

ZAPA beton a.s.

ANNUAL REPORT
FOR THE YEAR 2024

ZAPA beton a.s.

Michle, no. ev. 417, 141 00 Prague 4

ID: 25137026

registered in the Commercial Register maintained by the Municipal Court in Prague
Section B, Insert 4785

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General information about the joint-stock company

Business company: ZAPA beton a.s.
ID: 25137026
Tax ID: CZ25137026
Data box ID: 94wg39w
Registered office: Michle no. ev. 417, 142 00 Prague 4, Czech Republic
Telephone: + 420 226 004 444
Fax: + 420 226 004 440
Http: www.zapa.cz
E-mail: zapa@zapa.cz
Incorporation date: 16. 6. 1997
Legal form: joint-stock company
Share capital: CZK 300,200,000
(3,002 registered shares with a nominal value of CZK 100,000 each)
Commercial register: registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert 4785
Shareholder: Dyckerhoff GmbH (100 %), with registered office at Biebricher Strasse 68, 65203 Wiesbaden, Germany (registered with the Court of Wiesbaden under HRB 27594)
Statutory body
- Board of Directors: Chairman: Jörg Reiner Wild
Members: Katarína Gáborová, Ladislav Hylmar
Supervisory Board: Chairman: Luigi Buzzi
Members: Dirk Beese, Patrick Klein, Matthias Derstroff

Executive Management

Chief Executive Officer:	Jörg Reiner Wild
Chief Financial Officer:	Ladislav Hylmar
Director of Concrete Division CZ:	Katarína Gáborová
Director of Quarries and Sandmines:	Viktor Slezák
Head of Quality:	Daniel Miczek
HR Director:	Alžběta Vlachová

Message from the CEO on the activities and the expected development of the company

Dear shareholders, business partners and colleagues, stakeholders,

Year 2024 has been a period of growth, innovation, and successful projects for our construction company. Thanks to the strong commitment of our team, the trust of our customers, and collaboration with business partners, we have achieved significant milestones that are moving us forward.

Over the past year, we concluded with a total production volume of more than 1.1 million cubic meters of concrete and 700,000 tons of aggregates. This has confirmed our position as one of the leading players in the construction industry. A significant milestone for our company was the successful acquisition of another concrete plant, which will allow us to expand our capacities and strengthen our market position. Additionally, we have not slowed down in terms of investments - quite the opposite. We have continued to invest significantly in the modernization and renovation of our concrete plants to increase their efficiency and prepare them for future challenges, with a total amount exceeding 6.75 million EUR. Of this, 1.8 million EUR was allocated for the acquisition of new mixers and pumps.

The introduction of the digital platform Eplas for employee training, with a strong emphasis on prevention and management in the area of health and safety at work, is helping us reduce the incidence of injuries and ensure a safe working environment.

Our technologists continued their efforts to minimize production waste and incorporate recyclables back into production. We are actively progressing with a program for more efficient water use in non-production activities. A new project has been launched aimed at utilizing a higher proportion of residual concrete by producing artificial recycled aggregates. We have continued our successful path of reducing the carbon footprint of our products and conducted pilot tests of a new type of cement, CEM II/C-M. Over the past year, we have been preparing to extend the EPD to all concrete plants and are developing a plan for the reclamation of the sandmine in Václavice.

For our employees, we expanded the range of educational programs and introduced internal competency assessments to create an inspiring and motivating work environment. We enhanced our platform for better communication with employees and to strengthen corporate culture. We support their voluntary activities, personal engagement, and initiatives in local associations or communities.

In 2025, we will continue to focus on development, innovation, and sustainable solutions for modern construction. We thank everyone who is helping us build the future of the construction industry and look forward to the challenges and opportunities in the coming year.

In Prague, 14 March 2025

Jörg Reiner Wild
CEO
Member of the Board of Directors

Research and development

Expenses related to research and development activities in 2024 totaled 1.7 million CZK. These expenses primarily included costs associated with our laboratories and the share of costs in testing services (material testing services and concrete consumption during testing). There was also an update of the instrumentation and measurement equipment, including the purchase of a new hydraulic press for the Kačerov laboratory. In 2024, our research primarily focused on products with a low carbon footprint and meeting sustainability parameters. Our goal is to produce products with a lower environmental impact. We are concentrating both on product development and educating users on how to properly and efficiently use the product (preventing inefficient resource management or reducing product lifespan).

Environmental protection

Production of concrete mixtures and the extraction and processing of aggregates are industrial activities that place significant demands on environmental protection, particularly in reducing emissions, dust, and noise. The constant effort to implement timely environmental protection measures and enhance the technological level of production at all stages ensures that ZAPA beton a.s. keeps pace with current environmental management trends and avoids conflicts with environmental protection interests.

As early as 2015, legislation concerning environmental aspects was fundamentally changed to align with European Union regulations, aiming to unify the classification of hazardous waste and hazardous substances according to EU Commission Regulation. This has resulted in increased efforts by our company's management and control bodies in preparing and conducting specialized training for responsible personnel at individual sites and implementing changes at our operations.

Employees

At the end of 2024, ZAPA beton a.s. had a total of 423 employees. The number of employees decreased by 3.2% over the past year. Selected payroll expenses (salaries and state deductions) increased by approximately 6%. The majority of the workforce (87.94%) consists of men, with women primarily employed in administrative roles.

The company has a comprehensive system of material incentives (bonuses, evaluation of personal goals, participation in company performance evaluation – EBIT bonus, retirement reward, company car for personal use depending on work duties, etc.).

We continued with established systems in the area of occupational safety and health protection for employees at work.

Financial management

The financial position of the company for the years 2024 and 2023 is evident from the attached financial statements, which are an integral part of the annual report.

