

Annual Report
ZAPA beton SK s.r.o.
2018

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Company profile

The past and the present

ZAPA beton SK s.r.o., the leading producer of ready mixed concrete in Slovakia, was founded in 2001 as a wholly-owned subsidiary of ZAPA beton a.s., one of the largest producers of ready mixed concrete in the Czech Republic. The ZAPA beton Group is part of Germany's Dyckerhoff Group, which is included in the Italian holding Buzzi Unicem with global operations predominantly in production of cement and concrete.

2001: operation of 3 concrete mixing plants - in **Hlohovec, Skalica and Piešťany**.

2002: operation of 13 concrete mixing plants - in **Bratislava, Banská Bystrica, Nové Mesto nad Váhom, Humenné, Trebišov and Prešov**. In the same year, ZAPA beton SK s.r.o also acquired establishments in **Senica, Brezno, Rožňava and Michalovce** and expanded its scope of operations by acquiring ownership interests in ZAPA beton, s.r.o., Dyckerhoff Transportbeton Slovakia, s.r.o. and Slopanel Beton, seated in **Košice, Martin and Žilina**, respectively.

2003: refurbishment of concrete mixing plants in Michalovce and Brezno. ZAPA beton SK s.r.o. built and got approved new concrete mixing plants equipped with a recycling facility in Nové Mesto nad Váhom and in Piešťany. The plant in Piešťany was fitted with technology for heating up the aggregate and water for mixing concrete batches all year round.

2004: a new concrete mixing plant was built in Košice, which replaced the old plant, and a mixing concrete plant in Žilina underwent a major reconstruction. In cooperation with STRABAG s.r.o. the Company began to operate a mobile mixing concrete plant Stetter M2 in Trnava.

2005: a production facility acquired in **Most near Bratislava**. At the end of 2005, ZAPA beton SK s.r.o. joined the Slovak Association of Concrete Producers (SAVT).

In **2006**, ZAPA concrete SK s.r.o. was the second largest company in the Slovak Republic in terms of the production volume of ready mixed concrete. It is the only company operating plants in all Slovak regions.

In **2007**, the Company's turnover exceeded SKK 1 billion for the first time. This was partly due to its further expansion. Concrete mixing plants in Sereď and Banská Bystrica were partially reconstructed and, in addition to increased production capacity, they can maintain year-round operations. The plant in Sereď was also equipped with a new recycling facility. Following a complete refurbishment, the old concrete mixing plant at Most near Bratislava was relocated to a new plant in **Holíč**. Production was launched at a concrete mixing plant in **Trenčín**. The launch of a new plant in **Levoča** was a major success due to the installation of brand new efficient technology designed for year-round operation.

In **2008**, ZAPA beton SK s.r.o. became the largest producer of ready mixed concrete in the Slovak Republic according to the production volume. A refurbished concrete plant in Prešov was put into operation in the spring, equipped with technology for year-round operation. In 2008, ZAPA beton SK s.r.o. purchased a 100% ownership interest in SONDA, s.r.o. At the end of 2008, the Company owned 22 concrete mixing plants, of which 21 were in operation.

In **2009**, ZAPA beton SK s.r.o. relaunched production at the refurbished Hlohovec plant, which in the same year took the 3rd place in the national SAVT competition for "The most environmentally-friendly concrete mixing plant" evaluated according to ERMCO rules. In March 2009, the lease of the Trenčín plant came to an end and production was discontinued.

The Company's subsidiary, ZAPA BETON HUNGÁRIA Kft, in **2010** leased a mobile concrete mixing plant, which was operated at a gravel site compound. In January 2010, ZAPA beton SK, s.r.o. acquired a 33.3% ownership interest in EURO BETON, s.r.o.

2011 was affected by the global financial crisis and its impact on the Slovak construction industry. The adopted austerity measures resulted in additional lay-offs and temporary shut-downs of the Brezno and Skalica plants. The technology performance in the Michalovce plant was increased.

2012 saw a further decline in construction production, which totaled EUR 4,845.3 million, representing a drop of 12.5% year-on-year. All these factors affected the volume of ready mixed concrete production and ZAPA beton SK's financial results. The Company implemented new austerity measures and prepared for the sale of unused assets.

Despite the unfavorable developments in the construction sector in **2013**, ZAPA beton SK succeeded in increasing its production by nearly 22% year-on-year, in particular due to its participation in the construction of the Bory Mall in Bratislava and the construction of motorway sections in eastern Slovakia.

In 2013, ZAPA beton SK sold its ownership interest in EURO BETON, s.r.o. to another buyer and also sold its Brezno plant.

2014 was the year of the implementation of changes and restructuring of the ZAPA beton Group's companies. The first phase of the Shared Services Center project in Hranice na Moravě was completed and the center currently provides accounting and finance services for ZAPA beton SK s.r.o. In October 2014, SONDA, s.r.o. merged with ZAPA beton SK s.r.o.

The Company sold the Senica plant, shut down the plant in Martin and leased the plant in Holíč.

In **2015**, ZAPA beton SK s.r.o. followed up on the changes in the Company and the ZAPA beton Group and continued the implementation of Buzzi Unicem's standards in all areas, restructuring of the Company and mapping out and modification of corporate processes and rules.

The Company maintained a solid position on the Slovak market throughout 2015, boosted its production and increased the EBITDA indicator.

ZAPA beton SK s.r.o. launched a major project, "KOVV – All Involved in Quality and Business", across the Company, aimed at offering the best quality and state-of-the-art products and services tailored to customer requirements.

The Company won a tender for the supply of ready mixed concrete for one of the largest projects in the history of the ZAPA beton Group - the construction of a two-tube tunnel, bridges and roads as part of the construction of the D1 motorway near Žilina: Lietavská Lúčka - Višňové - Dubná Skala by the Italian company SALINI IMPREGILO. Concreting has already begun and will go on for 4 years.

In **2016**, the parent company ZAPA beton a.s. marked the 25th anniversary of its founding and Slovak ZAPA beton SK s.r.o. marked its 15th anniversary. We approached this important milestone as a challenge to continue to grow and improve the Company - we have set more ambitious goals in terms of production and quality. We focused on maintaining a significant position on the Slovak market. We pay increased attention to the quality of products and services and customer needs through the KOVV project. Our website has been redesigned. We have implemented new technology software and optimized the management systems of our concrete mixing plants.

Step by step we have been implementing changes in employee remuneration and we provide some new employee benefits.

The ZAPA beton Group has acquired a new Hungarian company operating a gravel site in Halasz.

2017 was a successful year for the ZAPA beton Group; the production volume of the whole group rose by 10% year-on-year. Growth was recorded in each region where the ZAPA beton Group operates, but Slovakia saw the fastest growth rate, primarily due to supplies of concrete for the construction of a two-tube tunnel, bridges and roads as part of the construction of the D1 motorway near Žilina: Lietavská Lúčka - Višňové – Dubná Skala by the Italian company SALINI IMPREGILO.

At the end of 2017, the Company signed another major contract with D4R7 for supplies for the construction of the Bratislava ring road, scheduled to commence in the first half of 2018 and to continue for 30 months.

ZAPA beton SK s.r.o continued to implement Group processes and standards and new software in technology, transport and production controls. The Company's restructuring was completed. Optimization of the production plants network resulted in increased labor productivity and profitability per production unit.

The Company's NEMO project continued with a marketing campaign, and we also focused on customer perception of this project as added value for all.

We are proud to be able to provide a special product for any application and, if necessary, we can design a special "tailor-made" product.

2018 was the year in which we commenced the supplies for another major transport project in Slovakia – D4 Jarovce – Rača motorway section and R7 Bratislava Prievoz – Holice sections as part of the Bratislava ring road, the supplies totaled EUR 197,000 million. We built a mobile concrete mixing plant Rapid, which totaled 3m³, and refurbished a concrete mixing plant at Most near Bratislava.

The 2018 production volume again exceeded half a million m³ and for the third year in a row we were the largest producer of ready mixed concrete in the Slovak Republic.

ZAPA beton SK s.r.o. also supplies **aggregates**, which are the raw material needed for the production of ready mixed concrete. In 2002, the Company began to operate a gravel site in Drahovce - Madunice. In late 2006, the extraction of gravel in the Drahovce mining area was terminated and the operation, including machinery, was relocated to a newly opened gravel site in Považany. Gravel extraction in Považany was terminated as at 31 December 2011 and another gravel site commenced production in Ducov.

Through its subsidiary SONDA, s.r.o. the Company operates a gravel site at Most near Bratislava and through its Hungarian subsidiary ZAPA BETON HUNGÁRIA Kft. a gravel site in the Hungarian town of Zsujta.

Gravel extraction in Zsujta, Hungary, was halted in 2018; and we started gravel extraction in the Halaszi gravel site.

In our plants **we implement and maintain the Quality Management System** complying with the requirements of the STN EN ISO 9001 standard. As at 31 December 2014, the QMS had been implemented in 12 operations and the administration. In 2015, the Hlohovec and Sered' plants and the administration were awarded the quality certificate EN ISO 14001:2004.

In 2016, after shutting down the operation of the Levoča plant, the quality management system was implemented at 11 production plants.

In respect of the Quality Management System, 2017 was a year of its expansion. Two more production plants were awarded ISO 9001 and 14001 certificates - mobile concrete mixing plants Višňové and Dubná Skala.

In 2018 the recertification and extension of scope of operations included in the quality management system were carried out in compliance with ISO:2015. At present, 17 concrete mixing plants and also the gravel sites in Most near Bratislava and in Ducov have been awarded the ISO:2015 quality certificate. In 2018 the recertification and extension of scope of environmental management system were carried out in compliance with ISO 14001:2015. At present, the following concrete mixing plants have been awarded ISO 14001:2015 certificates: Bratislava, Hlohovec, Sered', Višňové and Dubná Skala.

The Company consists of the administration headquarters seated in Bratislava and production centers across Slovakia.

The Company has no foreign branch.

Company shareholders

Distribution of ownership interests as at 31 December 2018:

ZAPA beton, a.s.	99.957%
Cement Hranice, akciová spoločnosť	0.043%

Statutory bodies

Statutory Representatives:

Marco Duranda	as of 6 May 2014
Andrej Hrabovský	as of 6 May 2014

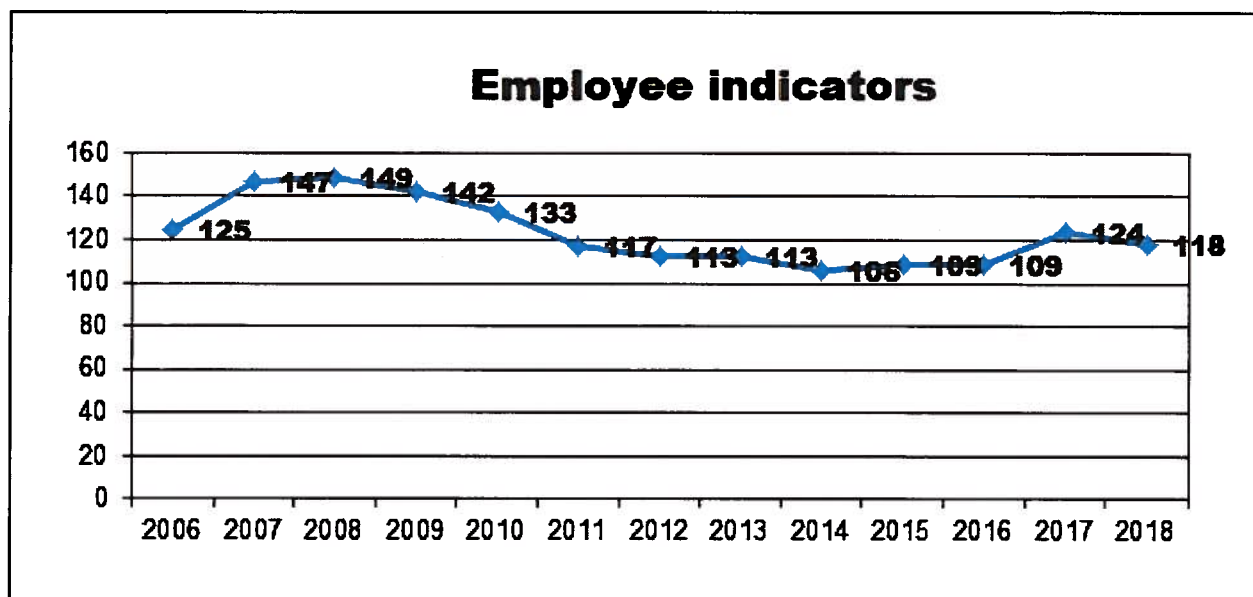
Company management

Marco Duranda	CEO
Andrej Hrabovský	Regional Manager

Company identification information

Business name:	ZAPA beton SK s.r.o.
Business registration No. (IČO):	35 814 497
Tax Identification No. (DIČ):	SK2020283573
Registered office:	Vajnorská 142, P.O. Box 99, 830 00 Bratislava
Telephone:	+421 2 49105411
Fax:	+421 2 49105420
Http:	www.zapa.sk
E-mail:	zapa@zapa.sk
Date of incorporation:	18 June 2001
Legal form:	limited liability company
Registered capital:	EUR 11,859,396
Scope of business:	

- -production and sale of concrete mixtures (ready mixed concrete)
- -advertising and promotional activities
- - purchase of goods for resale to final consumers (retail)
- - purchase of goods for resale to other trades (wholesale)
- - mediation of purchase, sale and lease of real estate
- - lease of properties with the provision of ancillary services
- - administrative work
- - factoring and forfaiting
- - lease of motor vehicles
- - brokerage
- - advisory related to the scope of business
- - mining activities pursuant to Section 2 b/, c/, d/, e/ and Section 3 s/ of Act No. 51/1998 Coll., on Mining, Explosives, and on State Mining Administration, as amended by Act No. 499/1991 Coll., Act No. 154/1995 Coll., and Act No. 58/1998 Coll., to the extent of the mining license No. 1004/2002 issued by the District Mining Office in Bratislava on 17 April 2002
- - intra-state road freight transport
- - manufacture of concrete construction components
- - manufacture of concrete products



Information on the environmental impact of ZAPA beton SK's operations

Production of ready mixed concrete is an activity that has generally little impact on the environment. Nevertheless, due attention should be paid to this area, because inadequate care during multiple operations related to the production of concrete may result in adverse effects on the environment.

