

# **ANNUAL REPORT** SELECTED INFORMATION

2019



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## Introductory Word of Chairman of the Board

Dear shareholders,

Dear business partners, Dear friends,

Some of you may have a feeling this annual report is not much positive, and yes, it is true, that last year we failed to carry out fully our intentions to eliminate impacts of reduced supplies to the automotive industry. We have already informed you about the decision of our customer to diversify portfolio of its suppliers for the automotive industry. However, volume of purchase orders from this segment declined more sharply than expected, and though other segments achieved growths in sales, they were still lower than planned.

Considering the development described above, what can be the outlook for the future? The period when growth of our performance was powered by sales to the automotive industry is over. There is no chance to provide full compensation for the declines in sales within a short period of time. Therefore even more attention must be paid to other sales segments and cost savings. It is not and will not be an easy task but I do not see any other way of rectification.

I cannot but end this brief introduction to the annual report with a quote from „THE SECRET“ by Mr. Kirschner published in 1939. „Every entrepreneur lives from the future, and not from the past. In business there is no place for pessimism, but sound optimism only which will lead us to the set goals.“



Svatopluk Chalupa  
Chairman of the Board  
COLORLAK, a.s.

## Report of the Board and Statutory Director on Company Business Activities in 2019 and Assets as at 31. 12. 2019

### A. Business Activities

Last year was not very successful commercially. Total sales reached CZK 553 million last year which is by CZK 73 million less than in the previous year (by 11.5 %). Within two years, the company sales fell more than by one fifth. The main factor influencing the decrease in sales last year was a drop of supplies to the automotive industry by nearly CZK 80 million, i.e. by more than 27 % year-on-year. Two years ago, our business partner decided to diversify portfolio of its suppliers and therefore started to move purchase orders for some products to an alternative manufacturer. We have to reckon with the fact that in this segment is a return to the original sales unrealistic.

A slight increase in sales (+ 0.5 %) in other sales segments was not enough to cover the above mentioned drop-offs. However, change in the sales structure, reflecting among others also a relatively low margin of the automotive, brought an increase in margin by more than 13 % (+ 5 pp). The total gross margin was thus lower by 3.9 % "only". Nevertheless, the margin failure amounting to nearly CZK 7 million was a very sensitive issue.

We responded to the lower performance by reducing cost of production inputs. The deciding consumption of materials and energy fell to almost CZK 334 million, i.e. by almost CZK 72 million and 17.6 % year-over-year. Costs of services were also lower by another more than CZK 3 million (- 7.5 %). Rational management of production consumption mitigated the impacts of the decline in sales on value added. However, for three years in a row the achieved value added has been stagnating at a level of around CZK 160 million, while personnel and recently also financial costs keep to grow over the last few years.

The personnel costs continued to rise, reaching almost CZK 133 million which is a year-on-year increase of 2.2 %. Due to the lower performance, we have slightly reduced number of employees from 285 in 2018 to 278 last year, i.e. by 2.5 %. In fact, the decline in employment took place „in a natural way“. The average gross monthly wage per one employee thus exceeded TCZK 28.7 which is a year-on-year increase by 4.6 %. With a lower volume of personnel costs on managerial staff, the average wages for other categories of employees went up even by 7.7 %. In the light of the above mentioned decline in performance, the wage development reached its limits, but is in line with earnings trends in the region.

The impact of the above on the operating income is certainly not favourable. Compared to 2018, the income from operations decreased by 23.8 %, to CZK 9.7 million. The financial result deteriorated by TCZK 766, i.e. by less than one tenth. About half of this development is due to an increase in loans and financial accommodations, the other half due to raising of interest rates. Though other financial revenues and expenses fell to less than half of last year, their difference remained in fact the same.

What we have already mentioned is reflected in the total profit. The after-tax trading income slightly exceeded CZK 1 million. It is the lowest result for the last six years and as such serves as a base for proposal of the Board how to distribute the profits. We propose to enter all this income into the retained earnings.

## B. Assets

As at 31 December 2019, the balance sum total decreased year-on-year by approximately CZK 34 million, i.e. by almost 5 %, that is to slightly more than CZK 671 million. Total fixed assets remained in fact at the same level as a year ago (when they were CZK 358 million), in particular due to an increased value of capital investments not completed yet. The total amount of depreciation of fixed assets is less than 54 % which we consider a sound base for further operation of the company.

Mainly current assets were lower, they fell down by almost one tenth, i.e. by nearly CZK 33 million (less than CZK 312 million). The volume of funds was almost the same as in 2018, i.e. CZK 22 million. Desired changes occurred primarily with inventory the volume of which decreased on a year-on-year basis by more than CZK 8.3 million (by 8.6 %), and mainly with receivables which went down by CZK 24.5 million (by 10.8 %). Over the course of last two years, we succeeded to reduce the need of working capital by more than CZK 66 million, i.e. by one fifth, which corresponds to both the reduction in performance and the implementation of our long-term plan to reduce the need of working capital (inventory and receivables), and thus financing demands.

In the field of resources required to finance the assets, i.e. liabilities, the share of our own resources (shareholders' capital) went up year-on-year from 46.8 % to 49 %. Positive retained earnings from previous years (amounting to almost CZK 196 million including 2019) even exceed the volume of the registered capital by one tenth. Unfortunately, increases to the equity are very low in recent years.

The lower need in working capital made it possible to cut down the use of external resources by another tenth. During the last two years we managed to reduce the volume of external resources by some CZK 89 million, i.e. by one fifth, to a little less than CZK 339 million. The decisive factor was a reduction in trade payables by CZK 28 million to an amount of less than CZK 53 million. In two years we succeeded to reduce debts to our suppliers by more than a half. We are a trustworthy and fair debtor to our business partners.

Loans and financial accommodations were drawn in an amount of CZK 253.5 million at the end of the year. This is a slight increase compared to 2018 (+ 4.3 %) when their level was slightly above CZK 243 million. However, in comparison with 2017, this item was by about CZK 3 million lower. We did not have and do not have any problems with repayment of the loans and financial accommodations.

Condition of the tangible property is good, it is properly cared, with adequate efforts dedicated to its maintenance. Our fixed assets are more than 92 % financed by the equity. We created adjustments on inventory amounting to almost 7 % of their book value, and on receivables in an amount of 3.6 % of their nominal value. As already mentioned above, the degree of financial independence has achieved 49 %. The present brief summary confirms that the company does not have any major problems in the field of financial management.

## C. Consolidation

Similarly as in the preceding years, the consolidation statements were prepared for the parent company, PANTER COLOR, COLORLAK SK, COLORLAK POLSKA and COLORLAK maloobchod (former AAA Barvy), applying the method of full consolidation. The retail trade structure in the Czech Republic underwent a significant reorganization last year. Due to inadequate business and economic results, 5 stores with a turnover of more than CZK 16 million were cancelled and, on the other hand, 2 CS COLOR stores with sales over CZK 15 million were fully included into the group. During the second half of the year, retail stores operated in PANTER COLOR were conveyed to COLORLAK maloobchod. Thus a more logical arrangement is now in place in specialized companies in the Czech Republic: manufacturer – wholesale – retail.

