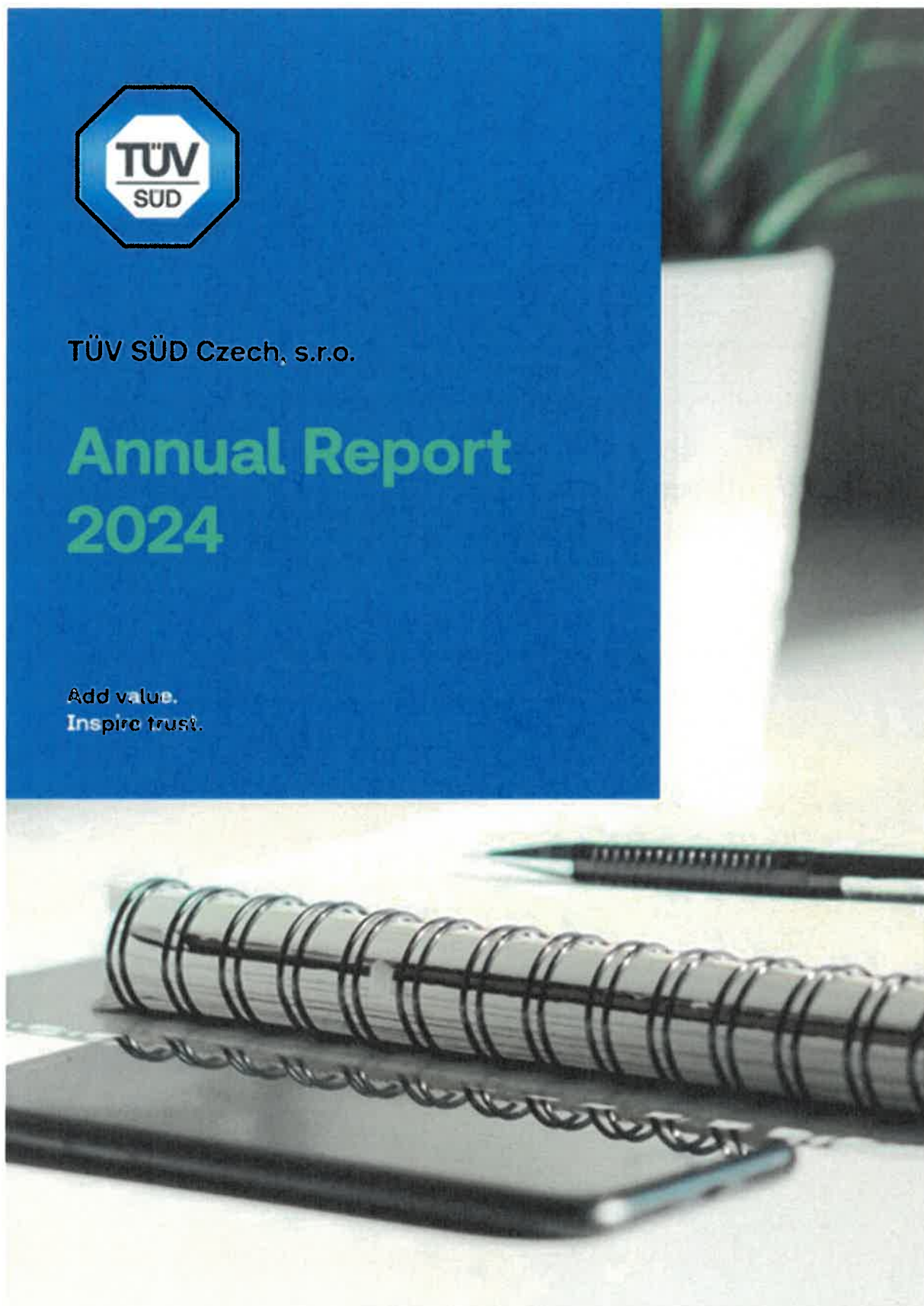




TÜV SÜD Czech, s.r.o.

Annual Report 2024

Add value.
Inspire trust.





1. INTRODUCTION

The limited company **TÜV SÜD Czech s.r.o.** ("TCZ") represents the interests of the holding company TÜV SÜD in Central and Eastern Europe and is a 100% subsidiary of the limited company TÜV SÜD Central Eastern Europe s.r.o. ("TEE").

With nearly 30,000 employees, Germany-based TÜV SÜD Holding has long been one of the world's largest providers of certification, testing, inspection and training (TIC) services in many industries and service sectors.

For 2024, TCZ has defined not only significantly growing, but still realistic targets in terms of projected sales and profitability, but also plans for further development of the company, including the continued digitalization of internal processes.

Throughout 2024, the advantage of TCZ's multi-disciplinary structure was again evident, with the currently more successful divisions compensating for the reduced performance of the others. This was exemplified by the weaker performance of the Mobility division during the second and third quarters of the year, which was well offset by the performance of the other divisions. Strong order volumes in the Mobility division in the first and fourth quarters then ensured that this division also outperformed the 2024 plan in aggregate.

The result is a highly successful year for the company as a whole, in which all divisions managed to achieve or even exceed their planned turnover and TCZ as a whole achieved a record result with sales exceeding CZK 850 million (EUR 34 million). At the same time, we made a significant contribution to the best ever result for the region as a whole, with sales in excess of EUR 130 million.

Division MO (Mobility)

This division has long been the most efficient part of TCZ in terms of turnover and profit achieved in absolute numbers. At the same time, it has maintained its position as one of the largest parts of the Mobility Industry (MOI) business unit worldwide. In addition to the ever-growing cooperation with our traditional customers, we have also managed to establish cooperation with new clients such as Audi, Jaguar-Land Rover, Seat, Tesla and Volkswagen de Mexico.

After a very successful start to the year, the number of orders and postponement of development projects by some customers declined during 2024, particularly in the second and third quarters of the year. Thanks to the very intensive work of the sales team, new orders were secured, which nevertheless brought the need for increased efforts in gradually fine-tuning the communication between the division and the new clients. A feature of last year in the Mobility division was the continued workload of the teams dealing with GRS2 regulatory requirements. These included the CRC (Certification and Regulatory Compliance) section at the level of approval procedures and the CAM (Connected and Automated Mobility) section in its role as a testing laboratory. The products introduced from 2024 onwards also include vehicle cybersecurity services using so-called ethical hackers.



Despite the above-mentioned volatility of sales during the year, the MO division managed to exceed the planned turnover with the final result significantly exceeding the previous year's performance.

Division BA (Business Assurance)

In 2024, the division achieved a record turnover of approximately CZK 208 million, which ranked it second among TCZ divisions in terms of overall performance. The division's total profit in absolute terms slightly exceeded that of the MO division and the BA division achieved the highest profitability in the company as usual. Cybersecurity was repeatedly among the fastest growing service segments, continuing to grow and confirming the long-term trend and overall outlook. The broader ESG service area also saw dynamic development last year and has great development potential for the division in the future. Our traditional service area MSC (Management System Certifications) also grew at a significant pace in 2024, and the FAT (Forest and Timber) and ACA (Academy) units continued to form stable pillars of the BA division's performance last year.

Digitisation and process optimisation formed a significant part of BA's activities. The digital process (eAudit) was introduced as a mandate for selected audit schemes, and significant process optimizations were also made during the year using the internal ESE information system. The new CANVAS tool also systematises the procedures for the evaluation and introduction of new services in the BA division.

Division PS (Product Service)

This division continued to develop its biofuel certification business in 2024 and has achieved excellent results in this segment. Achievements include the expansion of accreditations to include IFS Broker Certification and Verification of Environmental Claims. The division has also qualified ENV auditors under the Validation and Verification Body of our sister company TÜV SÜD IS GmbH, enabling the respective auditors to start verifying the carbon footprint of our customers' products and organisations.