In well-maintained concrete mixing plants, the key areas of environmental impact are under constant surveillance. Monitored factors include noise, vibration, air, waste management and general cleanliness. It is also important to reduce water pollution and thus improve the quality of discharged wastewater.

Company management has set an environmental policy where the key strategy is maximum environmental protection. To achieve this target, the Company is committed to monitoring and meeting all binding legal requirements and to closely collaborating and actively communicating with all stakeholders. Continuous improvement of the environmental protection efficiency is achieved by using the latest available technologies, the expertise of Company and external experts and technical equipment to ensure a dust-free and waste-free production cycle at all concrete mixing plants.

In 2018, the costs incurred in connection with environmental protection amounted to * EUR 180,579.

Investments related to environmental protection** in 2018 amounted to EUR 12,877.

In 2006, the Trebišov plant placed third in the national competition for the most environmentally-friendly concrete mixing plant, the Levoča plant took the top place in 2007, and the Prešov plant took the 2nd place in 2008.

In 2009, the Hlohovec plant placed 3rd in the same competition.

**The costs related to environmental protection are expenses which in the production process result in the improvement or maintenance of the environmental conditions, i.e. incurred for protection against emissions, waste disposal, water protection, noise and dust reduction, etc.*

***Investments related to environmental protection are investments aimed to improve or maintain the environmental conditions.*

Research, development and technology

Concrete is presently the most used construction material. Due to its availability and properties it facilitates rapid and efficient construction of increasingly technically and architecturally complex engineering projects. Broad applications of concrete in environments with stringent requirements in respect of strength and frost or chemical resistance are made possible by the composition of concrete and technological discipline in its production and processing. The use of suitable types of cements, admixtures and effective additives helps compensate for financial, energy and environmental demands of the production of various components of concrete.

Concrete mixing plants of ZAPA beton SK offer customers a wide range of products that are used for the construction of structures concreted at the building site, assembled structures and precast structural parts in all segments of building construction and civil engineering. These products comprise standard concretes of specified strength and environment classes, light concrete, self-compacting concrete, sprayed concrete, concrete for cement-concrete road paving, hydraulically bound and unbound mixtures for base layers, and the like. In addition, selected concrete mixing plants also produce self-leveling screeds from calcium sulfate (anhydrite) and cement.

Gravel sites of ZAPA beton SK and its subsidiaries extract, crush and sort aggregates for different purposes in line with the requirements of their customers.

All products are manufactured in compliance with applicable state technical standards (STN) and are marketed in accordance with applicable legislation.

Based on an analysis of customer needs, ZAPA beton SK in 2017 has launched a **NEMO** project, which aims to expand the range of products offered to include products the composition and properties of which are more closely linked to customer needs. **NEMO - New Evolutionary Materials for InnOvations** also allows to apply processes for manufacturing and utilization of concrete that ultimately increase labor efficiency and reduce the time needed for specific stages. We endeavor to inform the professional public about this project, new materials and their benefits at lectures organized by professional associations, open-house events, participation in construction fairs, etc.

To ensure the activities pursuant to Act No. 133/2013, on Construction Products, and Decree of the Ministry of Transport, Construction and Regional Development of the Slovak Republic No. 162/2013, establishing a list of construction product groups and parameter assessment systems, in 2017 the Company spent EUR 26,014 on the certification and recertification of the concrete and aggregate production management systems and on the activities related to research and development in the field of concrete production.

Currently ZAPA beton SK s.r.o. operates a testing laboratory in Žilina, where it performs control tests of products manufactured and used at the Company's plants.

We perform testing of hardened concrete samples in terms of their compressive strength according to STN EN 12390-3 *Testing of hardened concrete. Part 3: Compressive strength of test bodies*, depth of pressure water leakage according to STN EN 12390-8 *Testing of hardened concrete. Part 8: Depth of pressure water leakage*, absorbency according to STN 73 1316 *Determining moisture content, absorbency and capillarity of concrete*.

The compressive strength of bound mixtures is tested according to STN EN 13286-41 *Non-bound and hydraulically bound mixtures. Part 41: Test method for determining the compressive strength of hydraulically bound mixtures*.

Until the test date, all samples are stored in an air-conditioned chamber which meets the set standard treatment conditions.

Grain tests of aggregate fractions are performed according to STN EN 933-1 *Tests for determining geometric characteristics of aggregate. Part 1: Determining granularity. Site analysis*, fine grain quality assessment according to STN EN 933-8 *Tests for determining geometric characteristics of aggregate. Part 8: Assessment of fine grains. Sand equivalent* and STN EN 933-9 *Tests for determining geometric characteristics of aggregate. Part 9: Assessment of fine grains. Methylene blue test*.

In addition, the testing laboratory assesses the application of new components for the production of concrete that may be qualitatively or financially more viable. In laboratory conditions we can objectively compare the qualitative parameters of similar materials from multiple suppliers and ensure that our customers' requirements concerning the properties of the supplied products are met.

In 2018, our own testing laboratory's quantifiable performance amounted to EUR 251,672 (in 2018, 14,265 tests of test bodies were performed for compressive strength amounting to EUR 71,325, 361, site analyses worth EUR 9,025), and other tests.

Exposure to material risks and uncertainties

ZAPA beton SK s.r.o. has not identified any exposure to material risks and uncertainties.

Subsequent events

Between 31 December 2018 and the date on which the financial statements were authorised for issue, no events occurred that might have a significant effect on the Company's assets and liabilities, except for those resulting from ordinary course of business.

Projected business development

It should be noted that we still have a lot of work ahead of us in order to achieve the originally set goals, despite all the changes introduced and processes set in recent years.

Workplace safety is one of the key points in terms of the company development sustainability that we wish to focus on in 2019. Our goal is to reduce the number of occupational injuries to an absolute minimum.

The new project NEMO (New Evolutionary Materials for InnOvations) starts to deliver positive results; we offer our clients increasingly efficient solutions through selling them our special products. In the future, ZAPA will focus mainly on "tailor-made concrete" offers, because each client is different and concrete can be designed according to a special requirement.

In the coming year, we expect further changes and many activities associated with it. In Slovakia we will continue the successful project ZAPATECH, which was introduced in the Czech Republic last year where it received widespread support. We have already prepared the series of new seminars for this year. This is one of important steps how to promote awareness of ZAPA in the general public as well as the professional public. In cooperation with our technologists we paid attention to the concrete quality and managed to defend it against strong market competition. The company's scope comprises many other products and activities that have to be addressed. Every partial step helps us to strengthen our strong position on the market.

We intend to strengthen our position on a highly competitive market not only through our products, but also through improving our overall image. Interesting challenges are awaiting us. It is still necessary to streamline our general communication, both internal and external. We also continue working on motivation of our employees by updating their KPIs and by another variable wage component EBITDA. We provide new benefits, such as Multisport card, to our employees.

The 2018 financial results are motivating us to meet plans for 2019; the year 2019 is our big challenge to work even better.

In Bratislava on 22 February 2019



.....
Ing. Katarína Gáborová
Statutory representative



.....
Ing. Andrej Hrabovský
Statutory representative

Financial section

UZPODv14_1

Úč POD

FINANCIAL STATEMENTS

of entrepreneurs in double-entry accounting

as of 3 1 . 1 2 . 2 0 1 8

Numbers should be justified to the right, other data is justified to the left. Unused rows must be left blank.

The information should be written in block letters (see this example), using a typewriter or printer with black or dark blue ink.

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Tax identification number 2 0 2 0 2 8 3 5 7 3	Financial statements Accounting unit	Month	Year
Identification number 3 5 8 1 4 4 9 7	<input checked="" type="checkbox"/> Ordinary small	For period from 0 1	2 0 1 8
SK NACE 2 3 . 6 3 . 0	<input type="checkbox"/> Extraordinary <input checked="" type="checkbox"/> large	to 1 2	2 0 1 8
	<input type="checkbox"/> Interim (marked with x)	Directly preceding period from 0 1	2 0 1 7
		to 1 2	2 0 1 7

Enclosed components of the financial statements

 Stat. of financial position (Úč POD 1-01)
(in full EUR) Income statement (Úč POD 2-01)
(in full EUR) Notes (Úč POD 3-01)
(in full EUR or EUR cents)

Business name of entity

Z A P A b e t o n S K s . r . o .

Registered seat of entity

Street	Number
V A J N O R S K Á	1 4 2
ZIP Code	Town
8 3 0 0 0	B R A T I S L A V A 3 - N O V É M E S T O

Indication of the commercial register and registration number of the company

Phone number	Fax number
0 2 / 4 9 1 0 5 4 1 1	0 2 / 4 9 1 0 5 4 2 0

E-mail

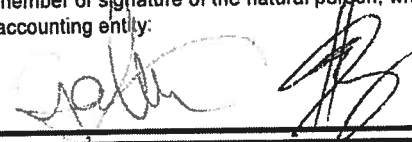
Prepared on:

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Approved on:

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Signature of the statutory board or statutory board member or signature of the natural person, which is an accounting entity:



Tax Office records

Place for the reference number

Stamp of the Tax Office

Balance sheet Uč POD 1 - 01		TIN	2 0 2 0 2 8 3 5 7 3	ID number	3 5 8 1 4 4 9 7
Line a	ASSETS b	Line no. c	Current period		Prior period
			1	Gross value - part 1 Adjustment - part 2	Net value 2
	TOTAL ASSETS I. 002 + I. 030 + I. 061	001	36,262,664	20,272,465	
			15,990,199		22,515,299
A.	Non-current assets I. 003 + I. 011 + I. 021	002	27,927,785	13,135,623	
			14,792,162		13,284,312
A.I.	Non-current intangible assets total (I. 004 to 010)	003	2,855,383	777	
			2,854,606		2,646
A.I.1.	Capitalized development cost (012) - /072, 091A/	004			
2.	Software (013) - /073, 091A/	005	143,059	777	
			142,282		2,646
3.	Valuable rights (014) - /074, 091A/	006			
4.	Goodwill (015)-/075,091A/	007	2,712,324		
			2,712,324		
5.	Other non-current intangible assets (019, 01X) - /079, 07X, 091A 07X, 091A/	008			
6.	Non-current intangible assets under construction (041) - 093	009			
7.	Advance payments for non-current intangible assets (051) - 095A	010			
A.II.	Non-current tangible assets total (I. 012 to 020)	011	24,374,789	12,437,233	
			11,937,556		12,638,777
A.II.1.	Land (031)-092A	012	6,085,717	4,550,987	
			1,534,730		3,960,108
2.	Buildings (021) - /081,092A/	013	5,097,757	3,044,376	
			2,053,381		3,032,941
3.	Plant and equipment (022) /082, 092A/	014	12,811,729	4,496,174	
			8,315,555		3,877,860

Balance sheet Úč POD 1 - 01		TIN	2 0 2 0 2 8 3 5 7 3	ID number	3 5 8 1 4 4 9 7	
Line a	ASSETS b	Line no. c	Current period		Prior period	
			1	Gross value - part 1	Net value 2	Net value 3
				Adjustment - part 2		
4.	Perennial crops (025) - /085, 092A/	015				
5.	Livestock and draught animals (026) - /086, 092A/	016				
6.	Other non-current tangible assets (029, 02X, 032) - /089, 08X, 092A	017	132,189	98,299		
			33,890		105,290	
7.	Non-current tangible assets under construction (042) - 094	018	247,397	247,397		
					1,662,578	
8.	Advance payments for non- current tangible assets (052) - 095A	019				
9.	Adjustments for assets acquired (+/- 097) +/- 098	020				
A.III.	Non-current financial assets total (l. 022 to 032)	021	697,613	697,613		
					642,889	
A.III.1.	Investment in connected entities (061A,062A,063A) - 096A	022	633,480	633,480		
					642,889	
2.	Investment in group except for connected entities (062A) - 096A	023				
3.	Other non-current investments (063A) - 096A	024				
4.	Loans to connected entities (066A) - /096A	025	64,133	64,133		
5.	Loans to group except for connected entities (066A) - /096A	026				
6.	Other loans (067A) - /096A	027				
7.	Debentures and other non- current financial assets (065A, 069A, 06XA) - /096A/	028				