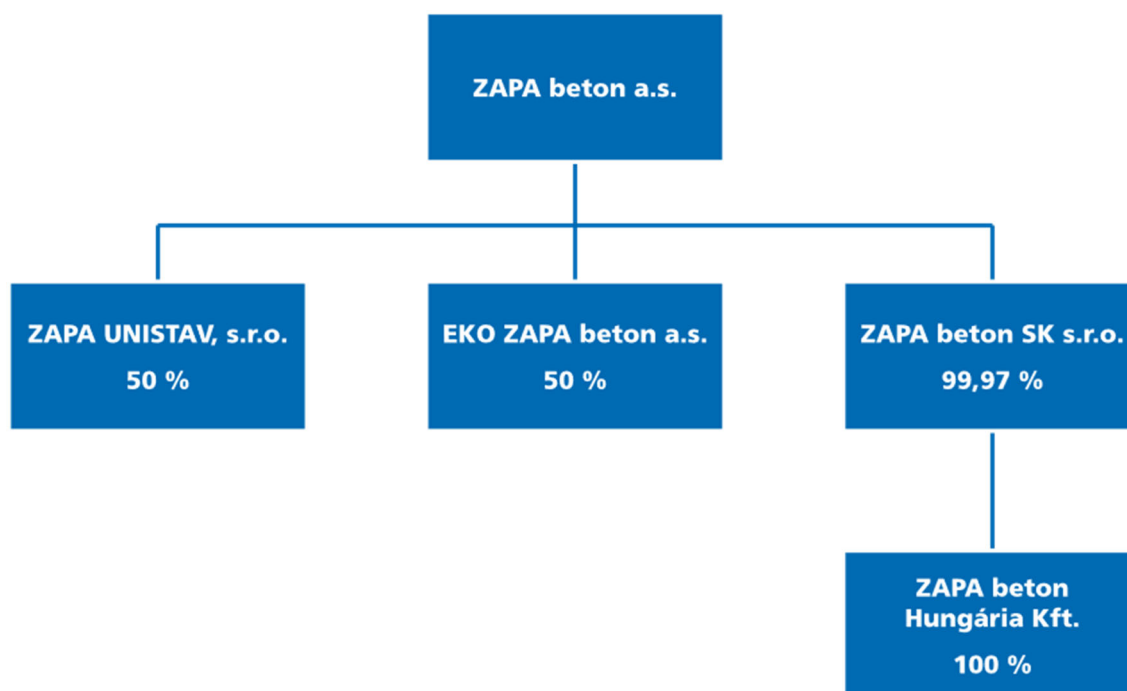
Significant events after the balance sheet date and other information

After the balance sheet date, no events have occurred that would significantly affect the purpose of this Annual Report.

The company does not have any branches or other parts of its business operations abroad.

In 2024, the company did not acquire any of its own shares or ownership interests.

Overview of Equity Holdings of ZAPA beton a.s. (as of December 31, 2024)



ZAPA beton a.s.

Financial statements

31 December 2024

Company name: ZAPA beton a.s.
Identification number: 251 37 026
Legal form: Joint Stock Company
Primary business: Production, transport and delivery of concrete mixtures
Balance sheet date: 31 December 2024
Date of preparation of the financial statements: 14 March 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	3,335,207	(1,674,726)	1,660,481	1,439,690
B.	Fixed assets	003	2,659,550	(1,616,495)	1,043,055	954,631
B. I.	Intangible fixed assets	004	42,056	(33,830)	8,226	10,101
B. I. 1.	Development cost	005	2,881	(2,881)	-	-
B. I. 2.	Royalties	006	32,045	(23,819)	8,226	10,101
B. I. 2. 1.	Software	007	13,747	(13,327)	420	994
B. I. 2. 2.	Other royalties	008	18,298	(10,492)	7,806	9,107
B. I. 4.	Other intangible fixed assets	010	7,130	(7,130)	-	-
B. II.	Tangible fixed assets	014	2,325,499	(1,458,006)	867,493	777,194
B. II. 1.	Land and constructions	015	857,229	(483,558)	373,671	306,473
B. II. 1. 1.	Land	016	211,366	-	211,366	150,812
B. II. 1. 2.	Constructions	017	645,863	(483,558)	162,305	155,661
B. II. 2.	Equipment	018	1,329,311	(922,706)	406,605	362,374
B. II. 3.	Adjustment to acquired fixed assets	019	45,442	(45,442)	-	-
B. II. 4.	Other tangible fixed assets	020	7,719	(5,470)	2,249	1,725
B. II. 4. 3.	Tangible fixed assets - other	023	7,719	(5,470)	2,249	1,725
B. II. 5.	Advances paid and tangible fixed assets in the course of construction	024	85,798	(830)	84,968	106,622
B. II. 5. 2.	Tangible fixed assets in the course of construction	026	85,798	(830)	84,968	106,622
B. III.	Long-term investments	027	291,995	(124,659)	167,336	167,336
B. III. 1.	Investments - subsidiaries and controlling party	028	277,699	(124,659)	153,040	153,040
B. III. 3.	Investments - associates	030	14,296	-	14,296	14,296
C.	Current assets	037	671,369	(58,231)	613,138	479,940
C. I.	Inventories	038	82,532	-	82,532	77,367
C. I. 1.	Raw materials	039	43,168	-	43,168	39,216
C. I. 3.	Finished goods and goods for resale	041	39,364	-	39,364	38,151
C. I. 3. 1.	Finished goods	042	37,929	-	37,929	35,865
C. I. 3. 2.	Goods for resale	043	1,435	-	1,435	2,286
C. II.	Receivables	046	548,296	(58,231)	490,065	372,536
C. II. 1.	Long-term receivables	047	9,458	-	9,458	12,343
C. II. 1. 5.	Receivables - other	052	9,458	-	9,458	12,343
C. II. 1. 5. 2.	Long-term advances paid	054	9,458	-	9,458	12,343
C. II. 2.	Short-term receivables	057	538,838	(58,231)	480,607	360,193
C. II. 2. 1.	Trade receivables	058	493,737	(57,113)	436,624	315,358
C. II. 2. 2.	Receivables - subsidiaries and controlling party	059	-	-	-	17,575
C. II. 2. 4.	Receivables - other	061	45,101	(1,118)	43,983	27,260
C. II. 2. 4. 3.	Taxes - receivables from the state	064	34,760	-	34,760	19,533
C. II. 2. 4. 4.	Short-term advances paid	065	4,309	(864)	3,445	3,035
C. II. 2. 4. 5.	Estimated receivables	066	2,870	-	2,870	3,368
C. II. 2. 4. 6.	Other receivables	067	3,162	(254)	2,908	1,324
C. IV.	Cash	075	40,541	-	40,541	30,037
C. IV. 1.	Cash in hand	076	402	-	402	405
C. IV. 2.	Cash at bank	077	40,139	-	40,139	29,632
D.	Prepayments and accrued income	078	4,288	-	4,288	5,119
D. 1.	Prepaid expenses	079	2,421	-	2,421	2,647
D. 2.	Complex prepaid expenses	080	1,867	-	1,867	2,472