Net turnover for the accounting period reached CZK 966.8 million, by CZK 113.6 million and one tenth less than in the previous year. Almost three quarters of the operating income were generated domestically and just over a quarter abroad. The biggest share in turnover decline falls on COLORLAK, a.s., with CZK 73 million (see para A.). Unfortunately, the performance of the other participants in the consolidation also decreased, by CZK 40.6 million, which in fact means that results of the group returned to the level of 2017. The highest share in the lower turnover of the daughter companies is attributed to COLORLAK POLSKA.

The yoy decrease in production consumption amounting to 14.2 % (almost CZK 112 million) was an adequate response to the situation and can be considered as positive. However, personnel costs continued to grow by 1.8 %, i.e. by about CZK 3 million. The average wage exhibited a year-on-year increase by 3.6 %, with decline in average adjusted staff number to 500. Even significant savings in material costs were not enough to eliminate lower performance, therefore the final operating income amounted to a little less than CZK 2 million. Compared to 2018, the decline in EBITDA reached 17.5 %.

Thanks to rise in interest rates, interest expenses increased by CZK 2.3 million over two years. Thus the consolidated result before tax exhibits a loss of nearly CZK 11 million. Loss-making operations related to COLORLAK maloobchod and COLORLAK POLSKA.

The consolidated balance sum decreased to CZK 641 million, i.e. by CZK 66.5 million, which is approximately one tenth and which almost corresponds to the decrease in net turnover. The volume of fixed assets in fact stagnated at CZK 292.5 million, with an increase in tangible assets. The current assets were lower by almost 16 % (over CZK 65 million). Receivables decreased most significantly, by more than CZK 56 million, i.e. by nearly 33 %. The inventory was almost one tenth lower. As can be seen from the above figures, the reduction in receivables represents almost 85 % reduction in total assets which is a desirable trend.

The share of equity in total liabilities stagnated at about 30 %, while the absolute volume decreased by one tenth. External resources fell by almost CZK 45 million, i.e. by 11 %. The important thing is that short-term payables were reduced by 19.1 %. In the last two years, we succeeded to reduce this item by more than CZK 72 million. Compared to 2018, bank loans and financial accommodations are almost by CZK 12 million lower, i.e. by 3.7 %.

The consolidation is substantially affected by both the income statement and the balance sheet of the parent company. The year 2019 shows it is necessary to address the efficiency of all members of the group.

#### D. Acquisition of Company Own Shares

In 2019, the company did not acquire any shares of its own. As at December 31, 2019, the company held 5,183,659 pcs of own shares with acquisition value amounting to CZK 62.2 million.

#### E. Development in 2020

The whole Czech economy is affected by COVID-19 pandemic this year. Its negative effects had impacts on both our company and the group. Shutdown in automotive plants which took a month, with subsequent interruption of retail sales of paints and varnishes which lasted almost the same time, influenced both production and sales. At the end of April, the company revenues from sales were by about 20 % lower than planned. For that reason we even adhered to two days of production downtime.

Following the easing of restrictive measures, the paint market is slowly recovering, but it is likely to be difficult to make up the deficiency. Therefore, we consider it relatively positive news that the margin increased from 40 % last year to 52 %, and this month exceeds 60 %. Compared to last year, the drop in gross margin reaches about 4 % "only". As for the subsidiaries, PANTER COLOR is doing very well so far, with sales growth of 26 % since the beginning of the year, as well as COLORLAK SK, with sales growth of 20 % compared to last year. For the time being, COLORLAK maloobchod is lagging behind (under emergency conditions, the stores were closed for one month) but in May the sales are already getting near to last year level. COLORLAK POLSKA also keeps behind for now.

At our General Meeting, when the data will be one month updated, we will provide you more detailed information on this year development.

In Staré Město, on 29th May 2020

Svatopluk Chalupa  
Chairman of the Board  
Statutory Director

## **a ] Basic Data on the Issuer**

Trade name:	<b>COLORLAK, a.s.</b>
Registered office:	Tovární 1076, Staré Město, 686 03
Company registration number/Tax identification number:	494 44 964/ CZ49444964
Date of foundation:	01 September 1993
Legal basis and legislation for setting-up the company:	The joint-stock company was set up under Section 172 of the Act No. 513/91 Coll. - Commercial Code.
Legal form:	joint-stock company

### **Scope of Business:**

- business in the field of hazardous waste management
- manufacture of hazardous chemical substances and hazardous chemical mixtures and sale of chemical substances and chemical mixtures classified as highly toxic and toxic
- road motor transport – goods transport provided by vehicles or truck trains of maximum permitted weight not exceeding 3.5 t, if designed to convey animals or articles
- repairs of road vehicles
- bricklaying
- painting, lacquering, varnishing
- accounting consultancy, bookkeeping services and taxation records
- production, trade and services other than listed in Annex 1 – 3 to the Trades Licensing Act

The Commercial Court in charge of the Commercial Register: Regional Court in Brno, Section B, Insert 1112

## **b ] Registered Capital**

The registered capital of COLORLAK, a.s. amounted to CZK 178,543,930 in 2019. It consisted of 17,854,393 pcs of ordinary registered shares in the form of share certificates with a nominal value of CZK 10 each. Based on decision of general meeting held on 08 December 2016, an acquisition of company own shares was approved up to 5,370,000 pcs with a nominal value of CZK 10/pc. The company may be acquiring its shares till 07 December 2021 which is the deadline. On 08 December 2016, COLORLAK, a.s. acquired 5,183,659 pieces of its own shares under concluded contract on securities sale.

**Owners holding shares over 15 % as at 31. 12. 2018 and 31. 12. 2019:**

Svatopluk Chalupa  
Mojmír Olšer  
COLORLAK, a.s.

The company COLORLAK, a. s. is part of a holding and is a controlling entity. In accordance with Section 71 of the Act on Business Corporations it

- exercises influence over:** the company **PANTER COLOR, a.s.**  
 with its registered office at: Pištěkova 22/1171, Praha 4, PSČ 149 00  
 company registration number: 262 01 143  
 registered in Commercial Register kept by the Municipal Court in Prague, Section B, Insert 6750  
 represented by: Eva Vichová Chairman of the Board, Statutory Director  
 Svatoopluk Chalupa Authorized Officer
- exercises influence over:** the company **COLORLAK SK, s.r.o.**  
 with its registered office at: Zvolenská cesta 37, Banská Bystrica, PSČ 974 05, Slovak Republic  
 company registration number: 36 254 487  
 registered in Commercial Register kept by the District Court in Banská Bystrica, Section Sro., Insert 15802/S  
 represented by: Miroslav Piršel Executive Officer  
 Danko Šimkovičová Executive Officer  
 Mariana Richvalská Executive Officer
- exercises influence over:** the company **MILANO COLOR, a.s.**  
 with its registered office at: Pištěkova 1171/22, Chodov, Praha 4, PSČ 149 00  
 company registration number: 264 06 951  
 registered in Commercial Register kept by the Municipal Court in Prague, Section B, Insert 20218  
 represented by: Zdeněk Bulejka Chairman of the Board, Statutory Director
- exercises influence over:** the company **EKOLAK s.r.o.**  
 with its registered office at: Tovární 1076, Staré Město, PSČ 686 03  
 company registration number: 253 23 130  
 registered in Commercial Register kept by the Regional Court in Brno, Section C, Insert 25410  
 represented by: Zdeněk Tůma Executive Officer
- exercises influence over:** the company **COLORLAK POLSKA SP Z O O**  
 with its registered office at: Wroclawska 30, Nowa Sól, PSČ 67-100, Poland  
 company registration number: 0000379393  
 registered in National Court Register  
 represented by: Pavel Macháč Chairman of the Board of Directors
- exercises influence over:** the company **PANTER COLOR POLSKA SP Z O O** dissolved 25. 09. 2019  
 with its registered office at: Kazimierzowska 43/23, Warszawa, PSČ 02-572, Poland  
 company registration number: 0000637012  
 registered in National Court Register  
 represented by: Pavel Macháč Chairman of the Board of Directors

