was an operation subsidy and CZK 13 305 thousand an investment subsidy.

11. Bank loans:

The company has concluded such credit arrangements:

- Framework Services Agreement with Komerční banka a.s., which is determined by a credit line to the amount of 130 000 thous. CZK the contract was concluded on 18 November 2014, the last amendment to this agreement was concluded on 13 November 2019, maturity date obligation under this contract is:
 - overdraft credit amounting to 20 000 thous. CZK payable by 13. 11. 2020, amount used by 31. 12. 2019 – 2 826 thous. CZK,
 - revolving loan up to 120 000 thous. CZK payable by 13. 11. 2021, amount used by 31. 12. 2019 - 25 000 thous. CZK,

Loans are secured by a blank bill of the company, and pledged receivables as well as a Letter of Comfort issued by Overlack AG as collateral for this framework agreement on the loan.
 - A contract for the provision of credit for investment total 61 000 thous. CZK the date of signing the contract was 10. 9. 2014, the loan balance on 31 12. 2019 was 19 000 thous. CZK (as a short-term part was 7 000 thous. CZK), the loan maturity is 31.7. 2021. The loan is secured by a blank bill of company and at the same time was exposed a Letter of Comfort by Overlack AG was issued as collateral for a loan
- The interest expense related to credit institutions in 2019 amounted to CZK 1 938 thousand (CZK 2 154 thousand in 2018). The interest was reflected in the financial result.

12. Other liabilities:

In the deferred income as per 31 December 2019 the company reported a received compensation for an insured event that will be liquidated in 2020.

13. Income from ordinary activities::

(in thous. CZK)

Type of activity	TOTAL		Inland		Abroad	
	2018	2019	2018	2019	2018	2019
Sales of products	795 501	777 788	728 503	708 644	66 998	69 144
Sales of services	8 450	8 280	5 916	6 034	2 534	2 246
Sales of goods	416 770	377 900	401 767	363 623	15 003	14 277
Other incomes	3 682	2 488	3 632	2 454	50	34
Total	1 224 403	1 166 456	1 139 818	1 080 754	84 585	85 702

Financial statement of the company

In the accounting period of 2019 no expenditures were incurred on research and development.

Transactions with related parties:

In 2019 OQEMA did business with related entities in these amounts:

Transactions with related parties (in thous. CZK)	Sale of goods and products	Sale of services	Purchase of goods and material	Purchase of services
OQEMA AG (D)		19		1 766
OQEMA GmbH (D)			13 663	
OQEMA, s.r.o. (SK)	38 150	440	4 405	5
OQEMA Sp. z o.o. (PL)	13		273	
OQEMA UAB (LT)	354			
OQEMA LTD (GB)			3 840	
OQEMA London Ltd. (GB)			1 049	
OQEMA EOOD (BG)			33	
OQEMA d.o.o. (SL)	131		355	
OQEMA N.V. (BE)	24			
OQEMA RO s.r.l. (RO)	47		2 071	
Novochem Kft. (H)	610	5	48	
OQEMA Contract GmbH (D)			1 112	
OQEMA Rotterdam B.V. (NL)			76	
CELKEM	39 329	464	26 925	1 771

In 2019 the company had accepted a dividend in the amount of CZK 1 803 thousand from the daughter company of OQEMA, s.r.o.

These transactions were concluded under normal market conditions.

14. Payable tax:

The payable income tax is provided as follows:

Tax payable	2019
Profit before tax	32 578
Net adjustment to the tax base	3 133
Tax base	35 711
Tax liability before discount	6 785
Tax relief	- 36
Tax liability (cost)	6 749

In the Balance sheet, the liability from the title of the income tax in the amount of CZK 6 749 thousand had been compensated against the advance payments in the amount of CZK 7 020 thousand. The balance of advances in the amount of CZK 271 thousand was reported in on the position C.II.2.4.3 – State's tax claim.

15. Deferred Tax:

The Company quantified the deferred taxes as follows:

Reason for deferred taxes	Deferred tax receivable	Deferred tax liability
Residual value of assets		654
Adjustments for inventory	45	
Adjustments for receivables	262	
Outstanding premiums	159	
Unpaid fines	183	
		5

The company had recognised a deferred tax liability in the amount of CZK 5 thousand.

16. Overview of cash flow, Statement of changes in equity:

The company had compiled the cash flow overview using the indirect method. The cash flow overview is a separate part of the Financial statements.