Ref.	LIABILITIES AND EQUITY	Row	31.12.2024	31.12.2023
a	b	c	5	6
	TOTAL LIABILITIES AND EQUITY	082	1,660,481	1,439,690
A.	Equity	083	836,290	849,689
A. I.	Share capital	084	300,200	300,200
A. I. 1.	Share capital	085	300,200	300,200
A. II.	Share premium and capital contributions	088	424	424
A. II. 2.	Capital contributions	090	424	424
A. II. 2. 3.	Merger/demerger revaluation reserve	093	424	424
A. III.	Reserves from profit	096	94,340	94,340
A. III. 1.	Other reserve funds	097	94,340	94,340
A. IV.	Retained earnings / Accumulated losses	099	275,051	275,051
A. IV. 1.	Retained earnings or (accumulated losses)	100	275,051	275,051
A. V.	Profit / (loss) for the current period	102	166,275	179,674
B. + C.	Liabilities	104	824,167	589,740
B.	Provisions	105	76,748	73,890
B. 3.	Tax-deductible provisions	108	32,305	30,255
B. 4.	Other provisions	109	44,443	43,635
C.	Payables	110	747,419	515,850
C. I.	Long-term payables	111	51,158	44,960
C. I. 8.	Deferred tax liability	121	51,158	44,960
C. II.	Short-term payables	126	696,261	470,890
C. II. 2.	Liabilities due to financial institutions	130	1	-
C. II. 3.	Short-term advances received	131	2,317	1,633
C. II. 4.	Trade payables	132	341,496	327,383
C. II. 8.	Liabilities - other	136	352,447	141,874
C. II. 8. 2.	Other short-term borrowings	138	292,818	81,880
C. II. 8. 3.	Liabilities to employees	139	18,602	16,616
C. II. 8. 4.	Liabilities for social security and health insurance	140	11,018	9,442
C. II. 8. 5.	Taxes and state subsidies payable	141	3,777	3,204
C. II. 8. 6.	Estimated payables	142	26,232	30,732
D.	Accruals and deferred income	147	24	261
D. 1.	Accrued expenses	148	-	249
D. 2.	Deferred income	149	24	12

Company name: ZAPA beton a.s.

Identification number: 251 37 026

Legal form: Joint Stock Company

Primary business: Production, transport and delivery of concrete mixtures

Balance sheet date: 31 December 2024

Date of preparation of the financial statements: 14 March 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	3,302,188	2,972,440
II.	Sales of goods	02	18,018	9,338
A.	Cost of sales	03	2,611,190	2,220,828
A. 1.	Cost of goods sold	04	14,857	8,178
A. 2.	Raw materials and consumables used	05	2,110,289	1,800,166
A. 3.	Services	06	486,044	412,484
B.	Changes in inventories of finished goods and work in progress	07	(3,918)	7,726
C.	Own work capitalised	08	(8,254)	(3,198)
D.	Staff costs	09	411,980	392,614
D. 1.	Wages and salaries	10	292,907	279,782
D. 2.	Social security, health insurance and other costs	11	119,073	112,832
D. 2. 1.	Social security and health insurance costs	12	108,376	102,855
D. 2. 2.	Other costs	13	10,697	9,977
E.	Value adjustments in operating activities	14	68,324	65,920
E. 1.	Value adjustments of fixed assets	15	85,157	78,879
E. 1. 1.	Depreciation, amortisation and write off of fixed assets	16	85,157	78,879
E. 2.	Provision for impairment of inventories	18	-	1,420
E. 3.	Provision for impairment of receivables	19	(16,833)	(14,379)
III.	Operating income - other	20	50,156	46,920
III. 1.	Sales of fixed assets	21	4,039	10,266
III. 2.	Sales of raw materials	22	16,828	16,413
III. 3.	Other operating income	23	29,289	20,241
F.	Operating expenses - other	24	66,791	64,354
F. 1.	Net book value of fixed assets sold	25	1,063	1,088
F. 2.	Cost of raw materials sold	26	14,308	14,136
F. 3.	Taxes and charges	27	8,844	6,636
F. 4.	Operating provisions and complex prepaid expenses	28	3,463	916
F. 5.	Other operating expenses	29	39,113	41,578
*	Operating result	30	224,249	280,454
IV.	Income from long-term investments - shares	31	1,164	5,364
IV. 1.	Income from investments - subsidiaries or controlling party	32	1,164	5,364
VI.	Interest and similar income	39	370	608
VI. 1.	Interest and similar income - subsidiaries or controlling party	40	370	608
I.	Value adjustments and provisions from financial operations	42	-	48,175
J.	Interest and similar expenses	43	4,726	2,343
J. 1.	Interest and similar expenses - subsidiaries or controlling party	44	4,726	2,343
VII.	Other financial income	46	3	3
K.	Other financial expenses	47	1,786	1,627
*	Financial result	48	(4,975)	(46,170)
**	Net profit / (loss) before tax	49	219,274	234,284
L.	Tax on profit or loss	50	52,999	54,610
L. 1.	Tax on profit or loss - current	51	46,801	54,672
L. 2.	Tax on profit or loss - deferred	52	6,198	(62)
**	Net profit / (loss) after tax	53	166,275	179,674
***	Net profit / (loss) for the financial period	55	166,275	179,674
*	Net turnover for the financial period	56	3,320,206	