IS Division (Industry Service)

This division has long faced a shortage of skilled personnel, most notably in the pressure vessel area, but also in the sales team. Despite this, the division has managed to maintain a profitable growth trend, despite the difficult situation in the industrial manufacturing sector in the Czech Republic and Europe, which continued to face high energy costs and declining competitiveness in 2024, especially compared to its Asian competitors.



At the same time, the sales team managed to win interesting contracts and renew cooperation with important stakeholders in the market. Among the division's key activities were efforts to continue the internationalisation of services in line with its long-term strategy, to improve the qualifications of inspectors, but also to strengthen its reputation in the nuclear power industry. In this area, TÜV SÜD's long-term goal at the multinational level is to gain a significant share in the preparation and implementation of the project to build new nuclear units in the Czech Republic. The new service segments Rail and H2 also saw significant development.

RI Division (Real Estate)

This smallest division within TCZ, with joint management with the IS division, focuses on commissioning services for new lifts and, with the exception of a single full-time employee, uses a network of certified external suppliers. This allows it to achieve interesting results both in terms of overall turnover and profitability.

2. ORGANISATIONAL STRUCTURE of TÜV SÜD Czech s.r.o

Company management:

The management of TÜV SÜD Czech s.r.o. worked in the period from 1 January 2024 to 30 April 2024 in the following composition:

- Ing. Oleg Spružina, Managing Director and CEO of TCZ
- Ing. Michaela Stružková, Managing Director and CFO of TCZ
- Ing. Jiří Socha, Ph.D., Procurist, Deputy General Manager and Director of the MO Division

The management of TÜV SÜD Czech s.r.o. worked in the period from 1 May 2024 to 31 December 2024 in the following composition:

- Ing. Jiří Socha, Ph.D. Managing Director and CEO of TCZ
- Ing. Michaela Stružková, Managing Director and CFO of TCZ

Changes in the company structure in 2024:

There were no further major changes to the internal structure of TCZ in 2024.

Location of TÜV SÜD Czech offices:



3. SERVICES PROVIDED

The Company TCZ provides services in the areas of inspection, certification and systems, processes, products and services. As an inspection and certification body, it carries out a full range of technical, engineering, testing and certification activities aimed at ensuring the safety of products, technical equipment and services, etc. The scope of activities also includes consulting, approval and expert activities, as well as training in all branches of industry and services. TCZ holds a leading position in the field of testing and homologation of vehicles and their components, throughout the CEE region.

TÜV SÜD Czech s.r.o. offers a complete range of services in accordance with EC directives and ECE regulations and in with government regulations in the field of conformity assessment:

- Testing and calibration laboratory within the meaning of ČSN EN ISO/IEC 17025
- Inspection body as defined in EN ISO 17020
- Certification body for management systems in the sense of ČSN EN ISO/IEC 17021-1
- Product certification body in accordance with EN 17065



The company is certified by government authorities, agencies and associations, in particular the:

- Czech Institute for Accreditation
- Office for Technical Standardization, Metrology and State Testing
- Ministry of Transport of the Czech Republic
- Ministry of Transport of Slovakia
- German National Accreditation Body (DAkkS)
- British Certification Authority (VCA)
- and others

The TÜV SÜD trademark in the shape of a blue octagon is registered with the Industrial Property Office. Its design with a specific regulation or mode of verification, is given to the Company's customers under firmly established conditions.

4. MARKETING AND BUSINESS ACTIVITIES

PR and marketing activities in 2024 were focused on promoting selected services of individual divisions and on the continued promotion of the entire company, including its logo. We address our current clients primarily through our regular e-Newsletter. The long-term goal remains to shift the focus of our presentation to the digital environment, including the active use of social media networks.

In 2024, we also continued our promotion on the labour market to present our company as an interesting and promising employer. In addition to the traditional cooperation with universities, we have also newly approached selected secondary schools with a technical focus.

Commercial activities are carried out within the individual divisions with the support of the PR & Marketing department

The Company's financial position for 2024 and 2023 is clear from the financial statements for 2024, which is an integral part of this Annual Report.

5. OUTLOOK TO 2025

In 2025, our focus will be on delivering our ambitious turnaround and profitability plan. With regard to the not very optimistic outlook for the Czech economy, which is strongly affected by the problematic developments in Germany and the economic stagnation across Europe, achieving the target performance will be a real challenge.



Important activities will certainly include the successful completion of selected holding projects, where the most monitored actions will include the optimization of the entire certification structure (CCB/OCB project), the greater integration of the WEE (Western Europe) and CEE (Central and Eastern Europe) regions, and the preparation of the 2030 Strategy. As the largest company in the CEE region, we will also intensively participate in the development and implementation of a long-term regional strategy.

6. CONCLUSION

The year 2024 was mainly influenced by the persistent uncertainty on the energy market and the deepening stagnation of economic growth in the Czech Republic and Europe. Uncertainty stemming from the geopolitical situation and the conflict in Ukraine also persisted.

In spite of the above, the past year can be evaluated as an above-standard success from the point of view of TÜV SÜD Czech, mainly thanks to the record level of sales and the profit achieved. Last year's results confirmed our position as a powerful part of TÜV SÜD's regional structure in Central and Eastern Europe. At the same time, we maintained our position as a major service provider in the Czech Republic in the areas of certification, technical inspections, testing and homologation of vehicles

There has been a change in the composition of the Company's executive directors since December, 31, 2024 (specifically January, 31, 2025), but this change has no impact on the 2024 financial statements or the facts presented in the financial statements.

TÜV SÜD Czech s.r.o. does not have a branch office or other part of its business establishment abroad. The company does not undertake any research and development activities and its activities do not have any negative impact on the environment in any way.

The annex to this Annual report contains the organisational structure, report on relations, and an auditor's report, including the financial statements.

Prague, 1 April 2025



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Ing. Jiří Socha, Ph. D.
Managing Director TÜV SÜD Czech s.r.o.

TÜV SÜD Czech s.r.o.

Report on relations between the controlling entity and the controlled entity and between the controlled entity and entities controlled by the same controlling entity (hereinafter “Report on Relations”)

as of 31 March 2025

STRUCTURE OF RELATIONS BETWEEN RELATED ENTITIES

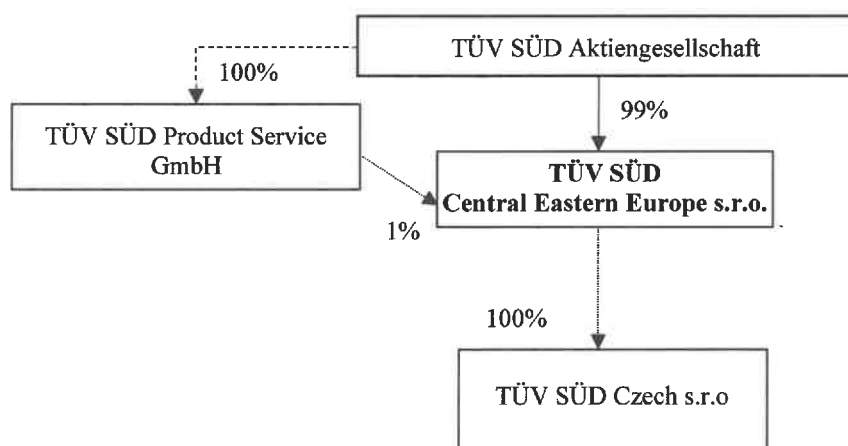
TÜV SÜD Czech s.r.o. is part of the multinational group TÜV SÜD A.G., which has controlled legal entities around the world.