Balance sheet Úč POD 1 - 01		TIN	2 0 2 0 2 8 3 5 7 3	ID number	3 5 8 1 4 4 9 7
Line a	ASSETS b	Line no. c	Current period		Prior period
			1 Gross value - part 1 Adjustment - part 2	Net value 2	Net value 3
8.	Loans and other non-current financial assets with maturity up to one year (066A, 067A, 069A, 06XA) /066A/	029			
9.	Term deposits exceeding one year 22XA	030			
10.	Non-current financial assets under construction (043) - 096A	031			
11.	Advance payments for non-current financial assets (053) - 095A	032			
B.	Current assets I. 034 + I. 041 + I. 053 + I. 066 + I. 071 + I. 046 + I. 055	033	8,303,236	7,105,199	
			1,198,037		9,204,610
B.I.	Inventory total (I. 035 to 040)	034	441,215	441,215	
					400,979
B.I.1.	Raw material (112, 119, 11X) - /191,19X/	035	422,197	422,197	
					367,745
2.	Work in progress and semi-finished goods (121, 122, 12X) - /192, 193, 19X/	036			
3.	Finished goods (123) - 194	037	14,309	14,309	
					22,278
4.	Livestock (124) - 195	038			
5.	Merchandise (132, 133, 13X, 139) - /196, 19X/ - /196, 19X/	039	4,709	4,709	
					10,956
6.	Advance payments for inventories (314A) - 391A	040			
B.II.	Long-term receivables total (I. 042 + I. 046 to 052)	041	519,637	519,637	
					671,420
B.II.1.	Trade receivables (I. 043 to 045)	042			

Balance sheet Úč POD 1 - 01		TIN	2 0 2 0 2 8 3 5 7 3	ID number	3 5 8 1 4 4 9 7
Line a	ASSETS b	Line no. c	Current period		Prior period
			1	2	3
			Gross value - part 1	Net value	
			Adjustment - part 2		Net value
1.a.	Trade receivables from connected entities (311A,312A,313A,314A,315A,31XA) - /391A/	043			
1.b.	Trade receivables within group except for receivables from connected entities (311A,312A,313A,314A,315A,31XA) - /391A/	044			
1.c.	Other trade receivables (311A,312A,313A,314A,315A,31XA) - /391A/	045			
2.	Net value of construction contracts (316A)	046			
3.	Other receivables from connected entities (351A) - 391A	047			
4.	Other receivables from group except from connected entities (351A) - 391A	048			
5.	Receivables from partners and consortium members (354A, 355A, 358A, 35XA) - 391A	049			
6.	Receivables from derivative operations (373A,376A)	050			
7.	Other receivables (335A, 336A, 33XA, 371A, 374A, 375A, 378A) - 391A	051			
8.	Deferred tax asset (481A)	052	519,637	519,637	
					671,420
B.III.	Short-term receivables total (I. 054 + I. 058 to 065)	053	7,315,633	6,117,596	
			1,198,037		8,034,418
B.III.1.	Trade receivables (I. 055 to 057)	054	7,312,771	6,114,734	
			1,198,037		7,053,041
1.a.	Trade receivables from connected entities (311A,312A,313A,314A,315A,31XA) - /391A/	055	594,336	594,336	
1.b.	Trade receivables within group except for receivables from connected entities (311A,312A,313A,314A,315A,31XA) - /391A/	056			546,522

Balance sheet Uč POD 1 - 01		TIN	2 0 2 0 2 8 3 5 7 3	ID number	3 5 8 1 4 4 9 7	
Line a	ASSETS b	Line no. c	Current period		Prior period	
			1	Gross value - part 1 Adjustment - part 2	Net value 2	Net value 3
1.c.	Other trade receivables (311A,312A,313A,314A,315A,31XA) - /391A/	057		6,718,435	5,520,398	
				1,198,037		6,506,519
2.	Net value of construction contracts (316A)	058				
3.	Other receivables from connected entities (351A) - 391A	059		2,307	2,307	
4.	Other receivables from group except from connected entities (351A) - 391A	060				65,215
5.	Receivables from partners and consortium members (354A, 355A, 358A,35XA, 398A) - 391A	061				
6.	Social security receivables (336A) - 391A	062				
7.	Tax receivables and subsidies (341, 342, 343, 345, 346, 347) - 391A	063				103,630
8.	Receivables from derivative operations (373A,376A)	064				
9.	Other receivables (335A, 33XA, 371A, 374A, 375A, 378A) - 391A	065		555	555	
						812,532
B.IV.	Current financial assets total (I. 067 to 070)	066				
B.IV.1.	Current financial assets within connected entities (251A,253A,256A,257A,25XA) - /291A, 29XA/	067				
2.	Current financial assets outside connected entities (251A,253A,256A,257A,25XA) - /291A, 29XA/	068				
3.	Own shares and interests (252)	069				
4.	Short-term financial assets under construction (259, 314A) - /291A/	070				

Balance sheet Uč POD 1 - 01		TIN	2 0 2 0 2 8 3 5 7 3	ID number	3 5 8 1 4 4 9 7
Line a	ASSETS b	Line no. c	Current period		Prior period
			1	Gross value - part 1	Net value 2
				Adjustment - part 2	Net value 3
B.V.	Financial assets total (l. 072 to 073)	071	26,751	26,751	97,793
B.V.1.	Cash (211, 213, 21X)	072	13,595	13,595	6,877
2.	Bank accounts (221A, 22X +/- 261)	073	13,156	13,156	90,916
C.	Accruals and prepayments total l. 075 and 078	074	31,643	31,643	26,377
C.1.	Prepaid expenses long-term (381A, 382A)	075			
2.	Prepaid expenses short-term (381A, 382A)	076	31,643	31,643	26,377
3.	Accrued revenues long-term (385A)	077			
4.	Accrued revenues short-term (385A)	078			
Line a	LIABILITIES AND EQUITY b	Line no. c	Current period 4	Prior period 5	
	SHAREHOLDERS' EQUITY AND LIABILITIES TOTAL l. 080 + l. 101 + l. 141	079	20,272,465	22,515,299	
A.	Shareholders' equity l. 081+ 085+ 086 + 087+ 090 + l. 093 + l. 097 + l. 100	080	8,884,199	8,405,943	
A.I.	Registered capital total (l. 082 to 084)	081	11,859,396	11,859,396	
A.I.1.	Share capital (411 alebo +/- 491)	082	11,859,396	11,859,396	
2.	Change in share capital +/- 419	083			
3.	Receivables for subscribed share capital (-/353)	084			
A.II.	Share premium (412)	085			
A.III.	Other capital funds (413)	086	92,704	92,704	
A.IV.	Legal reserve funds l. 088 + l. 089	087	292,560	292,560	
A.IV.1.	Legal reserve fund and non-distributable fund (417A, 418, 421A, 422)	088	292,560	292,560	
2.	Reserve fund on own shares and interests (417A, 421A)	089			

Balance sheet Úč POD 1 - 01		TIN	2 0 2 0 2 8 3 5 7 3	ID number	3 5 8 1 4 4 9 7
Line a	LIABILITIES AND EQUITY b	Line no. c	Current period 4	Prior period 5	
A.V.	Funds created from profit total (I. 091 + I. 092)	090			
A.V.1.	Statutory funds (423, 42X)	091			
2.	Other funds (427, 42X)	092			
A.VI.	Revaluation reserves total (I. 094 to I. 096)	093	(60,086)	(60,086)	
A.VI.1.	Revaluation reserve from valuation of assets and liabilities (+/- 414)	094	(60,086)	(60,086)	
2.	Investments revaluation reserve (+/- 415)	095			
3.	Revaluation reserve for mergers and demergers (+/- 416)	096			
A.VII.	Retained earnings I. 098+ 099	097	(3,778,631)	(4,362,587)	
A.VII.1.	Retained profits from previous years (428)	098			
2.	Accumulated loss carried forward (-/429)	099	(3,778,631)	(4,362,587)	
A.VIII.	Profit or loss from current period +/- I. 001 - (081 + 085 + 086 + 087 + 090 + 093 + 097 + 101 + 141)	100	478,256	583,956	
B.	Liabilities I. 102 + 118 + 121 + 122 + 136 + 139 + 140	101	11,388,266	14,109,356	
B.I.	Non-current liabilities total (I. 103 + I. 107 to 117)	102	727,410	724,846	
B.I.1.	Non-current trade liabilities total (I. 104 to 106)	103			
1.a.	Trade payables to connected entities (321A, 475A, 476A)	104			
1.b.	Trade payables to group except for connected entities (321A, 475A, 476A)	105			
1.c.	Other trade payables (321A, 475A, 476A)	106			
2.	Net value of construction contracts (316A)	107			
3.	Other long-term liabilities to connected entities (471A, 47XA)	108	708,962		
4.	Other long-term liabilities within group except for connected entities (471A, 47XA)	109		708,962	
5.	Other long-term liabilities (479A, 47XA)	110			
6.	Long-term advance payments received (475A)	111			
7.	Long-term bills of exchange payable (478A)	112			
8.	Bonds and debentures issued (473A/-/255A)	113			
9.	Social fund payable (472)	114	18,448	15,884	
10.	Other non-current liabilities (336A, 372A, 474A, 47XA)	115			
11.	Long-term liabilities from derivative operations (373A, 377A)	116			
12.	Deferred tax liability (481A)	117			

Balance sheet Úč POD 1 - 01		TIN	2 0 2 0 2 8 3 5 7 3	ID number	3 5 8 1 4 4 9 7
Line a	LIABILITIES AND EQUITY b	Line no. c	Current period 4	Prior period 5	
B.II.	Non-current provisions total (l. 119 to 120)	118	147,574	85,719	
B.II.1.	Legal provisions long term (451A)	119			
2.	Other long-term provisions (459A, 45XA)	120	147,574	85,719	
B.III.	Long-term bank loans (461A, 46XA)	121			
B.IV.	Current liabilities total (l. 123 + l. 127 to l. 135)	122	10,311,275	13,112,065	
B.IV.1.	Current trade payables (l. 124 to l. 126)	123	5,474,070	7,780,315	
1.a.	Trade payables to connected entities (321A, 322A, 324A, 325A, 326A, 32XA, 475A, 476A, 478A, 47XA)	124	2,707,899	3,867,174	
1.b.	Trade payables to group except for connected entities (321A, 322A, 324A, 325A, 326A, 32XA, 475A, 476A, 478A, 47XA)	125		24,292	
1.c.	Other trade payables (321A, 322A, 324A, 325A, 326A, 32XA, 475A, 476A, 478A, 47XA)	126	2,766,171	3,888,849	
2.	Net value of construction contracts (316A)	127			
3.	Payables to connected entities (361A, 36XA, 471A, 47XA)	128	4,553,284		
4.	Other liabilities within group except for connected entities (361A, 36XA, 471A, 47XA)	129		5,096,601	
5.	Payables to partners and consortium members (364, 365, 366, 367, 368, 398A, 478A, 479A)	130			
6.	Payables to employees (331, 333, 33X, 479A)	131	142,309	124,313	
7.	Social security payables (336A)	132	95,961	82,214	
8.	Tax liabilities and subsidies (341, 342, 343, 345, 346, 347, 34X)	133	42,369	24,934	
9.	Payables from derivative operations (373A, 377A)	134			
10.	Other short-term liabilities (372A, 379A, 474A, 475A, 479A, 47XA)	135	3,282	3,688	
B.V.	Current provisions total (l. 137 + l. 138)	136	202,007	186,726	
B.V.1.	Legal provisions short term (323A, 451A)	137	107,486	90,477	
2.	Other short term provisions (323, 32X, 451A, 459A, 45XA)	138	94,521	96,249	
B.VI.	Current bank loans (221A, 231, 232, 23X, 461A, 46XA)	139			
B.VII.	Short term financial borrowings (241, 249, 24x, 473A, /- /255A)	140			
C.	Accruals and deferred income - total (l. 142 to 145)	141			
C.1.	Accruals long term (383A)	142			
2.	Accruals short term (383A)	143			
3.	Deferred income long term (384A)	144			
4.	Deferred income short term (384A)	145			

Income Statement Uč POD 2 - 01	TIN	2 0 2 0 2 8 3 5 7 3	ID	3 5 8 1 4 4 9 7
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Line a	Text b	Line no c	Actual result in	
			current period 1	prior period 2
*	Net turnover (part of acc. group 6 as defined by the law)	01	35,290,704	34,781,628
**	Revenues from operating activities total (I. 03 to I. 09)	02	35,938,416	35,101,013
I.	Revenues from merchandise (604,607)	03	135,433	429,563
II.	Revenues from own products (601)	04	29,807,139	28,898,063
III.	Revenues from services (602, 606)	05	5,348,132	5,454,002
IV.	Change in stock of finished goods and work in progress (+/- acc. group 61)	06	(6,659)	(31,827)
V.	Own work capitalised (acc. group 62)	07	165,425	125,044
VI.	Revenue from sale of non-current assets and material (641, 642)	08	86,051	53,351
VII.	Other operating revenues (644, 645, 646, 648, 655, 657)	09	402,895	172,817
**	Operating expenses total (I. 11 + I. 12 + I. 13 + I. 14 + I. 15 + I. 20 + I. 21 + I. 24 + I. 25 + I. 26)	10	35,255,632	34,295,861
A.	Costs of merchandise sold (504, 507)	11	142,668	454,694
B.	Material and energy consumption and other unstorable supplies (501, 502, 503)	12	23,353,343	23,025,555
C.	Allowances to inventories (+/-) (505)	13		
D.	Services (acc. group 51)	14	6,745,087	6,538,850
E.	Personnel expenses total (I. 13 až 16)	15	3,230,928	2,737,656
E.1.	Wages and salaries (521, 522)	16	2,281,175	1,970,380
2.	Remuneration of members of the board of companies and co-operatives (523)	17		
3.	Social insurance costs (524, 525, 526)	18	836,301	693,590
4.	Social security costs (527, 528)	19	113,452	73,686
F.	Indirect taxes and charges (acc. group 53)	20	93,765	94,206
G.	Depreciation of and provisions to non-current tangible and intangible assets (I. 22 + I. 23)	21	1,218,401	1,075,691
G.1	Depreciation of non-current tangible and intangible assets (551)	22	1,087,422	947,503
2.	Provisions to non-current tangible and intangible assets (+/-) (553)	23	130,979	128,188
H.	Net book value of non-current assets and material sold (541, 542)	24	80,812	47,975
I.	Creation and release of provisions to receivables (+/-547)	25	67,309	57,336
J.	Other operating expenses (543, 544, 545, 546, 548, 549, 555, 557)	26	323,319	263,898
***	Profit or loss from operating activities (+/-) (I.02 - I. 10)	27	682,784	805,152