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STATEMENT OF CASH FLOWS
(in thousand Czech crowns)

Ref. a	TEXT b	Accounting period	
		2024 1	2023 2
	Cash flows from operating activities		
	Net profit /(loss) before tax	219,274	234,284
A. 1.	Adjustments for non-cash movements:	71,395	101,841
A. 1. 1.	Depreciation and amortisation of fixed assets	85,157	78,879
A. 1. 2.	Change in provisions and provisions for impairment	(13,978)	35,769
A. 1. 3.	(Profit)/loss from sales of fixed assets	(2,976)	(9,178)
A. 1. 4.	Dividend income	(1,164)	(5,364)
A. 1. 5.	Net interest expense/(income)	4,356	1,735
A *	Net cash flow from operating activities before tax and changes in working capital	290,669	336,125
A. 2.	Non-cash working capital changes:	125,514	60,767
A. 2. 1.	Change in receivables and prepayments	(101,979)	7,619
A. 2. 2.	Change in payables and accruals	232,658	48,789
A. 2. 3.	Change in inventories	(5,165)	4,359
A **	Net cash flow from operating activities before tax	416,183	396,892
A. 3.	Interest paid	(4,726)	(2,343)
A. 4.	Interest received	370	608
A. 5.	Income tax paid	(54,325)	(61,466)
A ***	Net cash flow from operating activities	357,502	333,691
	Cash flows from investing activities		
B. 1.	Acquisition of fixed assets	(173,982)	(109,122)
B. 2.	Proceeds from sale of fixed assets	4,039	10,266
B. 3.	Dividends received	1,164	5,364
B ***	Net cash flow from investing activities	(168,779)	(93,492)
	Cash flows from financing activities		
C. 2.	Changes in equity:	(179,674)	(289,075)
C. 2. 6.	Dividends paid	(179,674)	(289,075)
C ***	Net cash flow from financing activities	(179,674)	(289,075)
	Net increase/(decrease) in cash and cash equivalents	9,049	(48,876)
	Cash and cash equivalents at the beginning of the year	1,121	49,997
	Cash and cash equivalents at the end of the year	10,170	1,121

Company name: ZAPA beton a.s.
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STATEMENT OF CHANGES IN EQUITY
(in thousand Czech crowns)

	Share capital	Merger/demerger revaluation reserve	Other reserve funds	Retained earnings or (accumulated losses)	Total
As at 1 January 2023	300,200	424	94,340	564,126	959,090
Dividends paid	-	-	-	(289,075)	(289,075)
Net profit/(loss) for the current period	-	-	-	179,674	179,674
As at 31 December 2023	300,200	424	94,340	454,725	849,689
Dividends paid	-	-	-	(179,674)	(179,674)
Net profit/(loss) for the current period	-	-	-	166,275	166,275
As at 31 December 2024	300,200	424	94,340	441,326	836,290

1. General information

1.1. Introductory information about the Company

ZAPA beton a.s. ("the Company"), was incorporated on to the commercial register maintained by the Municipal Court in Prague, Section B, Insert 4785, as at 16 June 1997. Identification number is 251 37 026. The Company's primary business activities are production, transport and storage of concrete mixtures.

The Company is not a shareholder with unlimited liability in any undertaking.

2. Accounting policies

2.1. Basis of preparation

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.

The data in these financial statements are expressed in thousands of Czech crowns (CZK thousand).

2.2. Tangible and intangible fixed assets

All intangible (and tangible) assets with a useful life longer than one year and a unit cost of more than CZK 40 thousand (CZK 1 thousand) 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 amortized/depreciated over their estimated useful lives.

Technical improvement, if it exceeded the sum of CZK 80 thousand for the individual property in total for the tax period, increases the acquisition price of intangible and tangible assets.

The valuation of tangible assets is reduced by received governmental subsidies.

The depreciation plan is updated during the use of long-term intangible and tangible assets based on changes in useful lives. A provision for impairment is created when the carrying value of an asset is greater than its estimated recoverable amount. The estimated recoverable amount is determined based on expected future cash flows generated by this asset.

Repairs and maintenance expenditures for tangible fixed assets are expensed as incurred.

2.3. Financial assets

Non-current financial assets consist of investments in subsidiaries and associates, other interests, loans, borrowings and available-for-sale and held-to-maturity securities with maturity dates over 1 year and other non-current financial assets.

Interests in controlled entities represent interests in business corporations that are controlled or directed by the Company ("subsidiary").

Interests in entities under significant influence represent interests in business corporations in which the Company exercises significant influence but does not have the ability to control or direct the entity ("affiliate").

Interests in subsidiaries and affiliates are measured at cost, taking into account any impairment.

ZAPA beton a.s.

Notes to financial statements
for the year ended 31 December 2024

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 weighted average cost 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 direct and indirect materials, direct and indirect wages, and production overheads.

2.5. Receivables

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.

Receivables from related parties have not been provided for.

2.6. Foreign currency translation

Transactions denominated in a foreign currency are translated and recorded at the rate of exchange ruling as at the transaction date.

Cash, receivables and liabilities balances 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. Provisions

The company recognizes provisions if it has a current liability, it is probable that own resources will be required to settle the liability and there is a reliable estimate of the amount of the liability.

The company creates statutory provisions in the sense of the Act on Reserves and reserves for losses and risks in cases where the title, amount and date of performance can be determined with a high degree of probability while observing the material and temporal context.

The provision for remediation and reclamation and for mining damage is created based on the instructions of the relevant mining authority and its creation is based on the amount of extracted rock. The amount of creation is credited to an escrow bank account.

The company creates a provision for the income tax liability reduced by paid income tax advances. If income tax advances exceed estimated tax, the difference is recognized as a current receivable.