The structure of the companies in the Czech Republic is such that TÜV SÜD Aktiengesellschaft has 99% direct ownership of TÜV SÜD Central Eastern Europe s.r.o., based in the Czech Republic under the Czech legal system, which exercises the role of a national holding company and service center for the other subsidiaries based in the Czech Republic. This company therefore directly controls the following companies:

<i>Name of the company</i>	<i>ID</i>	<i>Ownership stake</i>
TÜV SÜD Czech s.r.o.	639 87 121	100%

The remaining 1% share of TÜV SÜD Central Eastern Europe s.r.o. is owned by the German company TÜV SÜD Product Service GmbH, whose owner is TÜV SÜD A.G.

Relations between the related entities in the Czech Republic are evident from the following organizational structure:



ROLE OF THE CONTROLLED COMPANY IN THE GROUP

The Company fills the role of supplier and customer of services for the other companies in the group within the portfolio of the services provided.

METHOD AND MEANS OF CONTROL

The controlling entities make direct decisions regarding all company-legal issues of TÜV SÜD Czech s.r.o., appointing and removing the executives. The executives decide on other matters, consulting with the shareholders on key decisions.

LEGAL RELATIONS BETWEEN THE RELATED ENTITIES

The company has concluded the following contracts with related entities:

<i>Related entity</i>	<i>Type of contract and general terms and conditions</i>
TÜV SÜD Aktiengesellschaft (DE)	Passive contracts for the provision of management and marketing services, performance in Germany, remuneration in the amount decided by the plan of turnover, payments made on the basis of monthly invoicing.
TÜV SÜD Aktiengesellschaft (DE)	Passive contract for liability insurance for damages under the insurance policy of the holding, remuneration according to the number of employees, payment based on a one-time invoice.
TÜV SÜD Aktiengesellschaft (DE)	Passive contract for the provision of services, training.
TÜV SÜD Aktiengesellschaft (DE)	Short Term Loan Agreement dated 29 June 2023.
TÜV SÜD Industrie Service GmbH (DE)	Active and passive contract for the provision of services, general business cooperation on contracts, billed on the basis of posted hourly rates, invoicing concurrent with the conclusion of the contract.
TÜV SÜD Product Service GmbH München (DE)	Active and passive contract for the provision of services, general business cooperation on contracts, billed on the basis of posted hourly rates, invoicing concurrent with the conclusion of the contract.
TÜV SÜD Management Service GmbH (DE)	Active and passive contract for the provision of services, general business cooperation on contracts, billed on the basis of posted hourly rates, invoicing concurrent with the conclusion of the contract.
TÜV SÜD Central Eastern Europe s.r.o. (CZ)	Active and passive contract for the provision of services, regional services, performance in the Czech Republic, based on posted hourly rates

<i>Related entity</i>	<i>Type of contract and general terms and conditions</i>
	according to the hours worked, payments based on invoicing.
TÜV SÜD Auto Service GmbH (DE)	Active and passive contract for the provision of services, general business cooperation on contracts, billed on the basis of posted hourly rates, invoicing concurrent with the conclusion of the contract.
TÜV SÜD Akademie GmbH (DE)	Passive contract for the provision of services, training.
TÜV SÜD Business Services GmbH (DE)	Passive contracts for the provision of services in the Czech Republic, billed on the basis of posted hourly rates, normally invoiced after the conclusion of the contract.
TÜV SÜD Central Eastern Europe s.r.o. (CZ)	Cash pooling regulating agreement – joint sharing of funds within the group.
Fleet Company GmbH (DE)	Active contract for the provision of services, ongoing invoicing
TÜV SÜD Central Eastern Europe s.r.o. (CZ)	Receivable Assignment Agreement and Agreement on the set-off mutual receivables.
TÜV SÜD Slovakia s.r.o. (SK)	Cooperation on active and passive contracts
EMI TÜV SÜD Kft. (HU)	Cooperation on active and passive contracts
TÜV SÜD Italia Srl. (IT)	Cooperation on active and passive contracts
TÜV SÜD Malaysia Sdn. Bhd. (MY)	Cooperation on active contracts
TÜV SÜD America Inc. (US)	Cooperation on active contracts
TÜV SÜD Asia Pacific Pte. Ltd. (SG)	Cooperation on passive contracts
TÜV SÜD Auto Plus GmbH (DE)	Cooperation on active and passive contracts
TÜV SÜD Certification & Testing (CN)	Cooperation on active and passive contracts
TÜV SÜD HONG KONG Ltd. (HK)	Cooperation on active contracts
TÜV SÜD Japan Ltd. (JP)	Cooperation on active contracts
TÜV SÜD Korea Ltd. (KR)	Cooperation on active contracts
TÜV SÜD Landesgesellschaft (AT)	Cooperation on active and passive contracts
TÜV SÜD Polska Sp. Z.o.o. (PL)	Cooperation on active and passive contracts
TÜV SÜD PSB Pte. Ltd. (SG)	Cooperation on active contracts
TÜV SÜD Romania Srl. (RO)	Cooperation on active and passive contracts
TÜV SÜD SAVA d.o.o. (SI)	Cooperation on active and passive contracts
TÜV SÜD Limited (UK)	Cooperation on active contracts
TÜV SÜD Rail GmbH (DE)	Cooperation on passive contracts
TÜV SÜD South Asia Private Ltd. (IN)	Cooperation on passive contracts
TÜV SÜD Teknik Güvenlik in Kalite Denetim (TR)	Cooperation on active contracts
TÜV SÜD Vietnam Co., Ltd. (VN)	Cooperation on active and passive contracts

<i>Related entity</i>	<i>Type of contract and general terms and conditions</i>
TÜV Technische Überwachung Hessen GmbH (DE)	Cooperation on active contracts
TÜV SÜD PSB Philippines, INC	Cooperation on active contracts
TÜV SÜD (Thailand) Ltd.	Cooperation on active contracts

In 2024, the Company did not carry out any other legal acts or measures on behalf of related entities.

Company management believes that all the above contracts were concluded on the basis of general business conditions.

Company management also believes that the Company has not incurred any detriment to its assets on account of all the above contracts.

OVERVIEW OF ACTIONS CONCERNING ASSETS IN EXCESS OF 10% OF THE EQUITY OF THE CONTROLLED ENTITY

In 2024, the following transaction took place between the controlling entity and the Company or between related entities and the Company, which exceeds 10% of the equity capital of TÜV SÜD Czech s.r.o., i.e. in an amount exceeding CZK 38,476,000, determined according to the latest financial statements compiled as of 31 December 2023:

- On the basis of the contract on the transfer of a business interest dated 27 June 2023, the Company transferred to the Controlling Entity the interest in TÜV SÜD Slovakia s.r.o. in the amount of 100%, and in this context the Controlling Entity was also provided with the short-term loan. The receivable from this loan was assigned to the parent company TÜV SÜD Central Eastern Europe s.r.o., based on the Receivable Assignment Agreement dated 1 August 2024.
- Based on the Decision of the General Meeting dated 1 August 2024, it was decided to pay a dividend in the amount of the result after tax for 2023 in the amount of CZK 21,307,000 and further to distribute a part of the Company's own resources, Statutory and other funds – payment of a shares in the amount of CZK 111,169,000.
- By the agreement on the set-off mutual receivables, the following items were set off: Payment according to the Receivable Assignment Agreement dated 1 August 2024 and Payment of the distribution of statutory and other funds according to the decision of the sole shareholder dated 1 August 2024.
- The Company shared funds in the Cash Pooling Account with TÜV SÜD Central Eastern Europe s.r.o.

OTHER MEASURES

During the accounting period , there were no other contractual or extra-contractual actions taken on the basis of a unilateral legal act between the controlling entity or related entities on the one hand and the controlled entity on the other. All legal acts and measures taken in the interest of the controlling entity and related entities or arose at their initiation were properly accepted by the controlled entity. All the transactions of one entity have been or will be (receivables and liabilities) met with equivalent consideration so that none of the entities is disadvantaged.