17. The amount of personnel costs and data on the number of employees:

	Persons	Persons	Personnel costs (in thous.CZK)	Personnel costs (in thous.CZK)
Item / year	2018	2019	2018	2019
Average number of employees	100	101	70 113	74 105
Including: members of management bodies	7	7	10 118	10 153

The contribution to Pension insurance totaled CZK 369 thous.

Remuneration of statutory bodies:

Period	2018	2019
Amount (in thous. CZK)	0	0

Statutory authorities were not provided loans, guarantees or other benefits in cash or in other natural form.

The managers were provided with cars also for their private use, their total purchase price is CZK 3 295 thousand.

In Šenov on 10 March 2020



On behalf of OQEMA, s.r.o.


Ing. Oldřich Zahradník, Company Secretary

Cash flow Přehled o peněžních tocích	IČ: 63988186
k / as at 31.12.2019 (v tis. Kč) (in TCZK)	Obchodní firma a sídlo účetní jednotky Name and official seat of the accounting entity OQEMA, s.r.o. Těšínská 222 739 34 Šenov

označ. Ident.	obsah Contents	sledované období/ Year částka / Amount	minulé období/ Prior period částka / Amount
P.	Stav pen. prostředků a pen. ekvivalentů na začátku účetního období <i>Cash and cash equivalents at the beginning of the accounting period</i>	4 558	16 833
Peněžní toky z hlavní výdělečné činnosti (provozní činnost) Cash flows from ordinary activities			
Z.	Účetní zisk nebo ztráta před zdaněním <i>Net profit / (loss) on ordinary activities before taxation</i>	32 578	32 703
A.1.	Úpravy o nepeněžní operace (součet A.1.1. až A.1.6.) <i>Adjustments for non-cash transactions (figures A.1.1. to A.1.6.)</i>	14 834	17 367
A.1.1.	Odpsy stálých aktiv s výjimkou zůstatkové ceny prodaných stálých aktiv a dále umořování oceňovacího rozdílu k nabytému majetku a goodwillu <i>Depreciation of fixed assets, excluding net book value of fixed assets sold, and amortization of adjustment to acquired fixed assets</i>	14 212	14 017
A.1.2.	Změna stavu opravných položek a rezerv <i>Change in provisions for assets and future liabilities and charges</i>	478	1 310
A.1.3.	Zisk (ztráta) z prodeje stálých aktiv (jejich vyúčtování do výnosů či nákladů) <i>Profit (loss) from disposal of fixed assets (adjustments to expenses or revenues)</i>	9	-148
A.1.4.	Výnosy z podílů na zisku <i>Income from dividends and shares in profit</i>	-1 803	0
A.1.5.	Vyúčtované náklady, úroky s výjimkou úroků zahrnovaných do ocenění dlouhodobého majetku, a vyúčtované výnosové úroky <i>Net interest income (expense), excluding capitalised interest</i>	1 938	2 154
A.1.6.	Případné úpravy o ostatní nepeněžní operace <i>Other adjustments for non-cash transactions</i>	0	34
A.*	Čistý peněžní tok z provozní činnosti před zdaněním a změnami pracovního kapitálu (Z. + A.1.) <i>Net cash flows from ordinary activities before tax, changes in working capital and extraordinary items (Z. + A.1.)</i>	47 412	50 070
A.2.	Změny stavu nepeněžních složek pracovního kapitálu (A.2.1. až A.2.4.) <i>Change in working capital (A.2.1. to A.2.4.)</i>	10 439	13 261
A.2.1.	Změna stavu pohledávek z provozní činnosti, aktivních účtů časového rozlišení a dohadných účtů aktivních <i>Change in receivabl. from ordinary activities, accruals, prepayments and estimat. receivables</i>	29 177	-9 775
A.2.2.	Změna stavu krátkodobých závazků z provozní činnosti, pasivních účtů časového rozlišení a dohadných účtů pasivních <i>Change in short-term payables from ordinary activities, accruals and estimated payables</i>	-29 143	31 098
A.2.3.	Změna stavu zásob <i>Change in inventories</i>	10 405	-8 062
A.**	Čistý peněžní tok z provozní činnosti před zdaněním (A.* + A.2.) <i>Net cash flows from ordinary activities before tax and extraordinary items (A.* + A.2.)</i>	57 851	63 331
A.3.	Vyplacené úroky s výjimkou úroků zahrnovaných do ocenění dlouhodobého majetku <i>Interest paid, excluding capitalized interest</i>	-1 938	-2 154
A.5.	Zaplacená daň z příjmů a za doměrky daně za minulá období <i>Corporate income tax on ordinary activities paid and additional tax payments for previous tax periods</i>	-7 049	-7 331
A.***	Čistý peněžní tok z provozní činnosti (A.** + A.3. + A.4. + A.5.) <i>Net cash flows from ordinary activities (A.** + A.3. + A.4. + A.5.)</i>	48 864	53 846