2.8. Revenue recognition

Sales are recognised upon the delivery of products and transfer of title to the customer or the date of performance of services and is stated net of discounts and value added tax.

Revenues are recorded on the date the services are provided and are reported net of discounts and value added tax.

ZAPA beton a.s.

Notes to financial statements
for the year ended 31 December 2024

2.9. 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.

Significant transactions and balances with related parties are disclosed in Notes 12 and 13.

2.10. Leases

The costs of assets held under both finance and operating leases are not capitalised 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 recognised in the balance sheet.

2.11. Interest expense

All interest costs are expensed.

2.12. Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base.

The book value of the deferred tax asset is assessed at each balance sheet date and reduced to the extent that it is no longer likely that sufficient taxable profit will be available against which this asset or part of it could be claimed.

Deferred tax assets and liabilities are offset against each other and reported in the balance sheet at a total net value, except in cases where some partial tax assets cannot be set off against partial tax liabilities.

2.13. Net turnaround

Net turnover is used for the purposes of categorizing an entity and determining audit obligations.

For accounting periods beginning on or after 1 January 2024, the definition of net turnover reported in the income statement has changed in Czech accounting regulations. The value of the Company's net turnover reported in the current accounting period now corresponds to revenues from the sale of products and goods and from the provision 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 categorizing the accounting entity and determining the audit obligation is stated in the financial statements for the previous accounting period and is not recalculated according to legal provisions. However, this figure presented for 2023 in the previous financial statements is not comparable with the value in the current accounting period. Therefore, in accordance with §4, par. 7 of the Decree, the Company does not report the figure for the previous accounting period for the purpose of incomparability and to ensure the clarity of the financial statements.

ZAPA beton a.s.

Notes to financial statements
for the year ended 31 December 2024

2.14. Cash-flow statement

The Company has prepared the cash-flow statement using the indirect method.

Cash equivalents represent short-term liquid investments, which are readily convertible for a known amount of cash.

Part of the current accounts as at 31 December 2024 and 31 December 2023 are two escrow accounts with UniCredit Bank Praha, in which funds are designated for a specific purpose in connection with the legal provision for rehabilitation and restoration and mining damage. For the purposes of the cash flow statement, these funds are not reported as cash and cash equivalents, but as an increase in receivables.

The Company assessed the nature of cash-pooling in view of the contractual arrangements with the counterparties and in view of the method managing of cash pooling balances by 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. Given that receivables/liabilities arising from cash-pooling represent part of the Company's working capital, the related movements in the cash flow statement are classified under operating activities.

2.15. Subsequent events

The effects of events, which occurred between the balance sheet date and the date of preparation of the financial statements, are recognised in the financial statements in the case that these events provide further evidence of conditions that existed as at the balance sheet date.

Where significant events occur subsequent to the balance sheet date but prior to the preparation of the financial statements, which are indicative of conditions that arose subsequent to the balance sheet date, the effects of these events are quantified and disclosed but are not themselves recognised in the financial statements.

ZAPA beton a.s.

Notes to financial statements
for the year ended 31 December 2024

3. Intangible fixed assets

(CZK'000)	1 January 2024	Additions / transfers	Disposals	31 December 2024
Cost				
Research & development	2,881	-	-	2,881
Software	13,747	-	-	13,747
Royalties	18,298	-	-	18,298
Establishment costs	7,130	-	-	7,130
Total	42,056	-	-	42,056
Accumulated amortisation				
Research & development	(2,881)	-	-	(2,881)
Software	(12,753)	(574)	-	(13,327)
Royalties	(9,191)	(1,301)	-	(10,492)
Establishment costs	(7,130)	-	-	(7,130)
Total	(31,955)	(1,875)	-	(33,830)
Net book value	10,101			8,226

(CZK'000)	1 January 2023	Additions / transfers	Disposals	31 December 2023
Cost				
Research & development	2,881	-	-	2,881
Software	14,573	220	(1,046)	13,747
Royalties	18,298	-	-	18,298
Establishment costs	7,130	-	-	7,130
Advances paid for intangible assets and intangible fixed assets in the course of construction	220	(220)	-	-
Total	43,102	-	(1,046)	42,056
Accumulated amortisation				
Research & development	(2,881)	-	-	(2,881)
Software	(13,018)	(782)	1,047	(12,753)
Royalties	(7,890)	(1,301)	-	(9,191)
Establishment costs	(7,130)	-	-	(7,130)
Total	(30,919)	(2,083)	1,047	(31,955)
Net book value	12,183			10,101

ZAPA beton a.s.

Notes to financial statements
for the year ended 31 December 2024

4. Tangible fixed assets

(CZK'000)	1 January 2024	Additions / transfers	Disposals	31 December 2024
Cost				
Land	150,812	60,554	-	211,366
Constructions	627,865	19,103	(1,105)	645,863
Equipment	1,235,229	115,882	(21,800)	1,329,311
Valuation difference on acquired assets	45,442	-	-	45,442
Other tangible fixed assets	6,958	761	-	7,719
Advances paid for tangible assets and tangible fixed assets in the course of construction	109,008	(23,210)	-	85,798
Total	2,175,314	173,090	(22,905)	2,325,499
Accumulated amortisation and impairment				
Constructions	(472,204)	(12,459)	1,105	(483,558)
Equipment	(872,855)	(70,567)	20,716	(922,706)
Valuation difference on acquired assets	(45,442)	-	-	(45,442)
Other tangible fixed assets	(5,233)	(237)	-	(5,470)
Other tangible fixed assets impairment	(2,386)	-	1,556	(830)
Total	(1,398,120)	(83,263)	23,377	(1,458,006)
Net book value	777,194			867,493