**Ownership interests of COLORLAK, a.s. in business of other legal entities as at 31. 12. 2019**

company registration number	legal entity	registered capital  in EUR, PLN	share of the company in controlled and regulated companies in CZK	share of the company in registered capital in %
26201143	PANTER COLOR, a.s.		60,000,000	100
36254487	COLORLAK SK, s.r.o.	EUR 700,000	17,787,000	100
26406951	MILANO COLOR, a.s.		2,000,000	100
25323130	EKOLAK, s.r.o.		200,000	100
0000379393	COLORLAK POLSKA, SP Z O O	PLN 550,000	3,283,500	100

## c ] Securities

Type:	ordinary shares
Form:	registered shares
Appearance:	share certificates, issued both as individual shares and collective documents
Number of securities:	17,854,393 pcs of ordinary registered shares with a nominal value of CZK 10 each
Total nominal value:	CZK 178,543,930
Method of transfer:	Transferability of shares is not limited.
	Transfer of registered shares is carried out by endorsement and delivery to the acquirer.

COLORLAK, a.s. has no ascertained financial institution through which the shareholders can exercise their rights in property.

The shares are associated with all shareholder rights in accordance with the valid company Articles of Association and as regulated in the Act on Business Corporations No.90/2012 Coll., and the Act No. 89/2012 Coll., the Civil Code. The shareholder is in conformity with Section 256 of the Act on Business Corporations entitled to first of all participate in management of the company, its profit (dividend) and liquidation surplus in the event of company dissolution. It is his/her right to take part in general meeting, to vote there, query, put forward proposals and counterproposals and other in compliance with Section 357 and the subsequent ones of the Act on Business Corporations. Has a pre-emptive right to subscribe new shares.

On the grounds of the contract on sale of securities, COLORLAK a.s. acquired 5,183,659 pieces of its own shares on 08 December 2016. The company cannot exercise any voting rights with these shares. Though the right to pay share in profits arises to the company by virtue of Section 348 of the Act on Business Corporations, the company cannot execute it as it automatically expires on its maturity. Such non-distributed dividend must be transferred to the account of retained earnings from previous years.

COLORLAK, a.s. does not issue any bonds.

## d ] Principal Activities

### **manufacture, research and development of paint materials, synthetic resins, adhesives**

#### **Research and development**

COLORLAK, a.s. expended CZK 10.4 million on research and development in 2019. The activities are aimed at applied research. It is provided by both the internal strength of the company and in cooperation with external entities. COLORLAK a.s. is a member of consortium in Competence Centres where together with other members participates in research and development in a project called "Centre for research of surface treatment". In 2019, the company was granted a subsidy amounting to CZK 2.5 million within this project, to support research and development. A great significance is attached to improvement of environmental parameters of manufacturing processes and new products launched by the company.

More detailed data on development trends are considered to be a trade and industrial secret of the company and as such are not disclosed.

#### **Building materials**

##### **Plasters**

Silicone: KC PUTZ SILIKON E\*307, EKOPUTZ SILIKON E\*303, STRUKTURPUTZ SILIKON E\*311

Silicone PROFI: KC PUTZ SILIKON PROFI E\*314, EKOPUTZ SILIKON PROFI E\*313, STRUKTURPUTZ SILIKON PROFI E\*315

Dispersion: KC PUTZ E\*305, EKOPUTZ E\*301

Mosaic: QUARZPUTZ E304\*

Other: EKOPUTZ SILIKÁT E\*302, KC PUTZ SILIKÁT E\*306

##### **Facade paints**

Main products: FASAX E0201, PROEXTERIÉR FASÁDA V2012, FASIKON E0208, EKOFAS JZ E0203, BETOKRYL V2013, FASAX SILIKÁT E0207, EKOTRAN E0901

##### **Interior paints**

Main products: PROINTERIÉR PLUS V2098, PROINTERIÉR PROFI V2099, PROINTERIÉR COLOR V2005, EKODUR PROFI E0503, PROINTERIÉR STANDARD V2006, EKODUR E0502, PROINTERIÉR TOP V2519, EKODUR NATURAL E0501, BRILIANT MAT V2091, SÁDROKARTON V2531, PROINTERIÉR LATEX V2017, PROINTERIÉR ELEGANT V2025, PROINTERIÉR TERMO V2200

##### **Penetrations and priming coats**

Main products: PENETRACE S2802A E0607, EKOFAS E0204, EKOPEN E0601, PENSIKON E0604, ČISTIČ FASÁD V1920, ANTISPOT E0904, EKOPEN KONCENTRÁT E0602, PENSIL E0603, OCHRANA FASÁD V1930, ČISTIČ FASÁD koncentrát V1923, EKOFAS SILIKÁT E0206

##### **Powder coatings**

Main products: EKOFIX PLUS E4005, VAZAFIX E4009, EKOFIX E4002, VAZAKRYL E4007, EKOFIX-Z E4001, EKOHYDROL E4014, EKOFIX-ZF E4003



## Paint materials

### Nitrocellulose paint materials

Main products: CELOX C2001, NICEL C1103, CELOLESK C1037, CELOMAT C1038, NICEL C1001, NICEL C2030, CELOX PRIMER C2000, NICEL C1016, NICEL C1002, ZÁKLADNÍ LAK C1036, NICEL C2121, NICEL C1702, NICEL C1005, NICEL C1014, NICEL C1019, LAK NA ŽÁROVKY C1800

### Synthetic paint materials

Main products: SYNOREX PRIMER S2000, LUSONOL S1023, UNIVERSAL SU2013, PROTIREZ S2015, UNIVERZAL ZÁKLAD SU2020, ZINOREX S2211, SYNTEPUR PRIMER S2220, PROFI LAZURA S1025, ULTRA RAPID S2225, SILAMAT S2819, EPAX S2318, SYNOREX EXTRA S2003, JACHTLAK S1006, SYNOREX S2216, FUNGISTOP S1031, RADIATOR S2117, SYNTECOL BÁZE S2161, PROFI OKNO S2082, EPAX S2320, AXATHERM S2053, SYNTERAL S2139, PROFI EMAIL S2085, SYNTECOL LAK S1002, PROFI METAL S2029

### Polyurethane paint materials

Main products: AXAPUR U2218, AXAPUR U2066, AXAPUR PRIMER U2008, AXAPUR U2056, AXAPUR U2219, AXAPUR U2074, AXAPUR U2054, AXAPUR U2060, AXAPUR PLUS U2072