FINAL STATEMENT OF THE STATUTORY BODY OF TÜV SÜD Czech s.r.o.:

We declare that in this Report on Relations, prepared in accordance with § 82 of the Business Corporations Act, 90/2012 Coll., for the reporting period ending 31. December 2024, we have provided all of the following, concluded or carried out in this reporting period and known to us at the date of signing this report:

- Contracts between related entities,
- Transactions and considerations provided by related entities,
- Other legal acts taken in the interest of these entities,
- All measures taken or carried out in the interest of or initiated by these entities.

We hereby declare that TÜV SÜD Czech s.r.o. has suffered no detriment to its assets on account of the above relations between related entities.

The above shows that the controlled entity has enjoyed more advantages than disadvantages from participation in the group. Company management is not aware of any special risks arising from the above relations.

Prague, 31 March 2025

Prepared by:
Finance Director


Ing. Michaela Stružková

Approved:
CEO, Executive

Ing. Jiří Socha, PhD.



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Datum: 2025.04.01 16:40:12
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English translation

Independent Auditor's Report

To the shareholder of TÜV SÜD Czech s.r.o.

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of TÜV SÜD Czech s.r.o., with its registered office at Novodvorská 994/138, Praha 4 (the "Company") as at 31 December 2024, and of the Company's financial performance and cash flows for the year ended 31 December 2024 in accordance with Czech accounting legislation.

What we have audited

The Company's financial statements comprise:

- the balance sheet as at 31 December 2024,
- the income statement for the year ended 31 December 2024,
- the statement of changes in equity for the year ended 31 December 2024,
- the statement of cash flows for the year ended 31 December 2024, and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with the Act on Auditors and Standards on Auditing of the Chamber of Auditors of the Czech Republic (together the "Audit regulations"). These standards consist of International Standards on Auditing as supplemented and modified by related application guidance. 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted by the Chamber of Auditors of the Czech Republic and with the Act on Auditors. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Act on Auditors.

Other information

The statutory body is responsible for the other information. As defined in Section 2(b) of the Act on Auditors, the other information comprises the annual report but does not include the financial statements and our auditor's report thereon.

PricewaterhouseCoopers Audit, s.r.o., Hvězdova 1734/2c, 140 00 Prague 4, Czech Republic
T: +420 251 151 111, www.pwc.com/cz

PricewaterhouseCoopers Audit, s.r.o., registered seat Hvězdova 1734/2c, 140 00 Prague 4, Czech Republic, Identification Number: 40765521, registered with the Commercial Register kept by the Municipal Court in Prague, Section C, Insert 3637, and in the Register of Audit Companies with the Chamber of Auditors of the Czech Republic under Licence No. 021.

Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge about the Company obtained in the audit or otherwise appears to be materially misstated. In addition, we assessed whether the other information has been prepared, in all material respects, in accordance with applicable legal requirements, i.e. whether the other information complies with the legal requirements both in terms of formal requisites and the procedure for preparing the other information in the context of materiality.

Based on the procedures performed in the course of our audit, to the extent we are able to assess it, in our opinion:

- the other information describing the facts that are also presented in the financial statements is, in all material respects, consistent with the financial statements; and
- the other information has been prepared in accordance with the applicable legal requirements.

In addition, in the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the other information. We have nothing to report in this regard.

Responsibilities of the statutory body of the Company for the financial statements

The statutory body is responsible for the preparation of the financial statements that give a true and fair view in accordance with Czech accounting legislation and for such internal control as the statutory body determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the statutory body is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the statutory body either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Audit regulations will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Audit regulations, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

- Conclude on the appropriateness of the statutory body's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the statutory body 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.

1 April 2025

PricewaterhouseCoopers Audit, s.r.o.
represented by Director

Jiří Koval
Statutory Auditor, Licence No. 1491

Translation note

This version of our report is a translation from the original, which was prepared in the Czech language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the Czech version of our report takes precedence over this translation.

TÜV SÜD Czech s.r.o.

Financial Statements

31 December 2024

Company name: TÜV SÜD Czech s.r.o.

Identification number: 63987121

Legal form: Limited Liability Company

Primary business: the areas of independent verification, certification, testing, inspection, education and homologation

Balance sheet date: 31 December 2024

Date of preparation of the financial statements: 1 April 2025

BALANCE SHEET

(in thousand Czech crowns)

Ref.	ASSETS	Row	31.12.2024			31.12.2023
			Gross	Provision	Net	Net
a	b	c	1	2	3	4
	TOTAL ASSETS	001	876,661	(436,647)	440,014	559,106
B.	Fixed assets	003	523,055	(434,221)	88,834	106,547
B. I.	Intangible fixed assets	004	12,193	(12,000)	193	399
B. I. 2.	Royalties	006	12,193	(12,000)	193	399
B. I. 2. 1.	Software	007	12,193	(12,000)	193	399
B. II.	Tangible fixed assets	014	510,862	(422,221)	88,641	106,148
B. II. 1.	Land and constructions	015	1,571	(1,050)	521	573
B. II. 1. 2.	Constructions	017	1,571	(1,050)	521	573
B. II. 2.	Equipment	018	509,443	(421,323)	88,120	105,575
B. II. 3.	Adjustment to acquired fixed assets	019	(152)	152	-	-
C.	Current assets	037	343,502	(2,426)	341,076	443,272
C. I.	Inventories	038	17,013	(185)	16,828	18,036
C. I. 2.	Work in progress and semi-finished products	040	16,966	(185)	16,781	17,989
C. I. 3.	Finished goods and goods for resale	041	47	-	47	47
C. I. 3. 2.	Goods for resale	043	47	-	47	47
C. II.	Receivables	046	196,879	(2,241)	194,638	400,657
C. II. 1.	Long-term receivables	047	4,447	-	4,447	7,870
C. II. 1. 5.	Receivables - other	052	4,447	-	4,447	7,870
C. II. 1. 5. 2.	Long-term advances paid	054	4,447	-	4,447	7,870
C. II. 2.	Short-term receivables	057	192,432	(2,241)	190,191	392,787
C. II. 2. 1.	Trade receivables	058	145,164	(2,241)	142,923	128,352
C. II. 2. 2.	Receivables - subsidiaries and controlling party	059	38,680	-	38,680	257,413
C. II. 2. 4.	Receivables - other	061	8,588	-	8,588	7,022
C. II. 2. 4. 3.	Taxes - receivables from the state	064	153	-	153	153
C. II. 2. 4. 4.	Short-term advances paid	065	6,041	-	6,041	6,259
C. II. 2. 4. 5.	Estimated receivables	066	2,394	-	2,394	595
C. II. 2. 4. 6.	Other receivables	067	-	-	-	15
C. IV.	Cash	075	129,610	-	129,610	24,579
C. IV. 1.	Cash in hand	076	14	-	14	4
C. IV. 2.	Cash at bank	077	129,596	-	129,596	24,575
D.	Prepayments and accrued income	078	10,104	-	10,104	9,287
D. 1.	Prepaid expenses	079	10,104	-	10,104	9,287

Ref.	LIABILITIES AND EQUITY	Row	31.12.2024	31.12.2023
a	b	c	5	6
	TOTAL LIABILITIES AND EQUITY	082	440,014	559,106
A.	Equity	083	276,138	384,761
A. I.	Share capital	084	2,000	2,000
A. I. 1.	Share capital	085	2,000	2,000
A. II.	Share premium and capital contributions	088	90,000	90,000
A. II. 2.	Capital contributions	090	90,000	90,000
A. II. 2. 1.	Other capital contributions	091	90,000	90,000
A. III.	Reserves from profit	096	160,285	271,454
A. III. 1.	Other reserve funds	097	9,200	9,200
A. III. 2.	Statutory and other reserves	098	151,085	262,254
A. V.	Profit / (loss) for the current period	102	23,853	21,307
B. + C.	Liabilities	104	160,280	146,185
B.	Provisions	105	26,452	23,844
B. 2.	Income tax provision	107	968	973
B. 4.	Other provisions	109	25,484	22,871
C.	Payables	110	133,828	122,341
C. I.	Long-term payables	111	416	1,205
C. I. 8.	Deferred tax liability	121	416	1,205
C. II.	Short-term payables	126	133,412	121,136
C. II. 4.	Trade payables	132	30,847	27,695
C. II. 8.	Liabilities - other	136	102,565	93,441
C. II. 8. 3.	Liabilities to employees	139	19,478	18,309
C. II. 8. 4.	Liabilities for social security and health insurance	140	10,478	9,680
C. II. 8. 5.	Taxes and state subsidies payable	141	10,312	11,775
C. II. 8. 6.	Estimated payables	142	61,904	53,330
C. II. 8. 7.	Other liabilities	143	393	347
D.	Accruals and deferred income	147	3,596	28,160
D. 1.	Accrued expenses	148	2,089	2,089
D. 2.	Deferred income	149	1,507	26,071

Company name: TÜV SÜD Czech s.r.o.