(CZK'000)	1 January 2023	Additions / transfers	Disposals	31 December 2023
Cost				
Land	151,452	-	(640)	150,812
Constructions	622,716	7,122	(1,973)	627,865
Equipment	1,148,940	91,078	(4,789)	1,235,229
Valuation difference on acquired assets	45,442	-	-	45,442
Other tangible fixed assets	6,958	-	-	6,958
Advances paid for tangible assets and tangible fixed assets in the course of construction	68,126	40,882	-	109,008
Total	2,043,634	139,082	(7,402)	2,175,314
Accumulated amortisation and impairment				
Constructions	(460,873)	(13,281)	1,950	(472,204)
Equipment	(813,914)	(62,994)	4,053	(872,855)
Valuation difference on acquired assets	(45,442)	-	-	(45,442)
Other tangible fixed assets	(5,021)	(212)	-	(5,233)
Other tangible fixed assets impairment	(2,386)	-	-	(2,386)
Total	(1,327,636)	(76,487)	6,003	(1,398,120)
Net book value	715,998			777,194

5. Long-term investments

5.1 Interest in controlled persons and persons under significant influence

	Net book value	Investment in Share capital	Profit/loss for 2024	Equity*	Income from profit sharing for 2024
31 December 2024	(CZK'000)	(%)	(CZK'000)	(CZK'000)	(CZK'000)
Foreign					
ZAPA beton SK s.r.o.					
Vajnorská 142, 730 00 Bratislava	153,040	99,96 %	16,919	237,688	-
Domestic					
ZAPA UNISTAV, s.r.o.*					
Moravanská 224/98, 619 00 Brno	6,233	50 %	6,227	44,117	1,164
EKO ZAPA beton, s.r.o.*					
Michle 417, 141 00 Prague 4 - Michle	8,063	50 %	2,149	20,338	-
Total	167,336				1,164

* Not audited

	Net book value	Investment in Share capital	Profit/loss for 2024	Equity*	Income from profit sharing for 2024
31 December 2023	(CZK'000)	(%)	(CZK'000)	(CZK'000)	(CZK'000)
Foreign					
ZAPA beton SK s.r.o.					
Vajnorská 142, 730 00 Bratislava	153,040	99,96 %	93,075	216,737	-
Domestic					
ZAPA UNISTAV, s.r.o.*					
Moravanská 224/98, 619 00 Brno	6,233	50 %	2,328	40,218	3,864
EKO ZAPA beton, s.r.o.*					
Michle 417, 141 00 Prague 4 - Michle	8,063	50 %	4,096	18,189	1,500
Total	167,336				5,364

There is no difference between the percentage of ownership interest and the percentage of voting interest for any of these subsidiaries.

Change in impairment allowance for equity interests in subsidiaries.

	Subsidiaries	
(CZK'000)	2024	2023
Opening balance on 1 January	124,659	76,484
Creation for the period	-	48,175
Closing balance at 31 December	124,659	124,659

6. Inventories

The Company did not recognize any provision for inventories as at 31 December 2024 (the same as of 31 December 2023).

7. Receivables

Overdue receivables as at 31 December 2024 amounted to CZK 150,266 thousand (as at 31 December 2023: CZK 124,454 thousand).

The provision for doubtful receivables as at 31 December 2024 was CZK 58,231 thousand (as at 31 December 2023: CZK 73,509 thousand).

Advances for income tax of CZK 57,268 thousand paid by the Company by 31 December 2024 (by 31 December 2023: CZK 59,285 thousand) are netted off with the provision for income tax of CZK 46,801 thousand as at 31 December 2024 (as at 31 December 2023: CZK 54,672 thousand).

Unsettled receivables as at 31 December 2024 have not been covered by guarantees and none of them are due after more than 5 years.

The Company has no receivables nor provided any guarantees which are not included in the balance sheet.

8. Equity

The Company is fully owned by Dyckerhoff GmbH, incorporated in Germany.

The Company is a part of one consolidation group and its parent Company is Buzzi SpA with the registered office at Casale Monferrato (AL) 15033, Italy.

The consolidated financial statements of the group of entities to which the Company belongs can be obtained at the company address: Buzzi SpA, Via Luigi Buzzi 6, 15033 Casale Monferrato (AL), Italy (www.buzziunicem.com).

The general meeting approved the financial statements for 2023 and decided about the allocation of profit earned in 2023 in the form of a dividend payment to the sole shareholder in the amount of CZK 179,674 thousand.

Up to the date of preparation of these financial statements, the Company has not proposed distribution of the profit earned in 2024.

9. Provisions

(CZK'000)	31 December 2024	31 December 2023
Provisions for reclamation and mining damage	45,402	45,597
Other reserves	31,346	28,293
Total reserves	76,748	73,890

The company recognizes statutory reserves in accordance with the law on reserves, as well as reserves for losses and risks in situations where it is highly probable to determine the purpose, amount, and timing of the obligation, while maintaining material and temporal relevance.

The reserve for remediation and land reclamation, as well as for mining damages, is created based on the instructions of the relevant mining authority, and its formation is based on the amount of extracted minerals. The statutory formation of this reserve is credited to an escrow bank account.

ZAPA beton a.s.

Notes to financial statements
for the year ended 31 December 2024

The statutory reserve for mining damages, remediation, and land reclamation has been established in accordance with the decision of the relevant District Mining Authority.

10. Payables, commitments and contingent liabilities

Trade and other payables have not been secured against any assets of the Company and are not due after more than 5 years.

The total amount of liabilities not recorded in the balance sheet, which is based on concluded operating lease contracts as at 31 December 2024 amounted to CZK 155,353 thousand (as at 31 December 2023: CZK 152,294 thousand).

The Company does not record any other liabilities that are not recognized in the balance sheet.

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

11. Revenue analysis

Breakdown of the company income from ordinary activities (CZK'000):

	2024		2023	
	Domestic	Foreign	Domestic	Foreign
Goods - concrete	313	-	-	-
Goods - aggregate	16,928	-	8,560	-
Other	498	279	491	287
Total	17,739	279	9,051	287

	2024		2023	
	Domestic	Foreign	Domestic	Foreign
Product sales - concrete	2,649,829	-	2,390,140	-
Product sales - aggregate	171,243	-	142,716	-
Other revenues	3,853	-	3,022	-
Transportations services	456,710	-	413,288	-
Services rent	5,394	534	4,824	748
Other services	14,487	138	15,662	2,040
Total	3,301,516	672	2,969,652	2,788

12. Related-party transactions

All significant transactions with related parties are presented in this note:

(CZK'000)	2024	2023
Revenues		
Sales of services	6,434	6,190
Sales of goods	648	338
Interest income	370	542
Total	7,452	7,070
Purchases		
Purchased services	29,765	18,109
Purchased goods for resale	877,007	759,230
Other purchases	-	1,144
Interest expense	4,726	2,343
Total	911,498	780,826

ZAPA beton a.s.