### Water-based paint materials

Main products: AQUAREX V2115, AKRYLCOL MAT V2045, AQUACOL V2052, AQUACOL PRIMER V2070, COLORNAL MAT akrylátový V2030, AQUALAK V1419, AKRYLCOL LESK V2046, FORTELUX AQUA V1407, LIGNOSTOP HOBBY V1042, AQUACOL V1413, LIGNOSTOP PROFI V1041, LIGNOSTOP HOBBY V1047, AQUASPORT UNI V1422, AQUACOL RADIATOR V2077, PROFI PARKET V1509, LIGNOSTOP i-PROFI V1048

### Other products

Main products: OLEJOVÁ LAZURA O1020, TERASOIL O1014, TREXON EMAIL H2001, ANTIGRAFFITY COLOR P8014, Paint remover P07, Wood Oil O1011, LIHOLAK L1010, TREXON H2003, Wood cleaner and brightener P8001, thinners and industrial liquids

### Production and filling of aerosol products

Main products: PROFI SPREJ Top Coat, A3243, HOBBY SPREJ for radiators A3215, HOBBY SPREJ Primer A3149, HOBBY SPREJ for leather A3146, HOBBY SPREJ Frosting Decoration A3142, HOBBY SPREJ for decorations 3114, HOBBY SPREJ for furniture A3141, EUROSPRAY for leather A1146, EUROSPRAY for decorations A1114

### In 2019, the following new products were successfully launched:

BETOKRYL V2013, COLORNAL matt acrylic V2030, AKRYLCOL MAT V2045 extended colour shades, SILIKON PROFI plaster in EKOPUTZ, KC PUTZ and STRUKTURPUTZ structure

## environmental protection

In 2019, the Energy Savings and Emission Reduction Project was completed and put into operation in cooperation with OPPIK (Enterprise and Innovation for Competitiveness Operational Programme) which consisted in installation of low-emission gas boilers and transition to hot water heating. The aim of the project was to abate emissions and reduce the energy intensity of technological operations.

### Investments in tangible fixed assets

| in TCZK |

period	2018	2019
Tangible fixed assets – buildings & constructions	2,571	14,671
Tangible fixed assets – machinery & equipment	3,301	8,394
Intangible fixed assets	91	156
<b>Total INVESTED CAPITAL</b>	<b>5,963</b>	<b>23,221</b>

The capital was invested domestically in 2019, in an amount of TCZK 23,221.

In 2019, COLORLAK, a.s. invested in reconstruction of the central boiler house, further in forklifts, filling machine for production, CANON printer and other machinery and equipment.

## e ] Assets and Financial Position of the Issuer

### Changes in shareholders' equity

| in TCZK |

<i>year</i>	<i>shareholders' equity</i>
2018	329,828
2019	329,114

### Ownership interests of COLORLAK, a.s. as at 31.12. 2019

| in TCZK TEUR, TPLN |

<i>company</i>	<i>ownership interest</i>	<i>% of shareholders' equity</i>
PANTER COLOR, a.s.	TCZK 60,000	18.23
MILANO COLOR, a.s.	TCZK 2,000	0.61
EKOLAK, s.r.o.	TCZK 200	0.06
COLORLAK SK, s.r.o.	TEUR 700	5.40
COLORLAK POLSKA, SP Z O O	TPLN 550	1.00

### Trading income per 1 share

<i>year</i>	<i>trading income after tax (TCZK)</i>	<i>total shares (pcs)</i>	<i>trading income per 1 share (CZK)</i>
2018	4,036	17,854,393	0.226
2019	1,030	17,854,393	0.058

COLORLAK, a.s. paid out dividends as follows:

in 2018 amounting to TCZK 2,500 - of which TCZK 726 are dividends from COLORLAK own shares. By this amount the retained earnings of COLORLAK from previous years have been increased.

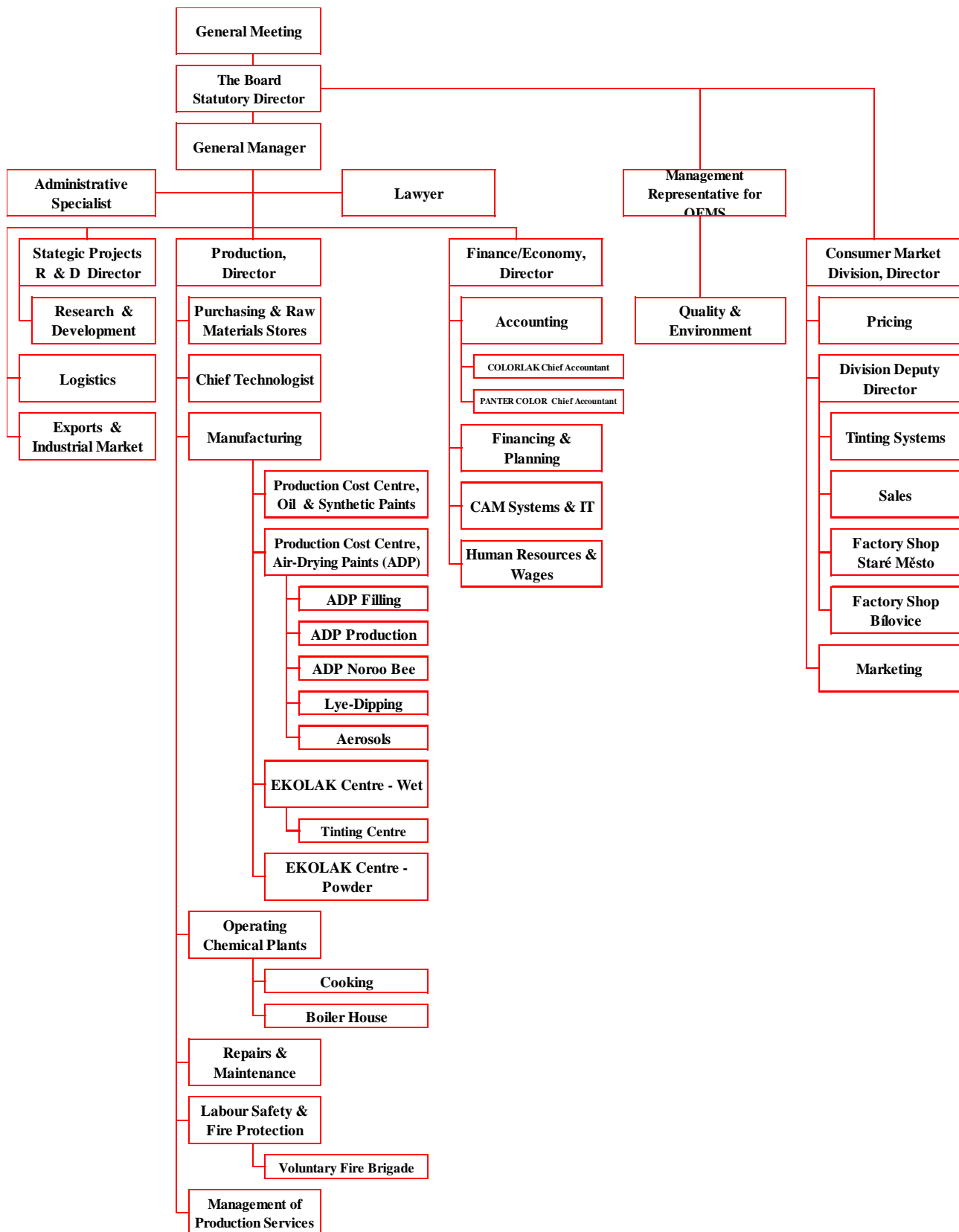
In 2019 amounting to TCZK 1,250 - of which TCZK 363 are dividends from COLORLAK own shares. By this amount the retained earnings of COLORLAK from previous years have been increased.