Income Statement Úč POD 2 - 01	TIN	2 0 2 0 2 8 3 5 7 3	ID	3 5 8 1 4 4 9 7
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			Actual result in	
Line a	Text b	Line no c	current period 1	prior period 2
			Actual result in	
Line a	Text b	Line no c	current period 1	prior period 2
*	Added value (I. 03 + I. 04 + I. 05 + I. 06 + I. 07) - (I.11 + I. 12 + I. 13 + I. 14)	28	5,208,372	4,855,746
**	Revenues from financial activities I.30 + I. 31 + I. 35 + I. 39 + I. 42 + I. 43 + I. 44	29	48,957	5,834
VIII.	Revenues from sale of securities and ownership interests (661)	30		
IX.	Revenues from non-current financial assets (I. 32 to I. 34)	31		
IX.1.	Income from investments in connected entities (665A)	32		
2.	Income from investments in group except for connected entities (665A)	33		
3.	Income from other long-term securities and ownership interest (665A)	34		
X.	Income from short-term financial assets (I. 36 to I. 38)	35		
X.1	Income from investments in connected entities (666A)	36		
2.	Income from investments in group except for connected entities (666A)	37		
3.	Income from other current financial assets (666A)	38		
XI.	Interest income (I. 40 + I. 41)	39	1,225	1,085
XI.1	Interest income from from connected entities (662A)	40	1,225	
2.	Other interest income (662A)	41		1,085
XII.	Foreign exchange gains (663)	42	35,483	2,174
XIII.	Income from revaluation of securities and income from transactions with derivatives (664, 667)	43		
XIV.	Other financial revenue (668)	44	12,249	2,575
**	Financial expenses total (I. 46 + I. 47 + I. 48 + I. 49 + I. 52 + I. 53 + I. 54)	45	98,822	155,164
K.	Book value of securities and ownership interest sold (561)	46		
L.	Costs of short-term financial assets (566)	47		
M.	Creation and release of provisions to financial assets (+/-) (565)	48		
N.	Interest expense (I. 50 + I. 51)	49	49,342	46,708
N.1.	Interest expense to connected entities (562A)	50	49,342	46,708
2.	Other interest expense (562A)	51		
O.	Foreign exchange losses (563)	52	34,276	101,241
P.	Expenses for revaluation of securities and expenses for transactions with derivatives (564, 567)	53		
Q.	Other financial expenses (568, 569)	54	15,204	7,215

Income Statement Úč POD 2 - 01	TIN	2 0 2 0 2 8 3 5 7 3	ID	3 5 8 1 4 4 9 7
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Line a	Text b	Line no c	Actual result in	
			current period 1	prior period 2
***	Profit/(loss) from financial activities (+/-) (I. 29 - I. 45)	55	(49,865)	(149,330)
****	Profit/(loss) for the period before tax (+/-) (I. 27 + I. 55)	56	632,919	655,822
R	Tax on income (I. 58 + I. 59)	57	154,663	71,866
R.1	- due (591, 595)	58	2,880	2,880
2.	- deferred (+/-) (592)	59	151,783	68,986
S.	Profit/(loss) share transferred to owners' account (+/- 596)	60		
****	Net profit/(loss) for the period after tax (+/-) (I. 58 - I. 57 - I. 60)	61	478,256	583,956

I. GENERAL INFORMATION**1. Company Details**

Business name and seat	ZAPA beton SK s.r.o. Vajnorská 142, 830 00 Bratislava
Date of establishment	11 June 2001
Date of incorporation (according to the Commercial Register)	18 June 2001
Business activities	<ul style="list-style-type: none"> - Production and sale of concrete mixtures; - Mining; and - Property and car leases.

2. Employees

Item	2018	2017
Full-time equivalent	120	116
Number of employees as at the reporting date	118	124
<i>Of which: Managers</i>	2	2

3. Unlimited Liability

ZAPA beton SK s.r.o. (hereinafter "the Company") is not an unlimited liability partner in any other entity.

4. Basis of Preparation for the Financial Statements

These financial statements represent the annual separate financial statements of ZAPA beton SK s.r.o. The financial statements were prepared for the reporting period from 1 January to 31 December 2018 in compliance with Slovak legislation, in the Act on Accounting and Accounting Procedures for Businesses.

5. Approval of the 2017 Financial Statements

On 22 March 2018, the General Meeting approved the 2017 financial statements of ZAPA beton SK s.r.o.

6. Members of the Company's Bodies

Executives: Ing. Katarína Gáborová since 31 May 2011
 Ing. Andrej Hrabovský since 14 May 2014 (6 May 2014 as per the copy of the Commercial Register entry)
 Marco Duranda since 14 May 2014 (06 May 2014 as per the copy of the Commercial Register entry)

7. Partner Structure and Shares in the Registered Capital

Partners	Share in Registered Capital		Voting Rights in %	Other Share in Equity Other than in Registered Capital in %
	EUR	%		
ZAPA beton a.s., Czech Republic	11,855,698	99.957	99.957	-
Cement Hranice, a.s.	3,698	0.043	0.043	-
Total	11,859,396	100	100	-

8. Consolidated Financial Statements

The Company has been included in the consolidated financial statements of Dyckerhoff AG (Biebricher Strasse 68, 652 03 Wiesbaden). The consolidated financial statements of Dyckerhoff AG Group are prepared by Dyckerhoff GmbH, Biebricher Strasse 68, 652 03 Wiesbaden (registered by the registration court in Wiesbaden, Insert no. HRB 27594). These consolidated financial statements are available at the seat of the aforementioned company or at the seat of ZAPA beton a.s. (Václavská 495, 142 00 Prague 4).

II. ACCOUNTING PRINCIPLES AND METHODS APPLIED

1. The Company applies accounting principles and procedures pursuant to the Act on Accounting and Accounting Procedures for Businesses effective in the Slovak Republic. The accounting books are kept in the monetary units of the Slovak currency, i.e. euros.

2. The 2018 financial statements were prepared based on the going-concern assumption.

As at 31 December 2018, the Company recognised a profit for the current reporting period in the amount of EUR 478 thousand.

3. Revenues and costs are recognised as they are earned or incurred under the accrual basis of accounting. All revenues and costs related to the reporting period are used as a basis regardless of their settlement date.

4. When measuring assets and liabilities, the prudence principle is followed, in all risks, losses, and impairments related to assets and liabilities and known as at the reporting date are used as a basis.

5. Revenues from the sales of own outputs and merchandise are exclusive of VAT. They are also net of discounts and allowances (rebates, bonuses, discounts, credit notes etc) regardless of whether the customer was pre-entitled to the discount or whether this discount was recognised subsequently.

6. Non-current and current receivables, payables, loans, and interest-bearing borrowings – receivables and payables are disclosed on the balance sheet as either non-current or current following their residual maturities as at the reporting date. The portions of non-current receivables and the portions of non-current payables due within one year from the reporting date are disclosed on the balance sheet as current receivables and current payables, as appropriate.

7. Estimates made – when compiling financial statements, the Company's management is required to prepare estimates and assumptions that influence the recognised amounts of assets and liabilities, and the disclosure of contingent assets and liabilities as at the reporting date, as well as the disclosed amounts of revenues and expenses during the year. The actual results may differ from these estimates.

Impairment of non-current assets

In order to assess the recoverability of non-current assets, the Company's management has prepared an impairment analysis of non-current assets using the method of discounted cash flows. Given the uncertainties relating to the implementation of the Company's management plans, the assumptions used in this analysis may significantly differ from the plan in the future.

8. Reported tax – Slovak tax legislation is relatively new, lacks precedents, and is subject to continuous amendments. Since various interpretations of tax laws and regulations in the application thereof to various transaction types exist, the amounts disclosed in the financial statements may later change, based on the ultimate opinion of the tax authorities.

The Company prepared transfer pricing documentation for transactions with foreign related parties in line with the requirements of the current tax law.

9. Recognition of Individual Items of Assets and Liabilities – Initial Measurement

Upon acquisition, the cost principle is applied and individual items of assets and liabilities are measured as follows:

- a) Purchased non-current tangible and intangible assets – at cost. The cost includes the acquisition price and the related incidental costs (transportation costs and customs duties).
- b) Non-current intangible assets generated internally – at the lower of own costs and the replacement costs of assets. Own costs include direct costs associated with production or other activities and indirect costs attributable to production or other activities. Replacement costs represent the amount of consideration given to acquire the assets when recognised.
- c) Non-current tangible assets generated internally – at own costs. Own costs include direct costs associated with production or other activities and indirect costs attributable to production or other activities.
- d) Non-current intangible and tangible assets acquired by other means – at replacement cost, if assets are acquired for no consideration or newly identified during a stocktake, ie the amount of consideration given to acquire the assets when recognised.
- e) Non-current financial assets – investments in subsidiaries at cost. The cost represents the amount of consideration given to acquire the assets and the related incidental costs. The impairment is reflected by provisions.
- f) Purchased inventory – at cost, which includes the cost of inventory and the related incidental costs (customs duty, transportation, insurance, commissions, discount etc). Interest on borrowed funds is not included in the cost. When disposing of inventory the Company uses the weighted arithmetic average cost method.
- g) Inventories developed internally are measured at own cost. Own costs are direct costs (direct material, direct wages and salaries, and other direct costs) and part of indirect costs immediately related to developing inventories internally (production overheads). Production overheads are included in own costs depending on the degree of completion of such inventories. Own costs do not include administrative overheads and/or costs of sales. Interest on borrowed funds is not included in own costs.
- h) Receivables:
 - When originated or acquired for no consideration – at face value.
 - Where acquired (assigned) for consideration or through a contribution to the registered capital – at cost, including the related incidental costs. This measurement is reduced for doubtful and bad receivables.

For non-interest bearing non-current receivables and long-term loans, the provision is included in the Correction column where the values of the receivable and loan/borrowing are adjusted to their present value, for example by using the effective interest rate method.

- i) Deferred expenses and accrued income – at the anticipated face value.
- j) Payables:
 - When incurred – at face value.
 - Where assumed – at cost.
- k) Provisions for liabilities – at the anticipated amount payable or applying actuarial methods.
- l) Bonds, interest-bearing borrowings, and loans:
 - When originated – at face value.
 - Where assumed – at cost.

Interest on bonds, interest-bearing borrowings and loans is recorded on an accrual basis.

- m) Accrued expenses and deferred income – at the anticipated face value.
- n) Current income taxes – pursuant to the Slovak Income Tax Act, current income taxes are determined based on the pre-tax accounting profits at the rate of 21% after adjustments for certain items for tax purposes.

Notes to the Separate Financial Statements

Prepared as at 31 December 2018

Tax ID No. (DIČ)

2 0 2 0 2 8 3 5 7 3

(Value data in tables are disclosed in whole euros unless stipulated otherwise)

- o) Deferred income taxes are recognised when temporary differences arise between the carrying amount of assets and liabilities as disclosed on the balance sheet and their tax base, with the possibility of carrying forward tax losses and transferring the unclaimed tax loss deductions to future periods. To determine the amount of deferred income taxes, the tax rate applicable in the subsequent reporting period was applied, i.e. 21%.

10. Recognition of Individual Items of Assets and Liabilities – Subsequent Measurement

- a) Estimated risks, losses, and impairments related to assets and liabilities are reflected in provisions for liabilities, provisions for assets, and depreciation charges.

- Provisions for liabilities are recognised at the anticipated amount payable. The Company creates provisions for unused vacation days including social security payments, bonuses, unbilled supplies and services with an unknown exact amount payable that are related to finished goods, merchandise and services sold before the end of the reporting period. The amount of provisions and the grounds for their recognition are assessed as at the reporting date.

- Provisions for assets are created:

- For receivables overdue by more than 360 days, a 100% provision is recorded. For receivables overdue by 180 – 359 days, a 50% provision is recorded. For receivables overdue by 1 day – 179 days, a 2% provision is recorded. For other receivables within maturity, provisions are recorded at 2%.

- Amortisation/Depreciation plan

The amortisation of non-current intangible assets is determined based on the estimated useful lives and the estimated wear and tear. The depreciation of non-current tangible assets starts in the month non-current assets were placed into service. Intangible assets at a cost of up to EUR 2,400 are expensed as incurred.

Goodwill is amortised over five years.

The depreciation of non-current tangible assets is determined based on the estimated useful lives and the estimated wear and tear. The depreciation of non-current tangible assets starts in the month non-current assets were placed into service. Low-value tangible assets at a cost of up to EUR 754.00 are expensed as incurred and are monitored in sub-ledger records. Low-value non-current tangible assets with a cost (or own costs) ranging from EUR 754.00 to EUR 1,700 are depreciated over two years. Non-current tangible assets with a value exceeding EUR 1,700 are depreciated according to specific registration groups. Land is not depreciated.