Notes to financial statements
for the year ended 31 December 2024

(CZK'000)	31 December 2024	31 December 2023
Receivables		
Trade receivables	5,436	5,426
Loans granted	-	17,575
Total	5,436	23,001
Liabilities		
Liabilities to companies within the consolidation group	406,857	194,809
Out of which:		
Trade payables	114,039	112,929
Loans received	292,818	81,880
Total	406,857	194,809

In August 2024, ZAPA BETON SK s.r.o. repaid the principal of the loan provided and all related interest.

Loans granted and loans received from Cement Hranice are interest at market rates. The interest rate on the loan is EURIBOR+ 3.075% p.a .

In 2024 and 2023, members of the statutory and supervisory bodies and management personnel did not receive any loans, granted guarantees, advances or other benefits and do not own any Company shares. The members of the statutory and supervisory bodies and management personnel have company cars available for private use.

13. Employees

	2024		2023	
	headcount	CZK'000	headcount	CZK'000
Salary costs - management	36	40,204	35	41,532
Salary costs - other employees	380	252,703	390	238,250
Social security costs		108,376		102,855
Other social costs		10,697		9,977
Wages and salaries total	416	411,980	425	392,614

Management employees include employees who are directly subordinate to members of the statutory body.

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

14. Audit firm remuneration

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Information on the remuneration of the auditing company PricewaterhouseCoopers Audit, s.r.o. is provided in the notes to the consolidated financial statements of the parent company Buzzi SpA.

15. Income tax

Income tax expense analysis:

(CZK'000)	2024	2023
Current tax expense (21 %)	46,801	54,672
Deferred tax expense	6,198	(62)
Total income tax expense	52,999	54,610

The deferred tax was calculated at 21% (the rate enacted for 2024 and beyond).

ZAPA beton a.s.

Notes to financial statements
for the year ended 31 December 2024

Deferred tax liability analysis:

(CZK'000)	31 December 2024	31 December 2023
Deferred tax asset/ (liability) arising from:		
Difference between accounting and tax net book value of fixed assets	(61,802)	(55,045)
Provisions and impairment allowances	10,644	10,085
Net deferred tax liability	(51,158)	(44,960)

Act No. 416/2023 Coll. on Top-up taxes for large multinational groups and large domestic groups was adopted based on EU Council Directive 2022/2523 on ensuring a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups. The aim of the Top-up taxes is to eliminate competition between states over different corporate tax rates by introducing a single minimum tax rate to ensure equal conditions for entities around the world and allow states to better protect their tax bases.

Top-up taxes will be collected if the calculated effective tax rate in the given jurisdiction is lower than 15 %. Companies in the group whose consolidated annual revenues reported in the consolidated financial statements of the highest parent entity amount to EUR 750 mil. in at least 2 of the 4 reporting periods immediately preceding the given tax period are liable for Top-up taxes.

The Company is a taxpayer of the top-up tax. The top-up tax was not taken into account in the calculation of deferred tax. The Company has no tax liability arising from top-up taxes for the year 2024.

16. Cash-flow statement

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

(CZK'000)	31 December 2024	31 December 2023
Cash in hand	402	405
Cash at banks	40,139	29,632
Cash in escrow accounts	(30,371)	(28,916)
Total cash and cash equivalents	10,170	1,121

17. Subsequent events

No events have occurred subsequent to year-end that would have a material impact on the financial statements as at 31 December 2024.

14 March 2025

Katarína Gáborová
Member of the Board of Directors

Ladislav Hylmar
Member of the Board of Directors

Report on Relations

of the company

ZAPA beton a.s.

pursuant to Section 82 of the Act on Corporations

for the accounting period of the calendar year 2024

The Board of Directors of the company ZAPA beton a.s., with its registered office at Michle no. 417, 141 00 Prague 4, identification number 251 37 026, registered in the Commercial Register kept by the Municipal Court in Prague, Section B, Insert 4785 (in this Report also "**the Company**" or "**ZAPA**") have prepared the following Report on Relations pursuant to Section 82 of Act No. 90/2012 Coll., the Corporations Act (the "**Corporations Act**"), for the accounting period of the calendar year 2024 (the "**Relevant period**").

1. Structure of relations

1.1 According to the information available to the Company's Board of Directors acting with due diligence, the company was part of a group throughout the Reporting Period, in which the controlling entity was Buzzi SpA, located at Via Luigi Buzzi 6, 15033 Casale Monferrato (AL), Italy (hereinafter referred to as the "Group"). Details of the entities belonging to the Group are provided as of December 31, 2024, based on information available to the Company's Board of Directors.