## Staff

### COLORLAK, a.s. staff

	2018	2019
Average staff	285	278
- of which managerial	23	22
Personnel costs (in TCZK)	130,000	132,858
- of which managerial	26,763	24,264

## Organization Chart of COLORLAK, a.s.



## **f ] Statutory Bodies of the Issuer**

### **▣ The Board & Statutory Director**

as at 31. 12. 2019

<b>Statutory Director:</b>	<b>Svatopluk Chalupa</b>
date of birth:	8. 11. 1944
domicile:	Tererova 1354/15, Chodov, 149 00 Praha 4
<b>Chairman of the Board:</b>	<b>Svatopluk Chalupa</b>
<b>Authorized Officer:</b>	<b>Mojmír Olšer</b>
date of birth:	7. 12. 1964
domicile:	Hošťálkova 518/3, Břevnov, 169 00 Praha 6

### **▣ Executive Management**

as at 31. 12. 2019

<b>Statutory Director:</b>	<b>Svatopluk Chalupa</b>
<b>General Manager – Authorized Officer:</b>	<b>Mojmír Olšer</b>
<b>Economic Director:</b>	<b>Jiří Hróz</b>
<b>Production Director:</b>	<b>Marek Fiala</b>
<b>Director of Consumer Market Division:</b>	<b>Eva Víchová</b>

Money incomes received in 2019 by members of the statutory bodies: CZK 1,440,000

Members of the statutory bodies and company executive management holding shares of COLORLAK, a.s. in 2019:

Svatopluk Chalupa  
Mojmír Olšer  
Eva Víchová  
Jiří Hróz  
Marek Fiala

COLORLAK, a.s. granted no loans or guarantees or other securities to its statutory bodies or their members and issued no employees shares.

## **g ] Responsibility for the Annual Report and Auditing Financial Statements**

**PERSON RESPONSIBLE FOR THE ANNUAL REPORT OF COLORLAK, a.s.:**



Svatopluk Chalupa  
Chairman of the Board

The Chairman of the Board declares that the data stated in the Annual Report are true and that no significant circumstances which might affect an accurate and correct assessment of the issuer of securities have been omitted.

### **AUDITING COMPANY in 2018 and 2019**

BENE FACTUM a.s. - License No. 480 of the Chamber of Auditors of the Czech Republic, Kodaňská 1441/46, 100 10 Praha 10  
Karel Hampl - License No. 0005 of the Chamber of Auditors of the Czech Republic, auditor in charge

## Balance Sheet – Assets

| in TCZK |

Code		Line	Current accounting period			2018
			Gross	Adjustment	Net	Net
	Total assets	001	1,101,836	430,709	671,127	705,118
A.	Receivables from subscriptions	002	0	0	0	0
B.	Fixed assets	003	775,290	417,068	358,222	359,534
B. I.	Intangible fixed assets	004	57,260	21,230	36,030	37,137
1.	Research and Development	005	0	0	0	0
2.	Valuable rights	006	56,855	21,153	35,702	36,939
2. 1.	Software	007	19,818	18,472	1,346	2,249
2. 2.	Valuable rights	008	37,037	2,681	34,356	34,690
3.	Goodwill (+/-)	009	0	0	0	0
4.	Other intangible fixed assets	010	154	77	77	103
5.	Advance payments for intangible fixed assets and intangible fixed assets under construction	011	251	0	251	95
5. 1.	Advance payments for intangible fixed assets	012	0	0	0	0
5. 2.	Intangible fixed assets under construction	013	251	0	251	95
B. II.	Tangible fixed assets	014	554,427	395,838	158,589	149,804
1.	Land and constructions	015	278,278	174,577	103,701	107,938
1. 1.	Land	016	9,781	0	9,781	9,781
1. 2.	Constructions	017	268,497	174,577	93,920	98,157
2.	Equipment	018	255,860	221,106	34,754	38,795
3.	Adjustment to acquired assets (+/-)	019	0	0	0	0
4.	Other tangible fixed assets	020	155	155	0	0
4. 1.	Perennial crops	021	0	0	0	0
4. 2.	Breeding and draught animals	022	0	0	0	0
4. 3.	Other tangible fixed assets	023	155	155	0	0
5.	Advance payments for tangible fixed assets and tangible fixed assets under construction	024	20,134	0	20,134	3,071
5. 1.	Advance payments for tangible fixed assets	025	0	0	0	625
5. 2.	Tangible fixed assets under construction	026	20,134	0	20,134	2,446
B. III.	Long-term financial assets	027	163,603	0	163,603	172,593
1.	Shares in controlled and regulated organizations	028	163,603	0	163,603	164,493
2.	Loans - controlled or controlling organizations	029	0	0	0	8,100
3.	Shares - accounting units with substantial influence	030	0	0	0	0
4.	Loans - accounting units with substantial influence	031	0	0	0	0
5.	Other securities and shares	032	0	0	0	0
6.	Other loans	033	0	0	0	0
7.	Other long-term financial assets	034	0	0	0	0
7. 1.	Other financial investments	035	0	0	0	0
7. 2.	Advance payments for long-term financial assets	036	0	0	0	0

## Balance Sheet – Assets

| in TCZK |

Code		Line	Current accounting period			2018
			Gross	Adjustment	Net	Net
C.	Current assets	037	325,574	13,641	311,933	344,636
C. I.	Inventory	038	92,819	6,133	86,686	94,937
1.	Materials	039	51,021	2,246	48,775	49,665
2.	Work in progress and semi-products	040	3,759	0,000	3,759	4,771
3.	Finished products	041	38,039	3,887	34,152	40,501
3. 1.	Products	042	35,585	3,441	32,144	38,395
3. 2.	Merchandise	043	2,454	446	2,008	2,106
4.	Animals	044	0	0	0	0
5.	Advance payments for inventory	045	0	0	0	0
C. II.	Receivables	046	210,717	7,508	203,209	227,699
1.	Long-term receivables	047	2,200	0	2,200	150
1. 1.	Trade receivables	048	0	0	0	0
1. 2.	Receivables from controlling and dominant entities	049	2,050	0	2,050	0
1. 3.	Receivables from accounting units with substantial influence	050	0	0	0	0
1. 4.	Deferred tax receivable	051	0	0	0	0
1. 5.	Other receivables	052	150	0	150	150
1. 5. 1.	Receivables from partners, cooperative and association members	053	0	0	0	0
1. 5. 2.	Long-term deposits given	054	0	0	0	0
1. 5. 3.	Estimated receivables	055	0	0	0	0
1. 5. 4.	Other receivables	056	150	0	150	150
2.	Short-term receivables	057	208,517	7,508	201,009	227,549
2. 1.	Trade receivables	058	67,498	7,508	59,990	92,677
2. 2.	Receivables from controlling and dominant entities	059	138,308	0	138,308	128,183
2. 3.	Receivables from accounting units with substantial influence	060	117	0	117	102
2. 4.	Other receivables	061	2,594	0	2,594	6,587
2. 4. 1.	Receivables from partners, cooperative and association members	062	0	0	0	0
2. 4. 2.	Receivables from social security and health insurance	063	0	0	0	0
2. 4. 3.	Due from state - tax receivables	064	1,481	0,000	1,481	3,927
2. 4. 4.	Short-term deposits given	065	718	0	718	1,667
2. 4. 5.	Estimated receivables	066	71	0	71	573
2. 4. 6.	Other receivables	067	324	0	324	420
C. III.	Short-term financial assets	068	0	0	0	0
1.	Shares - controlled or controlling entity	069	0	0	0	0
2.	Other short-term financial assets	070	0	0	0	0
C. IV.	Funds	071	22,038	0	22,038	22,000
1.	Cash in hand	072	2,293	0	2,293	1,741
2.	Bank accounts	073	19,745	0	19,745	20,259
D.	Accruals	074	972	0	972	948
1.	Deferred expenses	075	972	0	972	948
2.	Complex deferred costs	076	0	0	0	0
3.	Deferred income	077	0	0	0	0