Identification number: 63987121

Legal form: Limited Liability Company

Primary business: the areas of independent verification, certification, testing, inspection, education and homologation

Balance sheet date: 31 December 2024

Date of preparation of the financial statements: 1 April 2025

INCOME STATEMENT

(in thousand Czech crowns)

Ref. a	TEXT b	Row c	Accounting period	
			2024 1	2023 2
I.	Sales of products and services	01	869,331	796,104
A.	Cost of sales	03	382,686	359,891
A. 2.	Raw materials and consumables used	05	21,866	20,937
A. 3.	Services	06	360,820	338,954
B.	Changes in inventories of finished goods and work in progress	07	1,620	(10,497)
D.	Staff costs	09	437,779	390,554
D. 1.	Wages and salaries	10	322,669	287,548
D. 2.	Social security, health insurance and other costs	11	115,110	103,006
D. 2. 1.	Social security and health insurance costs	12	103,915	92,557
D. 2. 2.	Other costs	13	11,195	10,449
E.	Value adjustments in operating activities	14	33,169	34,013
E. 1.	Value adjustments of fixed assets	15	31,592	34,013
E. 1. 1.	Depreciation, amortisation and write off of fixed assets	16	31,592	34,013
E. 2.	Provision for impairment of inventories	18	(412)	441
E. 3.	Provision for impairment of receivables	19	1,989	(441)
III.	Operating income - other	20	21,757	8,942
III. 1.	Sales of fixed assets	21	68	71
III. 3.	Other operating income	23	21,689	8,871
F.	Operating expenses - other	24	11,155	12,655
F. 3.	Taxes and charges	27	3,299	2,396
F. 4.	Operating provisions and complex prepaid expenses	28	2,613	4,980
F. 5.	Other operating expenses	29	5,243	5,279
*	Operating result	30	24,679	18,430
IV.	Income from long-term investments - shares	31	-	104,139
IV. 1.	Income from investments - subsidiaries or controlling party	32	-	104,139
G.	Cost of shares sold	34	-	103,689
VI.	Interest and similar income	39	5,849	4,793
VI. 1.	Interest and similar income - subsidiaries or controlling party	40	5,849	4,793
VII.	Other financial income	46	7,576	9,565
K.	Other financial expenses	47	7,096	4,398
*	Financial result	48	6,329	10,410
**	Net profit / (loss) before tax	49	31,008	28,840
L.	Tax on profit or loss	50	7,155	7,533
L. 1.	Tax on profit or loss - current	51	7,943	7,235
L. 2.	Tax on profit or loss - deferred	52	(788)	298
**	Net profit / (loss) after tax	53	23,853	21,307
***	Net profit / (loss) for the financial period	55	23,853	21,307
*	Net turnover for the financial period	56	869,331	

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STATEMENT OF CASH FLOWS

(in thousand Czech crowns)

Ref. a	TEXT b	Accounting period	
		2024	2023
		1	2
	Cash flows from operating activities		
	Net profit / (loss) before tax	31,008	28,840
A. 1.	Adjustments for non-cash movements:	30,019	30,370
A. 1. 1.	Depreciation and amortisation of fixed assets	31,592	34,013
A. 1. 2.	Change in provisions and provisions for impairment	4,190	4,980
A. 1. 3.	(Profit)/loss from sales of fixed assets	(68)	(521)
A. 1. 5.	Net interest expense/(income)	(5,849)	(4,793)
A. 1. 6.	Other non-cash movements	154	(3,309)
A *	Net cash flow from operating activities before tax and changes in working capital	61,027	59,210
A. 2.	Non-cash working capital changes:	22,618	(47,948)
A. 2. 1.	Change in receivables and prepayments	33,286	(48,734)
A. 2. 2.	Change in payables and accruals	(12,288)	11,282
A. 2. 3.	Change in inventories	1,620	(10,496)
A **	Net cash flow from operating activities before tax	83,645	11,262
A. 4.	Interest received	5,849	4,793
A. 5.	Income tax paid	(7,948)	(6,715)
A ***	Net cash flow from operating activities	81,546	9,340
	Cash flows from investing activities		
B. 1.	Acquisition of fixed assets	(13,879)	(18,102)
B. 2.	Proceeds from sale of fixed assets	68	71
B. 3.	Loans and borrowings to related parties	58,603	(61,812)
B ***	Net cash flow from investing activities	44,792	(79,843)
	Cash flows from financing activities		
C. 2.	Changes in equity:	(21,307)	(20,864)
C. 2. 6.	Dividends paid	(21,307)	(20,864)
C ***	Net cash flow from financing activities	(21,307)	(20,864)
	Net increase/ (decrease) in cash and cash equivalents	105,031	(91,367)
	Cash and cash equivalents at the beginning of the year	24,579	115,946
	Cash and cash equivalents at the end of the year	129,610	24,579

Company name: TÜV SÜD Czech s.r.o.

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Balance sheet date: 31. December 2024

Date of preparation of the financial statements: 1 April 2025

STATEMENT OF CHANGES IN EQUITY

(in thousand Czech crowns)

	Share capital	Other capital contributions	Assets and liabilities revaluation	Other reserve funds	Statutory and other reserves	Retained earnings or (accumulated losses)	Total
As at 1 January 2023	2,000	90,000	(4,627)	9,200	262,254	20,864	379,691
Fair value gains/(losses)							
- investments in subsidiaries and associates	-	-	4,627	-	-	-	4,627
Dividends paid	-	-	-	-	-	(20,864)	(20,864)
Net profit/(loss) for the current period	-	-	-	-	-	21,307	21,307
As at 31 December 2023	2,000	90,000	-	9,200	262,254	21,307	384,761
Distributions from funds					(111,169)		(111,169)
Dividends paid	-	-	-	-	-	(21,307)	(21,307)
Net profit/(loss) for the current period	-	-	-	-	-	23,853	23,853
As at 31 December 2024	2,000	90,000	-	9,200	151,085	23,853	276,138

1. General information

1.1. Introductory information about the Company

TÜV SÜD Czech s.r.o. (hereinafter the “Company”) was entered in the Commercial Register kept by the Municipal Court in Prague, Section C, File 38432 on 20 July 1995 and its registered office is at Novodvorská 994/138, 142 21, Prague 4. The core business of the Company is independent verification, testing, inspection, certification, homologation and education in all branches of industry and services.

The Company is not a partner with unlimited liability in any company.

At the end of the accounting period, the statutory body representing the Company consisted of the following executives:

- Ing. Jiří Socha, PhD.
- Ing Michaela Stružková

No supervisory board was named.

As of 13 May 2024, the position of Managing Director of Ing. Jiří Socha, PhD. was created. On the same date, the office of proxy of Ing. Jiří Socha, PhD. was terminated.

As of 13 May 2024, the position of Managing Director of Ing. Oleg Spružina was terminated.