Non-current tangible and intangible assets are depreciated according to a depreciation plan. The straight-line accounting depreciation method is applied.

The estimated useful life, depreciation method, and depreciation rates are as follows:

Type of Assets	Useful Life
Buildings and structures	20-40 years
Small structures, connections, metal containers, concrete machines	6-20 years
Transportation means, office equipment, machines	4-8 years
Technology, mixing machines, plastic site cabins, loaders, tanks, trailers, WAP, furniture, machines, ships, pumps	4-12 years
Software	5 years

- b) Securities and equity shares are measured at cost, including the related incidental costs. A decrease in cost is recognized through provisions.

ZAPA beton SK s.r.o.

ID No. (IČO)

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Notes to the Separate Financial Statements

Prepared as at 31 December 2018

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(Value data in tables are disclosed in whole euros unless stipulated otherwise)

11. Translation of Amounts Denominated in Foreign Currency to Slovak Currency

Assets and liabilities denominated in a foreign currency are translated to euros using the reference exchange rate determined and announced by the European Central Bank (ECB) or the National Bank of Slovakia (NBS) on the date preceding the transaction date and also on the reporting date. Advances made and received in a foreign currency are not translated as at the reporting date. For foreign currency purchases and sales in euros, and upon the transfer of funds from an account established in a foreign currency to an account established in euros and from an account established in euros to an account established in a foreign currency, the exchange rates at which these amounts were purchased or sold were applied. If the sale or purchase of a foreign currency is performed at an exchange rate other than the one offered by a commercial bank in its foreign exchange list, the exchange rate offered by such commercial bank in its foreign exchange list on the transaction settlement date is used. If the sale or purchase is not performed with a commercial bank, the reference exchange rate determined and announced by the ECB or the NBS on the date preceding the transaction settlement date is used.

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(Value data in tables are disclosed in whole euros unless stipulated otherwise)

III. DATA DISCLOSED ON THE ASSETS SIDE OF THE BALANCE SHEET

1. Non-Current Intangible and Tangible Assets

1.1. Movements in the Accounts of Non-Current Intangible Assets, Accumulated Amortisation, Provisions, and Net Book Value

31 December 2018

	Capitalised Development Cost	Software	Valuable Rights	Goodwill	Other Non-Current Intangible Assets	Non-Current Intangible Assets in Acquisition	Advance Payments Made	Total
Initial Measurement								
At 1 Jan 2018	-	143,059	-	2,712,324	-	-	-	2,855,383
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
At 31 Dec 2018	-	143,059	-	2,712,324	-	-	-	2,855,383
Accumulated Amortisation								
At 1 Jan 2018	-	140,413	-	2,712,324	-	-	-	2,852,737
Additions	-	1,869	-	-	-	-	-	1,869
Disposals	-	-	-	-	-	-	-	-
At 31 Dec 2018	-	142,282	-	2,712,324	-	-	-	2,854,606
Provisions								
At 1 Jan 2018	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
At 31 Dec 2018	-	-	-	-	-	-	-	-
Net Book Value								
At 1 Jan 2018	-	2,646	-	-	-	-	-	2,646
At 31 Dec 2018	-	777	-	-	-	-	-	777

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Notes to the Separate Financial Statements

Prepared as at 31 December 2018 Tax ID No. (DIČ)

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(Value data in tables are disclosed in whole euros unless stipulated otherwise)

31 December 2017

	Capitalised Development Cost	Software	Valuable Rights	Goodwill	Other Non-Current Intangible Assets	Non-Current Intangible Assets in Acquisition	Advance Payments Made	Total
Initial Measurement								
At 1 Jan 2017	-	143,059	-	2,712,324	-	-	-	2,855,383
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
At 31 Dec 2017	-	143,059	-	2,712,324	-	-	-	2,855,383
Accumulated Amortisation								
At 1 Jan 2017	-	126,109	-	2,712,324	-	-	-	2,838,433
Additions	-	14,304	-	-	-	-	-	14,304
Disposals	-	-	-	-	-	-	-	-
At 31 Dec 2017	-	140,413	-	2,712,324	-	-	-	2,852,737
Provisions								
At 1 Jan 2017	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
At 31 Dec 2017	-	-	-	-	-	-	-	-
Net Book Value								
At 1 Jan 2017	-	16,950	-	-	-	-	-	16,950
At 31 Dec 2017	-	2,646	-	-	-	-	-	2,646

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Notes to the Separate Financial Statements

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(Value data in tables are disclosed in whole euros unless stipulated otherwise)

1.2. Movements in the Accounts of Non-Current Tangible Assets, Accumulated Depreciation, Provisions, and Net Book Value

31 December 2018

	Land	Structures	Separate Movable Assets and Sets of Movable Assets	Other Non-Current Tangible Assets	Non-Current Tangible Assets in Acquisition	Advance Payments Made	Total
Initial Measurement							
At 1 Jan 2018	5,363,859	4,770,273	11,583,776	132,189	1,662,578	-	23,512,675
Additions	721,858	327,484	1,413,473	-	1,047,633	-	3,510,448
Disposals	-	-	(185,520)	-	(2,462,814)	-	(2,648,334)
Transfers	-	-	-	-	-	-	-
At 31 Dec 2018	6,085,717	5,097,757	12,811,729	132,189	247,397	-	24,374,789
Accumulated Depreciation							
At 1 Jan 2018	-	1,720,382	7,705,916	26,899	-	-	9,453,197
Additions	-	316,049	762,513	6,991	-	-	1,085,553
Disposals	-	-	(152,874)	-	-	-	(152,874)
At 31 Dec 2018	-	2,036,431	8,315,555	33,890	-	-	10,385,876
Provisions							
At 1 Jan 2018	1,403,751	16,950	-	-	-	-	1,420,701
Additions	130,979	-	-	-	-	-	130,979
Disposals	-	-	-	-	-	-	-
At 31 Dec 2018	1,534,730	16,950	-	-	-	-	1,551,680
Net Book Value							
At 1 Jan 2018	3,960,108	3,032,941	3,877,860	105,290	1,662,578	-	12,638,777
At 31 Dec 2018	4,550,987	3,044,376	4,496,174	98,299	247,397	-	12,437,233

The additions to structures represent construction of new concrete plants RAPID and Most near Bratislava (EUR 316,602) and other.

The additions to movable assets represent the purchase of technology and other equipment for two new concrete plants (EUR 895,599), purchase of technology (EUR 66,208), purchase of construction machinery (EUR 151,302) and a concrete mixer (EUR 22,504), and other.

Acquisitions of non-current tangible assets include the costs related to the construction of a new concrete plant in Bratislava (EUR 94,950), construction of the Michalovce aggregate disposal site (EUR 40,607), purchase of control systems (EUR 66,758), and other.

The disposals of separate movable assets represent decommissioning of the Michalovce concrete plant technology (EUR 97,274), disposal of trucks (EUR 29,420), disposal of the Komatsu wheel loader (EUR 56,665), and other.

Notes to the Separate Financial Statements

Prepared as at 31 December 2018 Tax ID No. (DIČ)

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(Value data in tables are disclosed in whole euros unless stipulated otherwise)

31 December 2017

	Land	Structures	Separate Movable Assets and Sets of Movable Assets	Other Non-Current Tangible Assets	Non-Current Tangible Assets in Acquisition	Advance Payments Made	Total
Initial Measurement							
At 1 Jan 2017	5,363,859	4,608,810	11,076,776	132,189	136,977	223,074	21,541,685
Additions	-	161,463	541,661	-	2,228,726	103,716	3,035,566
Disposals	-	-	(34,661)	-	(703,125)	(326,790)	(1,064,576)
Transfers	-	-	-	-	-	-	-
At 31 Dec 2017	5,363,859	4,770,273	11,583,776	132,189	1,662,578	-	23,512,675
Accumulated Depreciation							
At 1 Jan 2017	-	1,501,317	7,033,433	19,908	-	-	8,554,658
Additions	-	219,065	707,143	6,991	-	-	933,199
Disposals	-	-	(34,660)	-	-	-	(34,660)
At 31 Dec 2017	-	1,720,382	7,705,916	26,899	-	-	9,453,197
Provisions							
At 1 Jan 2017	1,275,563	16,950	-	-	-	-	1,292,513
Additions	128,188	-	-	-	-	-	128,188
Disposals	-	-	-	-	-	-	-
At 31 Dec 2017	1,403,751	16,950	-	-	-	-	1,420,701
Net Book Value							
At 1 Jan 2017	4,088,296	3,090,543	4,043,343	112,281	136,977	223,074	11,694,514
At 31 Dec 2017	3,960,108	3,032,941	3,877,860	105,290	1,662,578	-	12,638,777

The additions to movable assets represent the purchase of technology (EUR 498,764) and other.

Acquisitions of non-current tangible assets include the purchase of land (EUR 663,166), technology (EUR 602,782), 2 CAT 930M construction machines (EUR 268,412), 2 mobile concrete mixers (EUR 10,200) and other.

The disposals of separate movable assets represent the disposal of the MARTEK management system at the Višňové concrete mixing plant (EUR 28,229), Opel Astra vehicle (EUR 2,822), and 3 high-pressure cleaners (EUR 3,609).

1.3. Type and Amount of Non-Current Intangible and Tangible Assets Insurance

<i>Insured Item</i>	<i>Type of Insurance</i>	<i>Insured Amount (Net Book Value of Insured Assets)</i>	<i>Name and Seat of the Insurance Company</i>
		2018	
Passenger vehicles Loaders, concrete mixers	Against theft, motor hull, motor third party liability	1,152,608	Generali, Allianz, Bratislava
Loaders, concrete mixers Liability insurance (floating machine)	Against natural disasters	2,543,772 50,000	Generali, Bratislava Generali, Bratislava
Liability insurance Multinational insurance	Against product defects	2,500,000 278,795	HDI Versicherung, Vienna Marsh S.p.A., Milan

1.4. Assets under Lien and Restricted Handling of Non-Current Intangible and Tangible Assets

The Company has no liens created over any assets and the handling of non-current intangible and tangible assets by the Company is not restricted.

1.5. Assets Owned by Other Entities

The Company has no assets owned by other entities.

2. Non-Current Financial Assets2.1. Movements in Non-Current Financial Assets Accounts

31 December 2018

	<i>Shares & Ownership Interests in Subsidiaries</i>	<i>Shares & Ownership Interests in Associates</i>	<i>Long-term Loan in Subsidiaries</i>	<i>Total</i>
Initial Measurement				
At 1 Jan 2018	642,889	-	-	642,889
Additions	-	-	64,133	64,133
Disposals	9,409	-	-	(9,409)
Transfers	-	-	-	-
Exchange rate gain from revaluation	-	-	-	-
At 31 Dec 2018	633,480	-	64,133	697,613
Provisions				
At 1 Jan 2018	-	-	-	-
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 Dec 2018	-	-	-	-
Carrying Amount				
At 1 Jan 2018	642,889	-	-	642,889
At 31 Dec 2018	633,480	-	64,133	697,613

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(Value data in tables are disclosed in whole euros unless stipulated otherwise)

31 December 2017

	<i>Shares & Ownership Interests in Subsidiaries</i>	<i>Shares & Ownership Interests in Associates</i>	<i>Total</i>
Initial Measurement			
At 1 Jan 2017	643,347	-	643,347
Additions	-	-	-
Disposals	458	-	458
Transfers	-	-	-
Exchange rate gain from revaluation	-	-	-
At 31 Dec 2017	642,889	-	642,889
Provisions			
At 1 Jan 2017	-	-	-
Additions	-	-	-
Disposals	-	-	-
At 31 Dec 2017	-	-	-
Carrying Amount			
At 1 Jan 2017	643,347	-	643,347
At 31 Dec 2017	642,889	-	642,889

2.2. Structure of Non-Current Financial Assets

31 December 2018

<i>Business Name and Seat of the Company</i>	<i>Share in the Registered Capital %</i>	<i>Voting Rights %</i>	<i>Value of Equity</i>	<i>Profit/ (Loss)</i>	<i>Carrying Amount of Non-Current Financial Assets</i>
Subsidiaries: ZAPA BETON HUNGARIA Kft.	100	100	(45,725)	(249,177)	633,480
Long-term loan ZAPA BETON HUNGARIA Kft.	-	-	-	-	64,133
Total Non-Current Financial Assets	-	-	-	-	697,613

31 December 2017

<i>Business Name and Seat of the Company</i>	<i>Share in the Registered Capital %</i>	<i>Voting Rights %</i>	<i>Value of Equity</i>	<i>Profit/ (Loss)</i>	<i>Carrying Amount of Non-Current Financial Assets</i>
Subsidiaries: ZAPA BETON HUNGARIA Kft.	100	100	(168,872)	(200,693)	453,569
EASTSTONE Kft.	100	100	-	-	189,320
Total Non-Current Financial Assets	-	-	-	-	642,889

Effective as at 1 January 2018, Eaststone Kft. merged with ZAPA Beton Hungaria Kft. The shares in Eaststone Kft. in the amount of EUR 189,320 were transferred to ZAPA Beton Hungaria Kft. In addition, a provided loan tantamount to the principal of EUR 64,133 along with outstanding interest was transferred as well.

The primary activities of ZAPA BETON Hungaria Kft. are the mining and selling of gravel. Financial information about the company was obtained from the company's unaudited financial statements.

ZAPA beton SK s.r.o.

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In order to assess the recoverability of non-current assets, the Company's management has prepared an impairment analysis of non-current assets using the method of discounted cash flows.