## Balance Sheet – Liabilities

| in TCZK |

		Accounting period		Accounting period
Code		Line	2019	2018
	TOTAL LIABILITIES	078	671,127	705,118
A.	Equity	079	329,114	329,828
A. I.	Registered capital	080	116,340	116,340
A. I. 1.	Registered capital	081	178,544	178,544
2.	Company's own shares and ownership interests (-)	082	-62,204	-62,204
3.	Changes in registered capital (+/-)	083	0	0
A. II.	Share premium and capital funds	084	-45,711	-44,853
1.	Share premium	085	0	0
2.	Capital funds	086	-45,711	-44,853
2.1.	Other capital funds	087	0	
2.2.	Differences from revaluation of assets and liabilities (+/-)	088	644	644
2.3.	Differences from revaluation in transformation of business corporations (+/-)	089	2,166	3,024
2.4.	Differences from transformations of business corporations	090	0	0
2.5.	Differences from valuation in transformation of business corporations (+/-)	091	-48,521	-48,521
A.III.	Reserves from profits	092	62,612	62,612
1.	Other reserve funds	093	62,204	62,204
2.	Statutory and other funds	094	408	408
A. IV.	Profit/loss - previous years	095	194,843	191,693
1.	Retained earnings from previous years	096	194,843	191,693
2.	Accumulated losses from previous years (-)	097	0	0
3.	Other profit/loss - previous years (+/-)	098	0	0
A.V.	Profit/loss - current year (+/-)	099	1,030	4,036
A.VI.	Decision on advance payment of shares in profits (-)	100	0	0
B. + C.	Other sources	101	338,912	372,877
B.	Reserves	102	0	0
B. I. 1.	Reserve for pensions and similar payables	103	0	0
2.	Income tax reserves	104	0	0
3.	Reserves under special statutory regulations	105	0	0
4.	Other reserves	106	0	0
C.	Payables	107	338,912	372,877
C.I.	Long-term payables	108	27,838	37,876
1.	Issued bonds	109	0	0
1.1.	Convertible bonds	110	0	0
1.2.	Other bonds	111	0	0
2.	Bank debts	112	13,363	7,328
3.	Long-term advances received	113	0	0
4.	Trade payables	114	0	0
5.	Long-term notes payable	115	0	0
6.	Payables to controlled or controlling entities	116	0	0
7.	Payables to accounting units with substantial influence	117	0	0
8.	Deferred tax liability	118	3,517	3,732
9.	Other payables	119	10,958	26,816
9.1.	Payables to partners, cooperative and association members	120	0	0
9.2.	Estimated payables	121	0	0
9.3.	Other payables	122	10,958	26,816
C. II.	Short-term payables	123	311,074	335,001
1.	Issued bonds	124	0	0
1.1.	Convertible bonds	125	0	0
1.2.	Other bonds	126	0	0
2.	Bank debts	127	134,546	132,061
3.	Short-term deposits received	128	850	0
4.	Trade payables	129	52,946	81,831
5.	Short-term notes payable	130	0	0
6.	Payables to controlled or controlling entities	131	11	11
7.	Payables to accounting units with substantial influence	132	0	0
8.	Other payables	133	122,721	121,098
8.1.	Payables to partners, cooperative and association members	134	25	25
8.2.	Short-term financial accommodations	135	104,595	103,669
8.3.	Payroll	136	1,118	1,111
8.4.	Payables to social security and health insurance	137	3,536	3,533
8.5.	Due from state - tax liabilities and subsidies	138	2,839	1,141
8.6.	Estimated payables	139	4,401	4,370
8.7.	Other payables	140	6,207	7,249
D. I.	Accruals	141	3,101	2,413
1.	Accrued expenses	142	3,066	2,378
2.	Deferred revenues	143	35	35

## Profit and Loss Statement in Full Form

| in TCZK |

		Accounting period	Accounting period	
Code		2 019	2 018	
I.	Revenues from sold products and services	01	537,223	607,807
II.	Revenues from sold goods	02	15,297	18,121
A.	Production consumption	03	387,546	464,929
A.1.	Expenses on sold goods	04	13,449	16,008
A.2.	Consumption of material and energy	05	334,027	405,581
A.3.	Services	06	40,070	43,340
B.	Change in inventory of own products (+/-)	07	7,279	739
C.	Capitalization	08	-1,181	-827
D.	Personnel expenses	09	132,858	130,000
D.1.	Wages and salaries	10	95,882	93,939
D.2.	Social security expenses and health insurance, other expenses	11	36,976	36,061
D.2.1.	Social security expenses and health insurance	12	35,063	34,138
D.2.2.	Other expenses	13	1,913	1,923
E.	Operating adjustments	14	14,381	14,943
E.1.	Adjustments to intangible and tangible fixed assets	15	15,543	16,095
E.1.1.	Adjustments to intangible and tangible fixed assets - permanent	16	15,543	16,095
E.1.2.	Adjustments to intangible and tangible fixed assets - temporary	17	0	0
E.2.	Adjustments in inventory	18	-402	-655
E.3.	Adjustments of receivables	19	-760	-497
III.	Other operating revenues	20	15,802	14,702
III.1.	Revenues from disposals of fixed assets	21	1,178	491
III.2.	Revenues from disposals of materials	22	6,890	8,884
III.3.	Other operating revenues	23	7,734	5,327
F.	Other operating expenses	24	17,718	18,083
F.1.	Net book value of sold fixed assets	25	630	402
F.2.	Net book value of sold material	26	7,568	9 714
F.3.	Taxes and fees	27	1,481	1 598
F.4.	Operating reserves and complex deferred costs	28	0	0
F.5.	Other operating expenses	29	8,039	6,369
*	Operating profit/loss	30	9,721	12,763
IV.	Revenues from long-term financial assets	31	0	0
IV.1.	Revenues from shares in controlled or controlling entities	32	0	0
IV.2.	Revenues from other securities and ownership interests	33	0	0
G.	Expenses on sold ownership interests	34	0	0
V.	Revenues from other long-term financial assets	35	0	0
V.1.	Revenues from other long-term financial assets - controlled or controlling entities	36	0	0
V.2.	Revenues from other long-term financial assets	37	0	0
H.	Expenses associated with long-term financial assets	38	0	0
VI.	Interest revenues and similar revenues	39	191	242
VI.1.	Interest revenues and similar revenues - controlled or controlling entities	40	191	242
VI.2.	Interest revenues and similar revenues	41	0	0
I.	Financial adjustments and reserves	42	0	0
J.	Interest expenses and similar expenses	43	8,121	7,394
J.1.	Interest expenses and similar expenses - controlled or controlling entities	44	0	0
J.2.	Other interest expenses	45	8,121	7,394
VII.	Other financial revenues	46	4,346	9,436
K.	Other financial expenses	47	4,902	10,004
*	Profit/loss from financial operations	48	-8,486	-7,720
**	Profit/loss before tax	49	1,235	5,043
L.	Income tax on ordinary income	50	205	1,007
L.1.	Due tax	51	420	734
L.2.	Tax deferred	52	-215	273
**	Profit/loss after tax	53	1,030	4,036
W.	Transfer profit (loss) to partners (+/-)	54	0	0
***	Profit/loss of current accounting period (+/-)	55	1,030	4,036
****	Net turnover	56	572,859	650,308