Organizational structure

Other than the change in executive officers described above, there was no significant organizational change at the Company’s level in 2024.

The Company is represented by its chief executive officer. He has authority over all employees, who carry out their activities according to his instructions.

The Company is managed linearly and is divided into 4 productive divisions - MOBILITY (formerly Auto Service), INDUSTRY SERVICE, BUSINESS ASSURANCE and PRODUCT SERVICE. The operational divisions are QUALITY MANAGEMENT, PR & MARKETING, PROCESSES, OPERATIONS MANAGER and HR, the FINANCE TREASURY and CONTROLLING divisions are managed externally.

Obligations arising from controlling agreements or profit transfer agreements:

No controlling agreements or profit transfer agreements were concluded.

Changes in the Commercial Register

In 2024, changes were made in the Commercial Register, namely:

- As of 13 May 2024, the office of proxy of ing. Jiří Socha, PhD. was terminated
- As of 13 May 2024, the position of Managing Director of ing. Jiří Socha, PhD. was created
- As of 13 May 2024, the position of Managing Director of ing. Oleg Spružina was terminated

1.2. Current economic situation

The current economic situation remains sensitive to geopolitical developments in the world. The impact on financial and commodity markets, supply chains and key macroeconomic indicators with business implications such as inflation rates, interest rates, exchange rate volatility and others, is still significant.

The Company's management assessed the impact of the current economic situation on its business with the following conclusion: The year 2024 was primarily affected by the ongoing uncertainty in the energy market and the deepening stagnation of economic growth in the Czech Republic and Europe. Uncertainty arising from the geopolitical arrangement and the conflict in Ukraine also persisted.

2. Accounting policies

2.1. Basic principles of financial statement processing

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles in the Czech Republic relevant for large companies and have been prepared under the historical cost convention.

2.2. Intangible and tangible fixed assets

Any intangible (and tangible) assets with a useful life of more than one year and a unit cost of more than CZK 80,000 (CZK 80,000) are treated as intangible (and tangible) fixed assets.

Purchased intangible and tangible fixed assets are initially recorded at cost, which includes all costs related to their acquisition.

Intangible and tangible fixed assets are depreciated using the straight-line method over their estimated useful lives.

Intangible and tangible fixed assets	Estimated useful life
Software	3
buildings, halls, and structures	30
machinery, devices, and equipment	2-10
means of transport	5
PC equipment	2-5
Inventory	2-10

The depreciation plan is updated during the useful life of the intangible and tangible fixed assets in the case of change of expected useful life.

A provision for impairment is created when the carrying value of an asset is greater than estimated recoverable amount. The estimated recoverable amount is determined based on the expected future cash flows generated by this asset.

Repairs and maintenance expenditures for tangible fixed assets are expensed as incurred. Technical improvements of intangible and tangible fixed assets are capitalized.

Small intangible assets valued at CZK 30,000 (CZK 20,000) to CZK 80,000 inclusive, the useful life of which is longer than one year, are depreciated over the period specified in the internal directive (24 months).

The intangible (tangible) assets with a purchase price of less or equal to CZK 30,000 (CZK 20,000) are expensed.

In connection with the amendment to the Income Tax Act, the category of intangible assets was abolished as of 1 January 2021. The consequence of this amendment is the conformity of the accounting and tax concepts of intangible fixed assets, i.e., accounting depreciation is considered tax effective.

2.3. Long-term financial assets

Long-term financial assets are defined as shares in controlled and managed entities.

Shares in companies whose financial flows and operating processes can be managed by the Company in order to obtain benefits from their activities are classified as Shares - controlled entity. Securities and holdings are valued at acquisition cost. The acquisition price of a security and holding includes the direct costs related to the acquisition.

At the balance sheet date, other components of long-term financial assets are valued as follows:

	Valuation at the balance sheet date	Reporting the difference from revaluation
Equity securities and shares in companies with decisive influence	conversion of foreign currency shares at the exchange rate of CNB at the date of the financial statements	valuation differences from the revaluation of assets and liabilities

2.4. Inventories

Purchased inventories are stated at the lower of cost and net realizable amount. . Cost includes all costs related with its acquisition (mainly transport costs, customs duty, etc.). The FIFO method is applied for all disposals.

Inventories generated from own production, i.e. work-in-progress and finished goods, are stated at the lower of production cost and estimated net realizable amount. Production cost includes: incomplete work within contracts are valued at material costs (material and services directly related to the work on the contract) and the product of the number of hours worked on these contracts and the hourly rate, including personnel costs and overheads.

A provision for work-in-progress is created for loss-making orders.

2.5. Accounts receivable

Receivables are stated at nominal value less a provision for doubtful amounts. A provision for doubtful amounts is created on the basis of an ageing analysis and an individual evaluation of the credit worthiness of the customers.

Allowances are created for receivables that are 181 to 360 days overdue in the amount of 50% of their nominal value; for receivables that are 361 days and more overdue, the allowances are created at 100% their nominal value.

The Company does not create provisions for receivables from related parties.

2.6. Foreign currency conversion

Transactions denominated in foreign currencies are translated and recorded for by a combination of fixed (other transactions) and daily exchange rates (transactions in EUR) in accordance with the internal guidelines. Fixed exchange rates are set monthly according to the exchange rate announced by the ČNB on the 1st day of the month.

Cash, receivables and liabilities denominated in foreign currencies have been translated at the exchange rate published by the Czech National Bank as at the balance sheet date. All exchange gains and losses on cash, receivables and liabilities balances are recorded in the income statement.

2.7. Changes in accounting policies and corrections of prior-period errors

Changes to accounting policies (inclusive of deferred tax impact) and corrections of errors arising from incorrect accounting or unrecorded expenses and income in prior periods, if material, are recorded in the financial statements on the line Restatements of retained earnings.

2.8. Provisions

The Company recognizes provisions to cover its obligations or expenses, when the nature of the obligations or expenses is clearly defined and it is probable or certain as at the balance sheet date that they will be incurred, however their precise amount or timing is not known. The provision recognized as at the balance sheet date represent the best estimate of expenses that will be probably incurred, or the amount of liability that is required for their settlement.

The Company recognizes a provision for its income tax payable which is presented net of advances paid for the income tax. If advances paid are higher than the estimated income tax payable, the difference is recognized as a short-term receivable.

2.9. Subsidies and investment incentives

A subsidy is recorded at the moment of its receipt or the emergence of an unquestionable right to receive it.

Subsidies received to cover costs are charged to operating or financial income in a material and temporal context with the accounting of costs for a specified purpose. Subsidies received for the acquisition of fixed assets, including technical improvements, and for the payment of interest included in the acquisition price of the asset reduce the acquisition price or internal acquisition costs.

Investment incentives (income tax rebate) are applied in the form of a tax rebate and are linked to any taxable profit achieved.

2.10. Sales

Sales are recognized as at the date the services are rendered and are stated net of discounts and value added tax.

2.11. Related parties

The Company's related parties are considered to be the following:

- Parties, which directly or indirectly control the Company, their subsidiaries and associates;
- Parties, which have directly or indirectly significant influence on the Company;
- Members of the Company's or parent company's statutory and supervisory boards and management and parties close to such members, including entities in which they have a controlling or significant influence; and/ or
- Subsidiaries and associates and joint-venture companies.

Material transactions and outstanding balances with related parties are disclosed in Notes 12.

2.12. Leases

The costs of assets held under both finance and operating leases are not capitalized as fixed assets. Lease payments are expensed evenly over the life of the lease. Future lease payments not yet due are disclosed in the notes but not recognized in the balance sheet.

2.13. Interest expenses

All interest expenses are recognized in costs.

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2.14. Deferred tax

Deferred tax is recognized on all temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. Deferred tax asset is recognized if it is probable that sufficient future taxable profit will be available against which the asset can be utilized.