2.3. Other Non-Current Securities and Ownership Interests

The Company has no liens created over the financial assets and the handling of non-current financial assets by the Company is not restricted.

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3. Inventories

3.1. Assets under Lien and Restricted Handling of Inventories

The Company has no liens created over the inventories and the handling of inventories by the Company is not restricted.

4. Receivables

4.1. Breakdown of Total Receivables Including the Group

31 December 2018

Category of Receivables	Within Maturity	Overdue					Total
		< 30 Days	< 90 Days	< 180 Days	< 360 Days	> 360 Days	
Non-current	519,637	-	-	-	-	-	519,637
Current	4,167,424	1,458,159	97,044	43,035	28,568	1,521,403	7,315,633

31 December 2017

Category of Receivables	Within Maturity	Overdue					Total
		< 30 Days	< 90 Days	< 180 Days	< 360 Days	> 360 Days	
Non-current	671,420	-	-	-	-	-	671,420
Current	4,566,487	2,802,763	174,809	125,304	36,109	1,530,269	9,235,741

4.2. Receivables from Related Parties

Item	Related Parties	Amount as at 31 Dec 2018
Current Receivables		
Trade receivables	ZAPA Beton Hungaria	550,410
Receivables from subsidiaries and the parent company	ZAPA beton a.s.	43,926
Receivables from subsidiaries and the parent company (loan interest)	ZAPA Beton Hungaria	2,307
Other intercompany receivables		
Receivables from partners, members and participants in an association		
Total		596,643

Receivables from the subsidiary as at 31 December 2018 include interest on the long-term loan for operating purposes originally provided to EASTSTONE K.f.t., which merged with ZAPA Beton Hungaria Kft. as at the merger decisive date of 1 January 2018.

Company	Amount (EUR)	Interest Rate %	Maturity	Collateral	Amount Due (EUR)	
					in 2019	after 2019
ZAPA Beton Hungaria	51,133	1.85	31/12/2020	None	1,922	51,133
ZAPA Beton Hungaria	10,000	2.03	31/12/2020	None	326	10,000
ZAPA Beton Hungaria	3,000	1.74	31/12/2020	None	59	3,000
Total	64,133				2,307	64,133

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<i>Item</i>	<i>Related Parties</i>	<i>Amount as at 31 Dec 2017</i>
Current Receivables		
Trade receivables	ZAPA BETON Hungaria	546,522
Receivables from subsidiaries and the parent company	EASTSTONE Kft.	65,215
Other intercompany receivables Receivables from partners, members and participants in an association		
Total		611,737

Receivables from the subsidiary as at 31 December 2017 include an interest-bearing borrowing for operating purposes provided to Eaststone K.f.t. In 2016, a loan was extended to Eaststone Kft. based on a purchase contract provision totaling EUR 51,133. In addition, a loan of EUR 10,000 and EUR 3,000 was provided in accordance with the loan agreement in the course of 2017.

<i>Company</i>	<i>Amount (EUR)</i>	<i>Interest Rate %</i>	<i>Maturity</i>	<i>Collateral</i>	<i>Amount Due (EUR)</i>	
					<i>in 2018</i>	<i>after 2018</i>
EASTSTONE Kft.	51,133	1.85	31/12/2018	None	-	52,079
EASTSTONE Kft.	10,000	2.03	31/12/2018	None	-	10,135
EASTSTONE Kft.	3,000	1.74	31/12/2018	None	-	3,001
Total	64,133				-	65,215

4.3. Provision for Receivables

Balance Sheet Items for which Provisions were recorded:

<i>Item</i>	<i>Balance as at 1 Jan 2018</i>	<i>Creation</i>	<i>Reversal Owing to the Cessation of Justifiability</i>	<i>Reversal Owing to the Derecognition of Assets</i>	<i>Balance as at 31 Dec 2018</i>
Trade receivables	1,201,323	387,006	(319,697)	(70,595)	1,198,037
Receivables from subsidiaries and the parent company	-	-	-	-	-
Other intercompany receivables	-	-	-	-	-
Receivables from partners, members and participants in an association	-	-	-	-	-
Other receivables	-	-	-	-	-
Total	1,201,323	387,006	(319,697)	(70,595)	1,198,037

The Company creates provisions for receivables based on their ageing structure.

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Notes to the Separate Financial Statements
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4.4. Ageing Structure of Receivables

31 December 2018

<i>Item</i>	<i>Maturity</i>		<i>Total</i>
	<i>Within Maturity</i>	<i>Overdue</i>	
<i>Non-Current Receivables</i>	-	-	-
Trade receivables	-	-	-
Receivables from subsidiaries and the parent company	-	-	-
Other intercompany receivables	-	-	-
Receivables from partners, members and participants in an association	-	-	-
Deffered tax receivable	519,637	-	519,637
Total Non-Current Receivables	519,637	-	519,637
<i>Current Receivables</i>			
Trade receivables	4,164,562	3,148,209	7,312,771
Receivables from subsidiaries and the parent company	2,307	-	2,307
Other intercompany receivables	-	-	-
Receivables from partners, members and participants in an association	-	-	-
Social security insurance	-	-	-
Tax assets and subsidies	-	-	-
Other receivables	555	-	555
Total Current Receivables	4,167,424	3,148,209	7,315,633

31 December 2017

<i>Item</i>	<i>Maturity</i>		<i>Total</i>
	<i>Within Maturity</i>	<i>Overdue</i>	
<i>Non-Current Receivables</i>	-	-	-
Trade receivables	-	-	-
Receivables from subsidiaries and the parent company	-	-	-
Other intercompany receivables	-	-	-
Receivables from partners, members and participants in an association	-	-	-
Deffered tax receivable	671,420	-	671,420
Total Non-Current Receivables	671,420	-	671,420
<i>Current Receivables</i>			
Trade receivables	3,585,110	4,669,254	8,254,364
Receivables from subsidiaries and the parent company	65,215	-	65,215
Other intercompany receivables	-	-	-
Receivables from partners, members and participants in an association	-	-	-
Social security insurance	-	-	-
Tax assets and subsidies	103,630	-	103,630
Other receivables	812,532	-	812,532
Total Current Receivables	4,566,487	4,669,254	9,235,741

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Notes to the Separate Financial Statements
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(Value data in tables are disclosed in whole euros unless stipulated otherwise)

4.5. Receivables by Residual Maturity

<i>Item</i>	2018	2017
Current Receivables		
Overdue receivables	3,148,209	4,669,254
Receivables with residual maturity of up to 1 year	4,167,424	4,566,487
Total Current Receivables	7,315,633	9,235,741
Non-Current Receivables		
Receivables with residual maturity of between 1 year and 5 years	519,637	671,420
Receivables with residual maturity of over 5 years	-	-
Total Non-Current Receivables	519,637	671,420

4.6. Collateralisation of Receivables

The Company has no collateralisation of receivables.

4.7. Assets under Lien and Restricted Handling of Receivables

The Company has no liens created over the receivables and the handling of receivables by the Company is not restricted.

5. Financial Accounts

5.1. Breakdown of the Company's Financial Assets

<i>Item</i>	2018	2017
Cash		
Cash on hand, stamps and vouchers	13,595	6,877
Bank accounts – current	13,156	90,916
Bank accounts – term deposits		
Cash in transit		
Total	26,751	97,793

6. Accruals and Deferrals

<i>Item</i>	31 December 2018	31 December 2017
Non-current deferred expenses	-	-
Current deferred expenses	31,643	26,377
<i>Of which:</i>		
<i>Transport, insurance</i>	25,520	22,637
<i>Lease</i>	-	-
<i>Other</i>	6,123	3,740
Non-current accrued income	-	-
Current accrued income	-	-
Total	31,643	26,377

IV. DATA DISCLOSED ON THE LIABILITIES SIDE OF THE BALANCE SHEET

1. Equity

1.1. Description of Equity

For information on the movements in equity, see Note XII.

The legal reserve fund is created in the required amount.

1.2. Based on the decision of the General Meeting, the 2017 profit/loss was allocated as follows:

Item	2017
Accounting profit	583,956
Allocation of accounting profit	2018
From legal reserve fund	-
From statutory and other funds	-
From retained earnings of previous years	-
Settlement of a loss by partners	-
Transfer to accumulated loss from previous years	(583,956)
Other	-
Total	(583,956)

2. Provisions for Liabilities

2.1. Legal and Other Provisions for Liabilities

31 December 2018

Item	Balance as at 1 Jan 2018	Creation	Use	Cancellation	Balance as at 31 Dec 2018
Long-Term Provisions for Liabilities					
Legal long-term provisions for liabilities	-	-	-	-	-
Other long-term provisions for liabilities	85,719	61,855	-	-	147,574
Short-Term Provisions for Liabilities					
Legal short-term provisions for liabilities	186,726	202,007	(186,726)	-	202,007
<i>Of which:</i>					
<i>Provisions for unused vacation days and insurance</i>	90,477	107,486	(90,477)	-	107,486
<i>Provision for energy</i>	36,474	15,327	(36,474)	-	15,327
<i>Provision for transportation</i>	9,492	18,192	(9,492)	-	18,192
<i>Other</i>	50,283	61,002	(50,283)	-	61,002
Other short-term provisions for liabilities	-	-	-	-	-

31 December 2017

Item	Balance as at 1 Jan 2017	Creation	Use	Cancellation	Balance as at 31 Dec 2017
Long-Term Provisions for Liabilities					
Legal long-term provisions for liabilities	-	-	-	-	-
Other long-term provisions for liabilities	34,579	51,140	-	-	85,719
Short-Term Provisions for Liabilities					
Legal short-term provisions for liabilities	150,785	186,726	(150,785)	-	186,726
<i>Of which:</i>					
<i>Provisions for unused vacation days and insurance</i>	75,884	90,477	(75,884)	-	90,477
<i>Provision for energy</i>	18,309	36,474	(18,309)	-	36,474
<i>Provision for transportation</i>	19,227	9,492	(19,227)	-	9,492
<i>Other</i>	37,365	50,283	(37,365)	-	50,283
Other short-term provisions for liabilities	-	-	-	-	-

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3. Liabilities

3.1. Payables Within and After Maturity Including the Group

31 December 2018

<i>Item</i>	<i>Maturity</i>			<i>Total</i>
	<i>Within Maturity Period</i>	<i>Overdue By Up To 360 Days</i>	<i>More Than 360 Days Overdue</i>	
Trade payables	3,276,510	1,371,056	787,509	5,435,075
Net contract value	-	-	-	-
Unbilled supplies	38,995	-	-	38,995
Payables to subsidiaries and the parent company	70,161	-	-	70,161
Other intercompany payables	4,483,123	-	-	4,483,123
Payables to partners and participants in an association	-	-	-	-
Payables to employees	142,309	-	-	142,309
Social security insurance payables	95,961	-	-	95,961
Tax liabilities and subsidies	42,369	-	-	42,369
Other payables	3,282	-	-	3,282
Total as at 31 Dec 2018	8,152,710	1,371,056	787,509	10,311,275

31 December 2017

<i>Item</i>	<i>Maturity</i>			<i>Total</i>
	<i>Within Maturity Period</i>	<i>Overdue By Up To 360 Days</i>	<i>More Than 360 Days Overdue</i>	
Trade payables	3,729,483	1,167,464	2,863,169	7,760,116
Net contract value	-	-	-	-
Unbilled supplies	20,199	-	-	20,199
Payables to subsidiaries and the parent company	4,166,552	-	-	4,166,552
Other intercompany payables	930,049	-	-	930,049
Payables to partners and participants in an association	-	-	-	-
Payables to employees	124,313	-	-	124,313
Social security insurance payables	82,214	-	-	82,214
Tax liabilities and subsidies	24,934	-	-	24,934
Other payables	3,688	-	-	3,688
Total as at 31 Dec 2017	9,081,432	1,167,464	2,863,169	13,112,065

3.2. Breakdown of Payables by Residual Maturity

<i>Item</i>	<i>Total as at 31 Dec 2018</i>	<i>Total as at 31 Dec 2017</i>
Current Liabilities:		
Overdue liabilities	2,158,565	4,030,633
Liabilities with residual maturity of up to 1 year inclusive	8,152,710	9,081,432
Total current liabilities	10,311,275	13,112,065
Non-Current Liabilities:		
Liabilities with residual maturity of between 1 and 5 years	708,962	708,962
Liabilities with residual maturity of over 5 years	18,448	15,884
Total non-current liabilities	727,410	724,846

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As at 31 December 2018, the Company received loans solely from the group companies as follows:

Company	Amount (EUR) as at 1 Jan 2018	Original Currency	Balance as at 31 Dec 2018 (EUR)	Interest Rate (%)	Maturity	Collateral	Amount Due (EUR)	
							in 2019	after 2019
Zapa beton a.s.	1,092,843	EUR	779,123	12M EURIBOR + 3.075%	31/12/2021	None	70,161	708,962
Zapa beton a.s.	544,248	EUR	-	12M EURIBOR + 2.75%	31/12/2021	None	-	-
Cement Hranice a.s.	4,168,472	EUR	4,483,123	EONIA + 0.75% p.a			4,483,123	-
Total	5,805,563	EUR	5,262,246				4,553,284	708,962

In 2018, outstanding interest on the loan no. 20050316 of EUR 544,247 along with a portion of interest on the loan no. 20030602 of EUR 295,498 was paid.