## **INDEPENDENT AUDITOR'S REPORT**

*To the Shareholders of COLORLAK, a.s.*

### ***Opinion***

We have audited the accompanying financial statements of COLORLAK, a.s. (hereinafter also the "Company") prepared in accordance with accounting principles generally accepted in the Czech Republic, which comprise the balance sheet as at 31 December 2019, and the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. For details of the Company, see Note 1 to the financial statements.

In our opinion, the financial statements give a true and fair view of the financial position of COLORLAK, a.s. as at 31 December 2019, and of its financial performance and its cash flows for the year then ended in accordance with accounting principles generally accepted in the Czech Republic.

### ***Basis for Opinion***

We conducted our audit in accordance with the Act on Auditors, and Auditing Standards of the Chamber of Auditors of the Czech Republic, which are International Standards on Auditing (ISAs), as amended by the related application clauses. Our responsibilities under this law and regulation are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### ***Other Information in the Annual Report***

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

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

non-compliance with these requirements could influence judgments made on the basis of the other information.

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

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

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

### ***Responsibilities of the Company's Statutory Director for the Financial Statements***

The Statutory Director is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the Czech Republic and for such internal control as the Statutory Director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

We communicate with the Statutory Director regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Prague, 30th April 2020

  
BENE FACTUM a.s.  
Licence number 480  
Kodaňská 1441/46  
110 00 Praha 10



  
Ing. Karel Hampl  
Licence number 0005

**Definition of the consolidated unit (further referred to as „group“)**

<i>company</i>	<i>registered office</i>	<i>share in registered capital in %</i>	<i>rate of dependence</i>	<i>consolidation method</i>
COLORLAK, a.s.	Tovární 1076, Staré Město	N/A	N/A	N/A
PANTER COLOR, a.s.	Pištěkova 22/1171, Praha 4	100	subsidiary	full
COLORLAK maloobchod, s.r.o.	Českobrodská 3/17, Hrdlořezy, Praha 9	100	subsidiary	full
COLORLAK POLSKA, SP Z O O	Wroclawska 30, Nowa Sól, Polsko	100	subsidiary	full
COLORLAK SK, s.r.o.	Zvolenská cesta 37, Banská Bystrica, Slovensko	100	subsidiary	full

Financial statements of all companies are kept for presentation purposes in registered office of the parent company at Staré Město, Tovární 1076.

In accordance with the legislation in force, the consolidation unit (group) does not incorporate the subsidiaries MILANO COLOR, a.s., and EKOLAK s.r.o. In 2019, the AAA Barvy, s.r.o. changed its name to COLORLAK maloobchod, s.r.o.

Date of financial statements and balance sheet date of the companies included in the group is December 31, 2019.

**Accounting methods and general accounting principles**

The account books of the group are kept and consolidated financial statements were drawn up in accordance with the Act No. 563/1991 Coll. on Accounting as amended, executive regulation No. 500/2002 Coll., implementing some provisions of the Act No. 563/1991 Coll. on Accounting as later amended, for those accounting units that are business entities keeping their books in double-entry accounting system as amended, and Czech Accounting Standards for business entities as amended.

The accounting respects general accounting principles, in particular the principle of appraising value of assets by their historical costs, the principle of keeping accounts maintaining timing and subject-matter relations, the principle of precaution and the assumed probability that the accounting unit is capable to continue its activities.

For the purpose of preparing these consolidated financial statements of COLORLAK group some accounting procedures within the group have been unified.

Data contained in the present consolidated financial statements are provided in thousands of Czech Crowns (CZK).

**Comments on Subsidiary Companies****PANTER COLOR a.s., Praha**

Main activities of PANTER COLOR a.s. involve wholesale and retail business with paint materials and auxiliary preparations in all regions of the Czech Republic. Products of COLORLAK parent company represent more than half of company revenues from sales. The product assortment is further complemented with paint materials and auxiliary preparations of other producers, both domestic and from abroad. In 2019, PANTER COLOR a.s. ran five wholesale warehouses and its own retail stores in most regions of the Czech Republic. In the 4th quarter of 2019, all retail stores were transferred to COLORLAK maloobchod s.r.o. subsidiary. PANTER COLOR will further perform wholesale activities only. For COLORLAK brand, the company also distributes the products sold through [www.mall.cz](http://www.mall.cz) internet shopping mall.

**COLORLAK maloobchod, s.r.o., Praha**

The original name of the company is AAA Barvy Praha, s.r.o. The scope of activities of this company is retail trade with paint materials and construction chemical products. In 2019, retail stores were newly transferred to the company; before, with the old sales structure, they were a part of PANTER COLOR, a.s. With this new arrangement, the retail and wholesale activities of the group got separated, both in terms of their organization and operations. The expansion of the network of own stores within one company will contribute to unify the assortment and increase the share of sales of COLORLAK products in all premises of the company. Furthermore, the online stores operated under [www.aabarvy.cz](http://www.aabarvy.cz) and [www.cscolor.cz](http://www.cscolor.cz) domains have been unified.

**COLORLAK SK, s.r.o., Banská Bystrica**

This Slovak subsidiary runs both wholesale and retail business with paint materials and products of construction chemistry. Similarly, as in the Czech Republic, sales of paint and construction materials continue to grow in Slovakia and the company is also achieving increased sales of products from the parent company production. Similar to PANTER COLOR in the Czech Republic, COLORLAK SK ensures distribution of COLORLAK brand products sold through [www.mall.sk](http://www.mall.sk) internet shopping mall.

**COLORLAK POLSKA, SP Z O O, Nowa Sól**

The company focuses on sales of paint materials to industries as well as to small fabricants and tradesmen. The company operates particularly in territory of Northwest Poland. It is based in Nowa Sól municipality where also its warehouse is located.