Financial statement of the company

označ. Ident.	obsah Contents	sledované období/ Year částka / Amount	minulé období/ Prior period částka / Amount
Peněžní toky z investiční činnosti Cash flows from investing activities			
B.1.	Výdaje spojené s nabytím stálých aktiv <i>Acquisition of fixed assets</i>	-20 129	-11 746
B.2.	Příjmy z prodeje stálých aktiv <i>Proceeds from sale of fixed assets</i>	0	148
B.4.	Přijaté podíly na zisku <i>Income from dividends and shares in profit</i>	1 803	0
B.***	Čistý peněžní tok vztahující se k investiční činnosti (B.1. až B.4.) <i>Net cash flows from investing activities (B.1. to B.4.)</i>	-18 326	-11 598
Peněžní toky z finančních činností Cash flows from financing activities			
C.1	Dopady změn dlouhodobých závazků, popř. takových krátkodobých závazků, které spadají do oblasti finanční činnosti (například některé provozní úvěry) na peněžní prostředky a peněžní ekvivalenty <i>Change in long-term and short-term liabilities (financing activities)</i>	-28 078	-54 523
C.***	Čistý peněžní tok vztahující se k finanční činnosti (C.1. + C.2.) <i>Net cash flows from financing activities (C.1. + C.2. + C.3.)</i>	-28 078	-54 523
F.	Čisté zvýšení resp. snížení pen. prostředků (A.*** + B.*** + C.***) <i>Net increase / (decrease) in cash (A.*** + B.*** + C.***)</i>	2 460	-12 275
R.	Stav pen. prostředků a pen. ekvivalentů na konci účetního období (P + F) <i>Cash and cash equivalents at the end of the accounting period (P + F)</i>	7 018	4 558

Sestaveno dne: <i>Prepared on:</i>	10.03.2020
Podpis statutárního orgánu nebo fyzické osoby, která je účetní jednotkou <i>Signature of Statutory Representative or natural person who is accounting entity</i>	

PŘEHLED O ZMĚNÁCH VLASTNÍHO KAPITÁLU Equity overview						
Obchodní firma a sídlo účetní jednotky Name and official seat of the accounting entity OQEMA, s.r.o. Těšínská 222 739 34 Šenov IČ: 63988186						
ke dni/as at 31.12.2019 (v celých tisících Kč) (in TCZK)						
	Základní kapitál <i>Share capital</i>	Kapitálové fondy <i>Capital contributions</i>	Oceňovací rozdíly z přecenění majetku a závazků <i>Gains or losses from revaluation of assets and liabilities</i>	Výsledek hospodaření minulých let <i>Retained earnings</i>	Výsledek hospodaření běžného účetního období <i>Profit / (loss) for the current period (+ / -)</i>	Vlastní kapitál <i>Equity</i>
K 31.12.2017	105 500	31 000	786	94 996	31 748	264 030
<i>As at 31.12.2017</i>						
Převod výsledku minulého období <i>Profit (loss) carry-forward</i>	0	0	0	31 748	-31 748	0
Ostatní změny vlastního kapitálu <i>Other changes in equity</i>	0	0	4 617	0	0	4 617
Výsledek hospodaření běžného účetního období <i>Profit / (loss) for the current period (+ / -)</i>	0	0	0	0	26 269	26 269
K 31.12.2018	105 500	31 000	5 403	126 744	26 269	294 916
<i>As at 31.12.2018</i>						
Převod výsledku minulého období <i>Profit (loss) carry-forward</i>	0	0	0	26 269	-26 269	0
Ostatní změny vlastního kapitálu <i>Other changes in equity</i>	0	0	191	0	0	191
Výsledek hospodaření běžného účetního období <i>Profit / (loss) for the current period (+ / -)</i>	0	0	0	0	23 961	23 961
K 31.12.2019	105 500	31 000	5 594	153 013	23 961	319 068
<i>As at 31.12.2019</i>						
Sestaveno dne: Prepared on: 10.03.2020						
Podpis statutárního orgánu nebo fyzické osoby, která je účetní jednotkou Signature of Statutory Representative or natural person who is accounting entity						