As at 31 December 2017, the Company received loans solely from the group companies as follows:

Company	Amount (EUR) as at 1 Jan 2017	Original Currency	Balance as at 31 Dec 2017 (EUR)	Interest Rate (%)	Maturity	Collateral	Amount Due (EUR)	
							in 2018	po r. 2018
Zapa beton a.s.	1,038,543	EUR	1,092,843	12MEURIBOR +3.075 %	31/12/2021	None	383,881	708,962
Zapa beton a.s.	544,247	EUR	544,247	12MEURIBOR +2.75 %	31/12/2021	None	544,247	-
Cement Hranice a.s.	3,412,900	EUR	4,168,472	EONIA + 0.75 % p.a			4,168,472	-
Total	4,995,690	EUR	5,805,563				5,096,601	708,962

The loans were used for operating purposes.

3.3. Payables Secured by Lien or Other Form of Security

The Company has no payables secured by a lien or any other form of security.

3.4. Deferred Tax Liability/ Deferred Tax Asset

Item	2018	2017
Temporary differences between the carrying amount of assets and the tax base:		
Tax-deductible	2,145,757	1,787,625
Taxable	-	(432,475)
Temporary differences between the carrying amount of liabilities and the tax base:		
Tax-deductible	328,703	1,813,291
Taxable	-	-
Possibility of carrying forward tax loss	-	28,796
Possibility of transferring unclaimed tax deductions	-	-
Income tax rate (in %)	21%	21%
Deferred tax asset	519,637	762,239
Claimed tax asset:	519,637	762,239
Recognised as a decrease in costs	(242,603)	(315,406)
Recognised in equity	-	-
Deferred tax liability	-	(90,820)
Change in a deferred tax liability:	90,820	246,420
Recognised as an expense	(90,820)	(246,420)

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Recognised in equity

The taxable temporary differences mainly comprise:

- Provisions for receivables;
- Payables overdue by at least 36 months
- The difference between the net tax value and net book value of non-current assets; and
- Revaluation difference by the merger

3.5. Social Fund Payables

	2018	2017
Initial balance	15,884	10,850
Creation of social fund debited to costs	12,376	10,471
Creation of social fund from profit	-	-
Other creations in the social fund	-	-
Total creation of the social fund	<u>12,376</u>	<u>10,471</u>
Drawing from the social fund	(9,812)	(5,437)
Closing Balance	18,448	15,884

3.6. Liabilities to Related Parties

31 December 2018

Item	Related Parties	Amount as at 31 Dec 2018
Non-Current Liabilities:		
Payables to subsidiaries and the parent company	Zapa beton a.s.	708,962
Current Liabilities:		
Trade payables	Cement Hranice	2,499,997
	Zapa beton a.s.	207,902
	ZAPA BETON Hungaria	-
Payables to subsidiaries and the parent company	Zapa beton a.s.	70,161
Other intercompany payables	Cement Hranice	4,483,123
Total		7,970,145

31 December 2017

Item	Related Parties	Amount as at 31 Dec 2017
Non-Current Liabilities:		
Payables to subsidiaries and the parent company	Zapa beton a.s.	708,962
Current Liabilities:		
Trade payables	Cement Hranice	2,643,187
	Zapa beton a.s.	1,223,987
	ZAPA BETON Hungaria	24,292
Payables to subsidiaries and the parent company	Zapa beton a.s.	928,129
Other intercompany payables	Cement Hranice	4,168,472
Total		9,697,029

V. REVENUES

1. Operating Revenues

ZAPA beton SK s.r.o.**Notes to the Separate Financial Statements****At 31 Dec 2018****(Value data in tables are disclosed in whole euros unless stipulated otherwise)**

1.1. Revenues from the Sales of Merchandise, Own Products and Services

Revenues from the Sale of Own Outputs and Merchandise by Major Geographical Segment:

Country	2018		2017	
	EUR	%	EUR	%
Slovakia	35,290,704	100.00	34,781,628	100.00
Total sales	35,290,704	100.00	34,781,628	100.00

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Revenues from the Sale of Own Outputs and Merchandise by Major Business Segment:

Country	Type of Products, Merchandise and Services Central Mix Concrete		Type of Products, Merchandise and Services Transportation		Type of Products, Merchandise and Services Other		Total
	2018	2017	2018	2017	2018	2017	
Slovakia	29,874,273	29,268,508	5,020,918	4,584,846	395,513	928,274	35,290,704
Total	29,874,273	29,268,508	5,020,918	4,584,846	395,513	928,274	34,781,628

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Net turnover in line with Article 19 (1) (a) Second Clause of the Act

<i>Item</i>	31 December 2018	31 December 2017
Revenues from own products	29,807,139	28,898,063
Revenues from the sale of services	5,348,132	5,454,002
Revenues from merchandise	135,433	429,563
Revenues from construction contracts	-	-
Revenues from real estate for sale	-	-
Other revenues related to ordinary activities	-	-
Total Net Turnover	35,290,704	34,781,628

1.2. Revenues from the Capitalisation of Costs and Operating Revenues, Revenues from Financing Activities and Extraordinary Revenues

<i>Item</i>	2018	2017
Material items from the capitalisation of costs	165,425	125,044
Other material items of operating revenues	-	-
Revenues from financing activities		
<i>Foreign exchange gains, of which:</i>		
<i>Foreign exchange gains as at the reporting date</i>	35,483	2,174
<i>Other material items of revenues from financing activities</i>	28,921	2,174
	12,249	2,575
Extraordinary revenues	-	-

The capitalisation of raw materials includes gravel extraction at the gravel pit Ducové and Most, which is used to produce concrete at the Company's other locations.

VI. EXPENSES

1. Operating Expenses

1.1. Consumables and Services

<i>Item</i>	2018	2017
Cost of merchandise sold	142,668	454,694
Consumption of raw materials, energy and other non-inventory supplies	23,353,343	23,025,555
Services	6,745,087	6,538,850
<i>Of which:</i>		
<i>Repairs and maintenance</i>	744,629	619,062
<i>Travel expenses</i>	32,429	45,554
<i>Entertainment expenses</i>	19,058	7,080
<i>Transportation of concrete</i>	3,292,621	2,832,866
<i>Concrete pumping</i>	930,595	723,418
<i>Rent of concrete plant</i>	48,360	53,718
<i>Telephone charges</i>	36,803	44,151
<i>Waste disposal</i>	180,579	304,976
<i>Other transportation</i>	342,828	390,037
<i>Tax consultancy</i>	42,895	89,296
<i>Extraction and transport of gravel</i>	327,579	294,581
<i>Rent of land</i>	156,831	92,980
<i>Rent of residential premises</i>	20,555	23,758
<i>Operating leasing</i>	132,592	135,163
<i>Safety and security</i>	23,302	34,628
<i>Other</i>	413,428	847,582

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1.2. Costs of Services Provided by the Auditor, Other Operating Expenses, Finance Costs and Extraordinary Expenses

Item	2018	2017
<i>Cost of the auditor, audit firm, of which:</i>		
<i>Costs of auditing separate financial statements</i>	10,248	9,982
<i>Other assurance audit services</i>	512	499
<i>Related audit services</i>	-	-
<i>Other significant cost items of economic activity</i>	323,319	263,898
<i>Of which:</i>		
<i>Insurance of assets</i>	45,243	45,567
<i>Write-off of a receivable</i>	-	45,130
<i>Other</i>	278,076	173,201
<i>Creation of provisions for receivables</i>	67,309	57,336
<i>Finance costs</i>		
<i>Foreign exchange losses, of which:</i>		
<i>Foreign exchange losses as at the reporting date</i>	34,276	101,241
<i>Other material items of finance costs, of which:</i>	14,674	101,241
	15,204	7,215

VII. INCOME TAX

The income tax rate for 2018 amounts to 21%. The Company applied no tax relief.

In this section is further stated:

Item	2018	2017
Amount of deferred tax assets recognised as expenses or revenues resulting from a change in the income tax rate		
Amount of deferred tax liabilities recognised as expenses or revenues resulting from a change in the income tax rate		
Amount of deferred tax assets related to tax losses carried forward, unclaimed tax deductions and other claims, as well as temporary differences from prior reporting periods, in respect of which no deferred tax assets were recognised in the prior periods	-	-
Amount of deferred tax liabilities originating due to non-recognition in the current period of a portion of the deferred tax assets recognised in previous reporting periods	-	-
Amount of unclaimed tax losses carried forward, unclaimed tax deductions and other claims, as well as deductible temporary differences, in respect of which no deferred tax assets were recorded	-	-
Amount of deferred income tax related to items recognised directly in equity accounts with no disclosure in revenues and expenses	-	-

The Company records the following income tax structure:

Reconciliation of Income Tax

Item	2018	2017
<i>Current income tax:</i>		
<i>On ordinary activities</i>	2,880	2,880
<i>On extraordinary activities</i>		
<i>Deferred income tax:</i>		
<i>On ordinary activities</i>	151,783	68,986
<i>On extraordinary activities</i>		
Total income tax	154,663	71,866

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	2018			2017		
	Tax Base	Tax	Tax in %	Tax Base	Tax	Tax in %
Profit/loss prior to taxation	632,919			655,822		
<i>Of which:</i>						
<i>Theoretical tax</i>		132,913	21		137,723	21%
Tax non-deductible expenses	46,715	9,810	1.55	64,711	13,589	2%
Revenues exempt from taxation				-	-	
Change in tax rate				-	-	
Tax loss carried forward				-	-	
Effect of an unrecognised deferred tax asset				-	-	
Other	56,857	11,940	1.88	(378,314)	(79,446)	-12%
Total		154,663	-24.44		71,866	-11%
Current income tax	-	2,880	0.46	-	2,880	
Deferred income tax	-	151,783	23.98	-	68,986	
Total Income Tax		154,663	24.44		71,866	

The Company has accounted the deferred tax assets from the tax loss as it is expected to be recovered in the future.

As at 31 December 2018 ZAPA beton SK leases:

- (under an operating lease): 34 motor vehicles up to 3.5t;
- in addition, it leases 4 motor vehicles up to 3.5t from ZAPA beton a.s.

The Company leases office premises, concrete-manufacturing facilities and land from third parties. The lease agreements are concluded for an indefinite period.

VIII. OTHER ASSETS AND OTHER LIABILITIES

Given that many areas of the Slovak tax laws have not yet been sufficiently verified in practice, there is an uncertainty as to their application by tax authorities. The level of such uncertainty cannot be quantified and will be eliminated once legal precedents or official interpretations by the relevant authorities are available.

Under the current Slovak legislation, the Company is obliged to pay an average one-month salary to retiring employees. The Company has estimated that the amount of this obligation is insignificant. The financial statements do not include any adjustments in this regard.

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IX. INCOME AND BENEFITS OF MEMBERS OF STATUTORY, SUPERVISORY AND OTHER BODIES OF THE COMPANY

Type of Income, Benefit	Amount of Income, Benefits of Current Members of Statutory Bodies		Other Bodies		Amount of Income, Benefits of Former Members of Statutory Bodies		Supervisory Bodies		Other Bodies	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Monetary income	19,149	21,660	-	-	-	-	-	-	-	-
In-kind income	-	-	-	-	-	-	-	-	-	-
Monetary advance payments	-	-	-	-	-	-	-	-	-	-
In-kind advance payments	-	-	-	-	-	-	-	-	-	-
Loans provided	-	-	-	-	-	-	-	-	-	-
Guarantees issued	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-

All two members of the Company's management use company cars for both business and private purposes.

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X. RELATED PARTIES

Related parties include shareholders, members of the Board of Directors, employees, and companies in which the equity share exceeds 20% (subsidiaries and associates).

Transactions between the aforementioned parties and the Company are made on an arm's length basis and at market prices. The Board of Directors makes all decisions on related party transactions. These transactions are commented on in the relevant notes to the financial statements.