2.15. Net turnover

Net turnover is used for the purposes of categorisation of the accounting entities and for determining whether the accounting entity is subject to mandatory audit.

For the accounting period starting on or after 1 January 2024, the Czech accounting regulations changed the definition of net turnover reported in the income statement. The value of the Company's net turnover reported in the current accounting period now corresponds to the revenues from the sale of products and goods and from the rendering of services on which the Company's business model is based.

The amount of net turnover for the previous accounting period for the purposes of categorisation of the accounting entity and determining whether the entity is subject to mandatory audit is stated in the financial statements for the previous accounting period and is not recalculated according to current legal provisions. However, this figure presented for the year 2023 in the previous financial statements is not comparable to the value in the current accounting period. Therefore, in accordance with §4, paragraph 7 of the Decree, the Company does not present the net turnover position for the previous accounting period due to incomparability and to ensure the clarity of the financial statements.

2.16. Cash flow statement

The Company has prepared a cash flow statement using the indirect method. Cash equivalents are short-term liquid assets that can be easily and promptly converted into a known amount of cash.

Within the group, the Company uses so-called cash-pooling. Receivables, or cash-pooling liabilities, are reported in the cash flow statement as part of the working capital item.

The Company has assessed the nature of the cash-pooling in light of the contractual arrangements with the counterparty and the manner in which cash-pooling balances are managed within the Group.

Based on this assessment, the Company concluded that the cash-pooling does not meet the criteria for classification as Cash and cash equivalents. As the receivables/payables arising from cash-pooling form part of the Company's working capital, the related movements are classified within operating activities in the statement of cash flows.

2.17. Subsequent events

The effect of events that occurred between the balance sheet date and the date of preparation of the financial statements is recorded in the financial statements if these events have provided additional information about the facts, which existed at the balance sheet date.

If significant events have occurred between the balance sheet date and the date of preparation of the financial statements that represent events that occurred after the balance sheet date, the consequences of these events are described and their effects quantified in the notes to the financial statements but not recorded in the financial statements.

3. Intangible fixed assets

(in thousands of CZK)	1 January 2024	Additions / transfers	Disposals	31 December 2024
Acquisition cost				
Software	12,599	87	(493)	12,193
Total	12,599	87	(493)	12,193
Accumulated depreciation				
Software	12,200	293	(493)	12,200
Total	12,200	293	(493)	12,200
Net book value	399			193

(in thousands of CZK)	1 January 2023	Additions / transfers	Disposals	31 December 2023
Acquisition cost				
Software	12,675	338	(414)	12,599
Total	12,675	338	(414)	12,599
Accumulated depreciation				
Software	12,251	363	(414)	12,200
Total	12,251	363	(414)	12,200
Net book value	424			399

4. Tangible fixed assets

(in thousands of CZK)	1 January 2024	Additions / transfers	Disposals	31 December 2024
Acquisition cost				
Buildings	1,571	-	-	1,571
Machinery and equipment	499,700	13,790	(4,703)	508,787
Vehicles	656	-	-	656
Valuation difference to the acquired asset	(152)	-	-	(152)
Total	501,775	13,790	(4,703)	510,862
Accumulated depreciation				
Buildings	998	52	-	1,050
Machinery and equipment	394,219	31,213	(4,703)	420,729
Vehicles	562	32	-	594
Valuation difference to the acquired asset	(152)	-	-	(152)
Total	395,627	31,297	(4,703)	422,221
Net book value	106,148			88,641

(in thousands of CZK)	1 January 2023	Additions / transfers	Disposals	31 December 2023
Acquisition cost				
Buildings	1,571	-	-	1,571
Machinery and equipment	486,815	17,764	(4,879)	499,700
Vehicles	656	-	-	656
Valuation difference to the acquired asset	(152)	-	-	(152)
Total	488,890	17,764	(4,879)	501,775
Accumulated depreciation				
Buildings	945	53	-	998
Machinery and equipment	365,533	33,565	(4,879)	394,219
Vehicles	530	32	-	562
Valuation difference to the acquired asset	(152)	-	-	(152)
Total	366,857	33,650	(4,879)	395,627
Net book value	122,034			106,148

No assets have been pledged as security.

5. Financial assets

Statement of the movement of long-term financial assets:

**Shares – controlled
or controlling entity**

(in thousands of CZK)

	Total 2024	Total 2023
Balance as at 1.1	-	99 062
Additions	-	-
Revaluation		4 627
Disposals	-	(103 689)
Balance at 31.12	-	-

On the basis of the Ownership interest transfer agreement in the company TÜV SÜD Slovakia s.r.o. between TÜV SÜD Czech s.r.o. and TÜV SÜD Aktiengesellschaft dated 27 June 2023, the Ownership interest was transferred of 100 % (EUR 4,107,881) from TÜV SÜD Czech s.r.o. to TÜV SÜD Aktiengesellschaft, with registered seat at Westendstr. 199 , 80686 München, Federal Republic of Germany. The parties have agreed that the purchase price for the Ownership Interest amounts to EUR 4,366,426. The net profit on the sale of the Ownership Interest amounts to CZK 451,000.

6. Inventories

Work in progress consists of the work in progress on orders, as of 31 December 2024 in the amount of CZK 16,966,000 (as of 31 December 2023: CZK 18,586,000).

The Company created a provision for inventories as of 31 December 2024 in the amount of CZK 185,000 (as of 31 December 2023: CZK 597,000).

Inventories of goods as of 31 December 2024 amounted to CZK 47,000 (as of 31 December 2023 in the amount of CZK 47,000).

7. Accounts receivable

As of 31 December 2024, current trade receivables were: CZK 145,164,000 (as of 31 December 2023: CZK 128,604,000).

Overdue receivables as of 31 December 2024 were: CZK 34,756,000 (as of 31 December 2023: CZK 25,508,000).

An allowance for receivables as of 31 December 2024 amounted to CZK 2,241,000 (as of 31 December 2023: CZK 252,000).

The Company does not record any long-term trade receivables as of 31 December 2024 or 31 December 2023. The Company furthermore records other long-term receivables (long-term advances provided as of 31 December 2024 in the amount of CZK 4,447,000 (as of 31 December 2023: CZK 7,870,000).

Receivables are not covered by material guarantees and none of them has a maturity of more than 5 years.

The Company does not record any receivables or contingent receivables that are not recognised in the balance sheet.

Advances for income tax in the amount of CZK 6,975,000 paid by the Company as of 31 December 2024 (as of 31 December 2023: CZK 6,262,000) were included in the income tax reserve in the amount of CZK 7,943,000 created as of 31 December 2024 (as of 31 December 2023: CZK 7,235,000).

8. Equity

The Company is fully owned by TÜV SÜD Central Eastern Europe s.r.o., registered in the Czech Republic.

TÜV SÜD Aktiengesellschaft with its registered office in Munich, Westendstrasse 199, 80686, Federal Republic of Germany, prepares consolidated financial statements of the narrowest and widest group of entities to which the Company belongs.

Consolidated financial statements prepared for the narrowest and widest group can be obtained at the registered office of the consolidating company.

On 1 September 2024, the General Meeting approved the Company's financial statements for the year 2023 and decided to distribute the profit for 2023 in the amount of CZK 21,307,000. The entire profit for 2023 will be paid as a dividend to the shareholder.

Furthermore, the General Meeting approved the distribution of part of the Statutory Funds and other funds in the total amount of CZK 271,454,000 so that the amount of CZK 111,169,000 was paid to the Shareholder (EUR 4,366,426 at the CNB exchange rate of 31 July 2024).

The Company did not propose a profit distribution for 2024 as of the date of these financial statements.