## Consolidated Balance Sheet

in TCZK

Code	2019	2018
<b>Total Assets</b>	<b>641,365</b>	<b>707,938</b>
A. Receivables from subscriptions	0	0
B. Fixed assets	292,523	294,248
B.I. Intangible fixed assets	39,279	41,403
B.II. Tangible fixed assets	187,686	182,667
B.III. Long-term financial assets	23,964	23,993
B.IV. Positive difference on consolidation	41,594	46,185
B.V. (-) Negative difference on consolidation	0	0
B.VI. Securities and ownership interests under the equity method	0	0
C. Current assets	346,617	411,957
C.I. Inventory	202,838	212,584
C.II. Receivables	116,715	173,057
C.II.1 Long-term receivables	1,590	2,477
C.II.2. Short-term receivables	115,125	170,580
C.III. Short-term financial assets	0	0
C.IV. Funds	27,064	26,316
D. Accruals	2,225	1,733
<b>Total Liabilities</b>	<b>641,365</b>	<b>707,938</b>
A. Equity	189,138	212,565
A.I. Registered capital	116,340	116,340
A.II. Share premium and capital funds	-43,671	-42,813
A.III. Reserves from profits	75,199	75,205
A.IV. Retained earnings	41,270	63,833
A.V. Consolidation reserve fund	0	0
B.+C. Other sources	448 305	492 907
B. Reserves	1,066	1,048
C. Payables	447,239	491,859
C.I. Long-term payables	8,759	11,446
C.II. Short-term payables	127,110	157,241
C.III. Bank loans and financial accommodations	311,370	323,172
D. Accruals	3,922	2,466
E. Minority equity	0	0
E.I. Minority registered capital	0	0
E.II. Minority capital funds	0	0
E.III. Minority funds including retained earnings and accumulated loss from previous years	0	0
E.IV. Minority profit/loss of current accounting period	0	0

## Consolidated Profit and Loss Statement

in TCZK

Code	2019	2018
I. Revenues from sold products and services	271,949	347,640
II. Revenues from sold goods	672,795	706,577
A. Production consumption	677,856	789,816
B. Change in inventory of own products (+/-)	7,279	739
C. Capitalization	-1,181	-827
D. Personnel expenses	226,537	222,586
E. Operating adjustments	23,092	22,443
Accounting (write-off) of the positive or negative difference on consolidation (+/-)	-4,592	-4,592
III. Other operating revenues	16,680	16,207
F. Other operating expenses	21,394	23,278
* Consolidated profit/loss (+/-)	1,855	7,797
IV. Revenues from long-term financial assets - ownership interests	0	0
G. Expenses on sold ownership interests	0	0
V. Revenues from other long-term financial assets	0	0
H. Expenses associated with other long-term financial assets	0	0
VI. Interest revenues and similar revenues	171	111
I. Financial adjustments and reserves	0	0
J. Interest expenses and similar expenses	10,012	8,991
VII. Other financial revenues	5,195	9,890
K. Other financial expenses	7,737	12,754
* Consolidated profit/loss from financial operations (+/-)	-12,383	-11,744
** Consolidated profit/loss before tax (+/-)	-10,528	-3,947
L. Income tax	456	1,583
*** Consolidated after-tax profit/loss of current accounting period before equity share	-10,984	-5,530
of which: Consolidated profit/loss of current accounting period before minority interests	-10,984	-5,530
Minority profit/loss of current accounting period	0	0
*** Consolidated profit/loss of current accounting period (+/-)	<b>-10,984</b>	<b>-5,530</b>
**** Net turnover for the accounting period (I. + II. + III. + IV. + V. + VI. + VII.)	966,790	1,080,425



**intertek**  
Total Quality. Assured.

# CERTIFICATE OF REGISTRATION

This is to certify that the management system of:

**COLORLAK, a.s.**

Main Site: Tovární 1076, 686 03 Staré Město,  
Czech Republic

Additional Site: středisko EKOLAK, Bilovice 497, 687 12 Bilovice,  
Česká republika

has been registered by Intertek as conforming to the requirements of:

**ISO 9001:2015**

The management system is applicable to:  
Development, production and sale of paints, facade, interior and floor  
materials, waterproofing and thermal insulation systems.

Certificate Number:  
QMS 24476-05

Issue Date:  
17 November 2017

Original Issue Date:  
20 November 2006

Certificate Expiry Date:  
19 November 2020



014



**Calin Moldovean**  
President, Business Assurance

Intertek Certification Limited, 10A Victory Park,  
Victory Road, Derby DE24 8ZF, United Kingdom



Intertek Certification Limited is a UKAS accredited body under schedule of accreditation no. 014.  
In the issuance of this certificate, Intertek assumes no liability to any party other than to the Client, and then only in accordance with the agreed upon Certification  
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may be confirmed via email at certificate.validation@intertek.com or by scanning the code to the right with a smartphone. The certificate remains the property of Intertek,  
to whom it must be returned upon request.  
CT-ISO 9001:2015 UKAS EN 44 P-01 Jul 17

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**SCHP ČR**

SVAZ CHEMICKÉHO PRŮMYSLU ČESKÉ REPUBLIKY  
ASSOCIATION OF CHEMICAL INDUSTRY OF THE CZECH REPUBLIC

awards the member company

**COLORLAK, a.s., Staré Město**

# CERTIFICATE

of results achieved in fulfilling voluntary aims and goals in the program  
**RESPONSIBLE CARE - ODPOVĚDNÉ PODNIKÁNÍ V CHEMII**

This program aims to improve environmental protection and health  
and safety of all activities of the company.

pronouncement from 1996  
first vindication 1997  
eighth vindication 2016

Along with this certificate, the company has the right to use the logo  
**RESPONSIBLE CARE - ODPOVĚDNÉ PODNIKÁNÍ V CHEMII**  
until October 2020

in accordance with conditions announced  
by the European Chemical Industry Council (CEFIC)

In Prague, September 22th, 2016



**President**

**CZECH REPUBLIC**

**DEFENCE STANDARDIZATION, CODIFICATION  
AND GOVERNMENT QUALITY ASSURANCE AUTHORITY**



issues in compliance with the Act No. 309/2000 Coll., Section 30 para 5

# CERTIFICATE

No. 43/8-2017  
to  
**COLORLAK, a.s.**  
Tovární 1076, 686 03 Staré Město  
Company Registration Number: 49444964

**of quality system compliance as required by**  
**ČSN EN ISO 9001:2016**  
**ČOS 051672 (AQAP 2110)**  
Scope of validity:

Development, Production and Sale of Paints, Facade, Interior  
and Floor Materials, Waterproofing and Thermal Insulation  
Systems.

1. This Certificate is issued by DSCGQAA after quality system audit carried out from October 17th, 2017 to October 18th, 2017. The  
Authority is not responsible for quality system changes implemented by the contractor after this Certificate has been issued.  
2. This Certificate is valid solely for verified scope of activities and must not be used for other scope of activities than for which it is issued.  
3. The Authority is responsible neither for unauthorized use of the Certificate nor for damage which could be caused by both authorized or  
unauthorized use to a third party.  
4. This Certificate does not replace quality guarantee and contractor's responsibility for flaws and damage resulting from generally accepted  
legal regulations nor does it replace official verification in accordance with other generally accepted regulations.

This Certificate is valid till: **October 31st, 2020**

As far as foodstuff suppliers are concerned, the title to avail of this certificate is subject to continuous observance of hygienic  
norms and recommendation for supplying the Armed Forces of the Czech Republic with foodstuff that is issued as a part of Protocol of an  
inspecting authority on behalf of the Military Veterinary Service.

In Prague on: November 20th, 2017



**Ing. Martin Dvořák, Ph.D.**  
Director DSCGQAA

**COLORLAK, a.s.**

Tovární 1076  
686 03 Staré Město  
Czech republic

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Information Line: 800 145 555

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