Related Parties	Balances and Transactions for the Year Ending 31 Dec 2018				
	Receivables	Payables	Expenses	Revenues	Other
Parent Company	43,926	987,025	176,446	123,644	-
Subsidiaries and associates	552,717	-	21,436	5,113	-
Other group companies	-	6,983,120	11,260,335	-	-
Total	596,643	7,970,145	11,458,217	128,757	

Related Parties	Balances and Transactions for the Year Ending 31 Dec 2017				
	Receivables	Payables	Expenses	Revenues	Other
Parent Company	-	2,861,078	198,679	750	-
Subsidiaries and associates	611,737	24,292	180,326	4,130	-
Other group companies	-	6,811,659	11,413,911	-	-
Total	611,737	9,697,029	11,792,916	4,880	

Related Party	Transaction Type Code	Transaction Value	
		2018	2017
Cement Hranice	01	11,156,476	11,311,610
Cement Hranice	08	27,239	24,556
Cement Hranice	03	76,620	77,746

Subsidiary / parent company	Transaction Type Code	Transaction Value	
		2018	2017
ZAPA BETON Hungaria	01	21,436	180,326
ZAPA beton a.s.	01	50,161	61,289
ZAPA beton a.s.	03	104,182	115,238
ZAPA beton a.s.	08	22,103	22,152
ZAPA BETON Hungaria	02	5,113	4,130
ZAPA beton a.s.	02	4,622	750
ZAPA beton a.s.	09	119,022	

01 – purchase, 02 – sale, 03 – provision of services, 04 – business representation, 05 – licence, 06 – transfer, 07 – know-how, 08 – loan, borrowing, 09 – assistance, 10 – guarantee, 11 – other transaction

XI. EVENTS THAT OCCURED BETWEEN THE REPORTING DATE AND THE DATE ON WHICH THE FINANCIAL STATEMENTS WERE AUTHORISED FOR ISSUE

None

XII. CHANGES IN EQUITY**31 December 2018**

<i>Item</i>	<i>Balance as at 1 Jan 2018</i>	<i>Additions</i>	<i>Disposals</i>	<i>Transfers</i>	<i>Balance as at 31 Dec 2018</i>
Registered capital	11,859,396	-	-	-	11,859,396
Treasury shares and treasury stock	-	-	-	-	-
Change in registered capital	-	-	-	-	-
Amounts receivable for subscribed capital	-	-	-	-	-
Share premium	-	-	-	-	-
Other capital funds	92,704	-	-	-	92,704
Legal reserve fund (non-distributable fund) from capital contributions	1,660	-	-	-	1,660
Revaluation reserve from the revaluation of assets and liabilities	(60,086)	-	-	-	(60,086)
Revaluation reserve from capital contributions	-	-	-	-	-
Revaluation reserve from consolidation, mergers and separations	-	-	-	-	-
Legal reserve fund	290,900	-	-	-	290,900
Non-distributable fund	-	-	-	-	-
Statutory funds and other funds	-	-	-	-	-
Retained earnings of previous years	-	-	-	-	-
Accumulated loss from previous years	(4,362,587)	-	-	583,956	(3,778,631)
Profit/loss for the current period	583,956	478,256	-	(583,956)	478,256
Paid dividends	-	-	-	-	-
Other equity items	-	-	-	-	-
Account 491 – Sole proprietor's equity	-	-	-	-	-

31 December 2017

<i>Item</i>	<i>Balance as at 1 Jan 2017</i>	<i>Additions</i>	<i>Disposals</i>	<i>Transfers</i>	<i>Balance as at 31 Dec 2017</i>
Registered capital	11,859,396	-	-	-	11,859,396
Treasury shares and treasury stock	-	-	-	-	-
Change in registered capital	-	-	-	-	-
Amounts receivable for subscribed capital	-	-	-	-	-
Share premium	-	-	-	-	-
Other capital funds	92,704	-	-	-	92,704
Legal reserve fund (non-distributable fund) from capital contributions	1,660	-	-	-	1,660
Revaluation reserve from the revaluation of assets and liabilities	(60,086)	-	-	-	(60,086)
Revaluation reserve from capital contributions	-	-	-	-	-
Revaluation reserve from consolidation, mergers and separations	-	-	-	-	-
Legal reserve fund	290,900	-	-	-	290,900
Non-distributable fund	-	-	-	-	-
Statutory funds and other funds	-	-	-	-	-
Retained earnings of previous years	-	-	-	-	-
Accumulated loss from previous years	(3,735,828)	-	-	(626,759)	(4,362,587)
Profit/loss for the current period	(626,759)	583,956	-	626,759	583,956
Paid dividends	-	-	-	-	-
Other equity items	-	-	-	-	-
Account 491 – Sole proprietor's equity	-	-	-	-	-

XIII. CASH FLOW

The cash flow statement is included in the Appendix.

Cash comprises cash on hand, cash equivalents, and cash at bank, ie current accounts, and a portion of cash in transit.

Breakdown of cash and cash equivalents:

Item	Account	2018	2017
Cash	211	18,068	11,573
Stamps and vouchers	213	(4,473)	(4,696)
Bank accounts	221.1	13,156	90,916
Cash in transit	261	-	-
Overdraft facility	221.2	-	-
Total		26,751	97,793

Appendices:

Table 1: Cash Flow Statement

Table 1 - Cash Flow Statement

Description	for fiscal year ending: 31.12.2018	Actual amount in EUR	
		Current acc. period	Previous acc. period
Cash flows from operating activities			
Z/S	Profit/loss from ordinary activities before taxation (+/-)	632,919	655,822
A.1.	Non cash transactions effecting profit/loss from ordinary activities before taxation (sum of A.1.1. to A.1.13) (+/-)	1,346,721	1,071,814
A.1.1.	Depreciation of intangible and tangible fixed assets (+)	1,087,422	936,245
A.1.2.	Net book value of intangible and tangible fixed assets recorded after disposal of such assets and charged to expenses for ordinary activities except for the sale (+)		11,258
A.1.3.	Write-off of the provisions for acquired assets (+/-)		
A.1.4.	Change in long-term provisions for liabilities (+/-)	77,136	87,081
A.1.5.	Change in provisions for assets (+/-)	127,693	(2,025)
A.1.6.	Change in expense and revenues accruals (+/-)	(5,266)	(10,824)
A.1.7.	Dividends and other profit sharing charged to revenues (-)		
A.1.8.	Interest expense (+)	49,342	46,708
A.1.9.	Interest income (-)	(1,225)	(1,085)
A.1.10.	Foreign exchange gains from cash and cash equivalents at the balance sheet date (-)		
A.1.11.	Foreign exchange losses from cash and cash equivalents at the balance sheet date (+)		
A.1.12.	Profit/loss on sale of fixed assets except for those considered cash equivalents (+/-)	(354)	(1,036)
A.1.13.	Other items of non-cash nature which effect profit/loss from ordinary activities except for those which are listed separately in other sections of the cash flow statement (+/-)	11,973	5,492
A.2.	Effect of changes in working capital (the difference between current assets and current liabilities excluding current asset items which are part of cash and cash equivalents) on profit/loss from ordinary activities	(166,947)	373,411
A.2.1.	Change in receivables from operations (-/+)	1,857,200	(889,302)
A.2.2.	Change in payables from operations(+/-)	(1,983,911)	1,221,490
A.2.3.	Change in inventories (-/+)	(40,236)	41,223
A.2.4.	Change in current financial assets except for those included in cash and cash equivalents (-/+)		
	Cash flow from operating activities except for income and expenditure which are listed separately in other sections of the cash flow statement (+/-), (sum of Z/S + A.1.+ A.2.)	1,812,693	2,101,047
A.3.	Interest received except for that included in investment activities (+)		
A.4.	Interest paid except for that included in financing activities (-)	(866,221)	(24,416)
A.5.	Dividends and other profit sharing received (+)		
A.6.	Dividends and other profit sharing paid except for those included in investment activities (-)		
	Cash flow from operating activities (+/-) (sum of Z/S + A.1. to A.6.)		
A.7.	Income tax paid except for that included in investment or financing activities (-/+)	(2,880)	(2,880)
A.8.	Extraordinary income related to operations (+)		
A.9.	Extraordinary expenditure related to operations (-)		
A.	Net cash flow from operating activities (+/-) (sum of Z/S + A.1. to A.9.)	943,592	2,073,753
Cash flow from investment activities			
B.1.	Expenditure for acquisition of intangible fixed assets (-)		
B.2.	Expenditure for acquisition of tangible fixed assets (-)	(1,047,634)	(2,005,650)
B.3.	Expenditure for acquisition of long-term securities and shares in other entities except for securities which are considered cash equivalents and securities available for sale or trading securities (-)		
B.4.	Income on sale of intangible fixed assets (+)		
B.5.	Income on sale of tangible fixed assets (+)	33,000	1,036
B.6.	Income on sale of long-term securities and shares in other entities except for securities which are considered cash equivalents and securities available for sale or trading securities (+)		
B.7.	Expenditure for non-current borrowings provided by the entity to another entity that is a member of the consolidation group (-)		
B.8.	Income on the repayment of non-current borrowings provided by the entity to another entity that is a member of the consolidation group (+)		
B.9.	Expenditure for non-current borrowings provided by the entity to third parties except for non-current borrowings provided to the entity that is included in the consolidation group (-)		
B.10.	Income on the repayment of non-current borrowings provided by the entity to third parties (+)		
B.11.	Income on lease of complex movable and immovable assets used and depreciated by the lessee (+)		
B.12.	Interest received except for that included in operating activities (+)		
B.13.	Dividends and other profit sharing received except for those included in operating activities (+)		
B.14.	Expenditures related to derivatives except for those which are available for sale or trading, or are considered cash flow from financing activities (-)		
B.15.	Income related to derivatives except for those which are available for sale or trading, or are considered cash flow from financing activities (-)		
B.16.	Income tax paid where includable in investment activity (-)		
B.17.	Extraordinary income related to investment activity (+)		
B.18.	Extraordinary expenditures related to investment activity (-)		
B.19.	Other income related to investment activity (+)		
B.20.	Other expenditures related to investment activity (-)		
B.	Net cash flow from investment activities (sum of B.1. to B.20.)	(1,014,634)	(2,004,614)

	Cash flows from financing activities		
C.1.	Cash flows in equity (sum of C.1.1. to C.1.8.)		
C.1.1.	Income on shares subscribed and ownership interests (+)		
C.1.2.	Income on other capital stakes owned by partners or individuals (+)		
C.1.3.	Monetary gifts received (+)		
C.1.4.	Income on loss settlement by partners (+)		
C.1.5.	Expenditure for acquisition or repurchase of own shares and own ownership interests (-)		
C.1.6.	Expenditure relating to decrease of funds created by the entity (-)		
C.1.7.	Expenditure for repayment of capital stakes to entity's partners and individuals (-)		
C.1.8.	Any other expenditure that relates to a decrease in equity (-)		
C.2.	Cash flows arising from long-term and short-term payables from financing activities		
C.2.1.	Income on issue of debt securities (+)		
C.2.2.	Repayment of payables from debt securities (-)		
C.2.3.	Income on loans from banks except for those provided for main business activities (+)		
C.2.4.	Repayment of loans from banks except for those provided for main business activities (-)		
C.2.5.	Income on borrowings received (+)		
C.2.6.	Repayment of borrowings(-)		
C.2.7.	Repayment of payables from assets subject to a leased assets purchase contract (-)		
C.2.8.	Repayment of payables arising from the lease of complex, movable and immovable assets used and depreciated by a lessee (-)		
C.2.9.	Income on other long-term and short-term payables resulting from financing activities of the entity except for those which are listed separately in other sections of the cash flow statement (+)		
C.2.10.	Repayment of other long-term and short-term payables resulting from financing activities of the entity except for those which are listed separately in other sections of the cash flow statement (-)		
C.3.	Interest paid except for that included in operating activities (-)		
C.4.	Dividends paid and other profit sharing except for those included in operating activities (-)		
C.5.	Expenditures related to derivatives except for those which are available for sale or trading, or are considered cash flow from investment activities (-)		
C.6.	Income related to derivatives except for those which are available for sale or trading, or are considered cash flow from investment activities (+)		
C.7.	Income tax paid where includable in financing activities (-)		
C.8.	Extraordinary income related to financing activities (+)		
C.9.	Extraordinary expenditures related to financing activities (-)		
C.	Net cash flows from financing activities		
D.	Net increase or net decrease of cash and cash equivalents (+/-) (aggregate A+B+C)	(71,042)	69,139
E.	Cash and cash equivalents at the beginning of the accounting period	97,793	28,654
F.	Cash and cash equivalents at the end of the accounting period before foreign exchange gains/losses calculated at the balance sheet date	26,751	97,793
G.	Foreign exchange gains/losses for cash and cash equivalents at the balance sheet date (+/-)		
H.	Cash and cash equivalents at the end of the accounting period adjusted for foreign exchange gains/losses calculated at the balance sheet date (+/-)	26,751	97,793

Proposal for distribution of profits

The profit in the amount of EUR 478,256 posted for 2018 will be used to cover the accumulated loss of previous years.

Independent Auditor's Report

To the Owners and Statutory Representatives of ZAPA beton SK s.r.o.:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of ZAPA beton SK s.r.o. ("the Company"), which comprise the balance sheet as at 31 December 2018, the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at 31 December 2018, and of its financial performance for the year then ended in accordance with the Act on Accounting No 431/2002 Coll., as amended by later legislation ("the Act on Accounting").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards 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 Statutory Audit No 423/2015 Coll. and on amendments to the Act on Accounting No 431/2002 Coll., as amended by later legislation ("the Act on Statutory Audit") related to ethics, including Auditor's Code of Ethics, that are relevant to our audit of the financial statements, and we have fulfilled other requirements of these provisions related to ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of the financial statements that give true and fair view in accordance with the Act on Accounting, and for such internal control as management 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, management 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 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 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.

THIS IS A TRANSLATION OF THE ORIGINAL SLOVAK REPORT

As part of an audit in accordance with ISAs, 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 management.
- Conclude on the appropriateness of management'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 presented information as well as whether the financial statements captures the underlying transactions and events in a manner that leads to their fair presentation.

We communicate with those charged with governance 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.

Report on Other Legal and Regulatory Requirements

Report on Information Disclosed in the Annual Report

Management is responsible for the information disclosed in the annual report, prepared based on requirements of the Act on Accounting. Our opinion on the financial statements expressed above does not apply to other information contained in the annual report.

In connection with audit of the financial statements it is our responsibility to understand the information disclosed in the annual report and to consider whether such information is not materially inconsistent with audited financial statements or our knowledge obtained in the audit of the financial statements, or otherwise appears to be materially misstated.

We considered whether the Company's annual report contains information, disclosure of which is required by the Act on Accounting.


Based on procedures performed during the audit of financial statements, in our opinion:

- Information disclosed in the annual report prepared for 2018 is consistent with the financial statements for the relevant year,
- The annual report contains information based on the Act on Accounting.

Additionally, based on our understanding of the Company and its situation, obtained in the audit of the financial statements, we are required to disclose whether material misstatements were identified in the annual report, which we received prior to the date of issue of this auditor's report. In this regard, there are no findings which we should disclose.

22 February 2019
Bratislava, Slovak Republic

Ernst & Young Slovakia, spol. s r.o.
SKAU Licence No. 257



Ing. Peter Matejička, statutory auditor
SKAU Licence No. 909