9. Provisions

	Provision for unused vacation	Provision for employment issues for unpaid employee remuneration	Provision for severance pay and other provisions	Provision for employment jubilee	Total
Other provisions					
Balance at 1.1.2024	1,095	15,003	400	6,373	22,871
Creation	529	17,528	-	654	18,711
Used	(1,095)	(15,003)	-	-	(16,098)
Balance of provisions at 31.12.2024	529	17,528	400	7,027	25,484

Income tax provisions as of 31 December 2024 in the amount of CZK 7,943,000 (as of 31 December 2023: CZK 7,235,000) was reduced by advances paid for corporate income tax in the amount of CZK 6,975,000 (as of 31 December 2023: CZK 6,262,000) and the resulting liability of CZK 968,000 was reported in the item Deferred tax liability (as of 31 December 2023: the resulting tax liability is CZK 973,000).

10. Liabilities, future liabilities, and contingent liabilities

Liabilities are not covered by material guarantees nor do they have a maturity of more than 5 years.

Current trade payables as of 31 December 2024 are: CZK 30,847,000 (as of 31 December 2023: CZK 27,695,000), of which CZK 1,503,000 (as of 31 December 2023: CZK 1,645,000) represent overdue liabilities.

The total amount of liabilities not included in the balance sheet, which is based on concluded operating lease agreements as of 31 December 2024, amounted to CZK 79,747,000 (as of 31 December 2023: CZK 85,365,000).

The Company did not provide any material guarantees to report in the balance sheet.

The Company's management is not aware of any contingent liabilities of the Company as of 31 December 2024.

11. Sales

Sales can be analyzed as follows:

(in thousands of CZK)	2024	2023
Services		
- Domestic sales	529,459	532,486
- Sales abroad	339,872	263,618
Total sales of own products and services	869,331	796,104

12. Transactions with related parties

(in thousands of CZK)	2024	2023
Revenues		
Sales of services	128,742	90,717
Sale of the Ownership interest	-	104,139
Total	128,742	194,856
Costs		
Purchase of services, materials, etc.	85,473	79,132
License fees	9,352	10,081
Company management fees	3,367	3,130
Value of the Ownership interest sold	-	103,689
Total	98,192	196,032

(in thousands of CZK)	31 December 2024	31 December 2023
Accounts receivable		
Trade receivables	23,975	15,146
Other receivables (cash-pooling)	38,680	87,560
Other receivables (from the sale of the Ownership interest and term deposit)	-	169,773
Total	62,655	272,479
Liabilities		
Payables to companies in the consolidation group	15,656	10,536
Of which:		
Trade payables	15,656	10,536
Total	15,656	10,536

Within the item Receivables of the controlling entity in the balance sheet, the Company reports a receivable from cash-pooling in the amount of CZK 38,680,000 as of 31 December 2024 (as of 31 December 2023: CZK 87,560,000) and term deposit in the amount of CZK 0 (as of 31 December 2023: CZK 61,813,000). The cash-pooling balances bear interest at normal interest rates, the term deposit bears interest at EURIBOR. In addition, a short-term loan was granted to TÜV SÜD Aktiengesellschaft in 2023 in connection with the sale of the investment in TÜV SÜD Slovakia s.r.o. in the amount of CZK 107,960,000 (the amount of EUR 4,366,000). The loan bears interest at 3-month EURIBOR.

Based on the Agreement on Assignment of Receivables between TÜV SÜD Czech s.r.o. and TÜV SÜD Central Eastern Europe s.r.o. dated August 1, 2024, the receivable (loan) from TÜV SÜD AG in the amount of EUR 4,366,000 was assigned to TÜV SÜD Central Eastern Europe s.r.o. Based on the Agreement on Set-Off of Mutual Receivables dated August 1, 2024, the receivable from a partner of TÜV SÜD Central Eastern Europe s.r.o. in the amount of EUR 4,366,000 was offset against the payment of dividends to the partner. The loan was thus repaid in full.

As of 31 December 2024 and 2023, no loans, allowances, advances, credits, any collateral or other benefits were provided to the members of the management, control or administrative bodies.

13. Fee of the audit Company

The total fee of the audit Company is stated in the consolidated financial statements of the parent company.

14. Employees

	2024		2023	
	number	thousands of CZK	number	thousands of CZK
Wages and salaries to the management	12	35,704	10	31,980
Wages and salaries to other employees	300	286,965	298	255,568
Social security and health insurance costs		103,915		92,557
Other social costs		11,195		10,449
Wages and salaries total	312	437,779	308	390,554

The Company's management includes company's executives and the managers who report directly to members of the statutory body.

Company in accordance with § 39b (6d) of the Decree 500/2002 does not disclose the emoluments of statutory body separately.

Other transactions with the Company's management are described in Note 12 Transactions with related parties.

15. Income tax

The income tax expense analysis:

(in thousands of CZK)	2024	2023
Current tax expense (21%)	7,943	7,235
Deferred tax expense	(788)	298
Total income tax expense	7,155	7,533

The deferred tax was calculated using a tax rate of 21% (the tax rate for the accounting period commencing 1 January 2024 and thereafter) (as of 31 December 2023: 19%).

The deferred tax asset (+) / liability (-) analysis:

(in thousands of CZK)	31 December 2024	31 December 2023
Deferred tax liability (-) / asset (+) arising from:		
Difference between accounting and tax net book value of fixed assets	(5,807)	(6,133)
Provisions and adjustments	5,352	4,928
Other temporary differences	39	-
Net deferred tax asset (+) / liability (-)	(416)	(1,205)

Current income tax includes a tax estimate for the tax period 2024 in the amount of CZK 7,943,000 (2023: CZK 7,235,000). No income tax for previous periods has been assessed on the Company.

On the basis of the EU Council Directive 2022/2523 on ensuring a global minimum level of effective taxation of multinational enterprise groups and large domestic groups, Act No. 416/2023 Coll., on top-up taxes for large multinational groups and large domestic groups, was adopted. The aim of the top-up tax is to stop competition between countries on different corporate tax rates by introducing a single minimum tax rate to ensure a level playing field for entities worldwide and to allow individual countries to better protect their tax bases. Top-up taxes will be levied if the calculated effective tax rate in a given country is less than 15%. The taxpayer of the top-up tax is a group company whose consolidated annual revenue as reported in the consolidated financial statements of the ultimate parent entity amounts to EUR 750 million in at least 2 of the 4 reporting periods immediately preceding the tax year in question.

The Company is a payer of the top-up taxes. Top-up taxes were not considered in calculating the deferred tax. The Company does not have a tax liability for the year 2024 in relation to the Top-up taxes.

16. Investment incentive

In 2015, the Company received a decision on the promise of an investment incentive in the form of an income tax rebate pursuant to the provisions of § 1a (1a) (1) of the Investment Incentives Act and pursuant to § 35b of Act No. 586/1992 Coll., on Income Taxes, as amended. The period for which the tax rebate can be applied is ten consecutive tax periods.

The incentive was provided in connection with the expansion of the center for the development of safety components and systems of non-destructive simulations of crash test vehicles. The maximum level of the incentive may not exceed 25% of the total eligible costs and at the same time may not exceed the amount of CZK 18,080,000. The investment incentive in the form of a tax credit was applied for the first time during the 2018 tax period. In 2024, the Company applied a tax credit of CZK 572,000 (in 2023, the Company applied a tax credit of CZK 357,000. Until 2024, the Company utilized 7,875,000 of tax incentives.

17. Cash-flow statement

Cash and cash equivalents disclosed in the Cash-flow statement can be analysed as follows:

(in thousands of CZK)	31 December 2024	31 December 2023
Cash on hand	14	3
Cash in accounts	129,596	24,575
Total cash and cash equivalents	129,610	24,578

18. Subsequent events

Subsequent to the balance sheet date, there has been a change in the composition of the executive directors of the Company, but this event has no impact on the 2024 financial statements, or the facts presented in the financial statements.

1 April 2025

Ing. Jiří Socha, PhD.
Executive



Digitálně podepsal Jiří Socha
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