1.1.1 Controlled Party

Name of company: ZAPA beton a.s.
Registered office: Michle no. 417, 141 00 Prague 4, Czech Republic
ID: 251 37 026
Commercial register: Municipal Court in Prague, Section B, Insert 4785

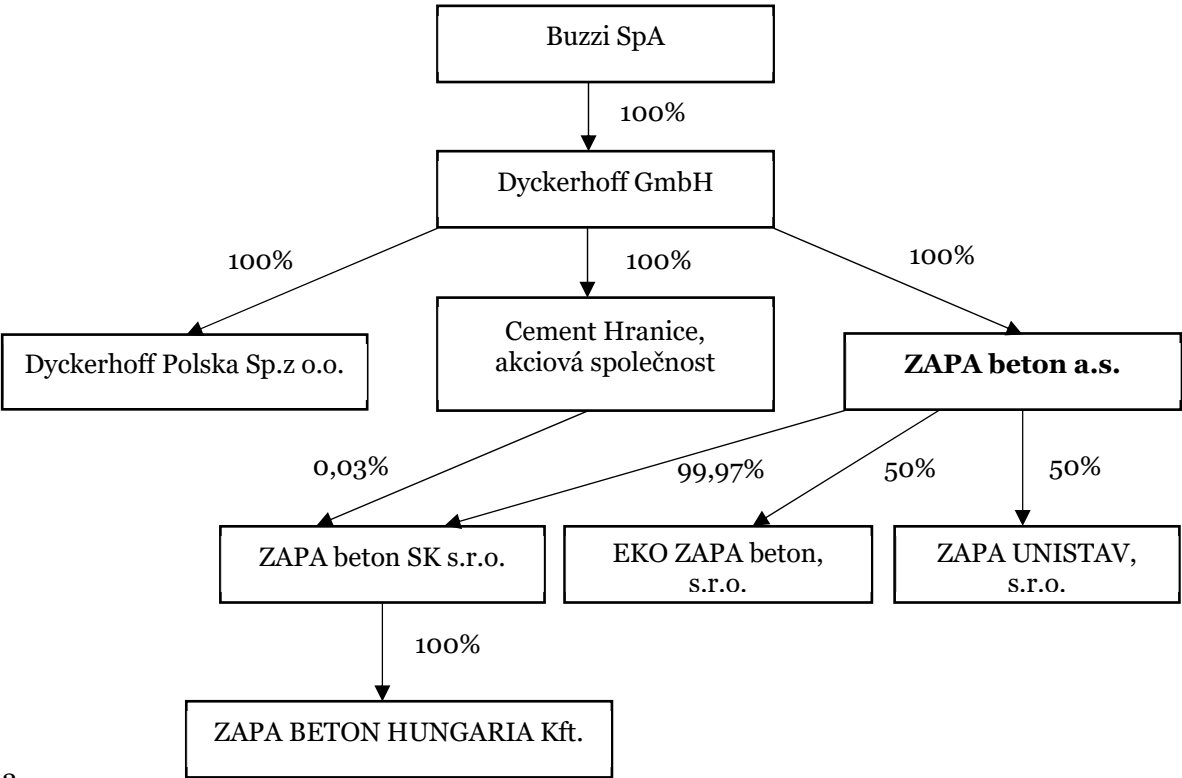
1.1.2 Controlling Party

Name of company: Buzzi SpA,
Registered office: Via Luigi Buzzi 6, 15033 Casale Monferrato (AL), Italian Republic
ID: 00930290044
Commercial register: registered in the Commercial Register maintained by the Registry Court in Alexandria (in this report also referred to as the "**Controlling Entity**").

Method of Control:
The Controlling Entity indirectly controls the Company through Dyckerhoff GmbH, located at Biebricher Straße 68, 65203 Wiesbaden, Federal Republic of Germany, which was the sole shareholder of the Company during the Reporting Period.

1.1.3 Entities controlled by the same controlling entity

The detailed structure of relationships within the Group in 2024 is captured in this diagram:



2. Role of the Company within the Group

The company is one of the leading producers of ready-mix concrete in the Czech Republic. As a member of the Italian Buzzi Group (since 2004), it is also among the world's top producers of building materials. The main production program of the joint-stock company includes the manufacture, transportation, and placement of concrete and other products containing cement, or other types of binders.

3. Methods and means of control

Buzzi SpA is the controlling entity within the meaning of Section 79 of the Act on Business Corporations. A controlling entity according to Section 79 is always considered a controlling entity according to Section 74, Paragraph 3 of the Act on Business Corporations. The influence of the controlling entity on the activities of the controlled entity is determined by unified management aimed at long-term enforcement of group interests within a unified group policy, coordinating and conceptually managing relevant areas such as trade and strategy. Within the group's management policy, strategic programs and business activity concepts are approved. The controlling entity indirectly controls the Company through Dyckerhoff GmbH, which was the sole shareholder during the Reporting Period. Control of the Company is primarily exercised through the voting of the sole shareholder within the competence of the General Meeting of the Company.

4. Mutual Contracts within the Group

This overview includes contracts concluded by the Company with the Controlling Entity and other entities within the Group, which were concluded and/or effective during the period from January 1, 2024, to December 31, 2024.

4.1 Contracts concluded between the Company and the Controlling Entity that were effective during the Relevant Period:

During the relevant period, no contracts were concluded between the Company and the Controlling Entity.

4.2 Contracts concluded between the Company and other entities controlled by the Controlling Entity, which were effective during the Relevant Period:

Contracts concluded with **Dyckerhoff GmbH**:

- in 2024, the controlling entity invoiced and re-invoiced liability insurance, invoiced SAP hosting, data archiving, and infrastructure services (the last three services mentioned according to the information services agreement from January 1, 2013, where the controlling entity is the provider),
- in 2018, an agreement for the provision of services was concluded for the area of GDPR - IT services in general, human resources, accounting, finance, and controlling - along with a data processing agreement concluded under Article 28 of the GDPR, with the controlling entity as the provider,
- in 2021, a sublicense agreement with retroactive effect from September 14, 2019, was concluded for the use of the BUZZI trademark,
- on June 8, 2022, the controlled entity joined and accepted the "Tax Consulting Service Agreement," which the controlling entity concluded on June 2, 2022, with WTS Steuerberatungsgesellschaft mbH, located at Taunusanlage 19, 60325 Frankfurt a. M., Germany, registered in the commercial register AG München, HRB 192 598.

Contracts concluded with **Cement Hranice, akciová společnost**:

- at the beginning of 2024, purchase contracts were concluded for individual operations (concrete plants), with ZAPA as the buyer, for the sale of bulk cement, for the period from January 1, 2024, to December 31, 2024,
- a contract for work dated April 5, 2017, with amendment no. 7 dated June 5, 2024, with the service pricing for 2024, between Cement Hranice, joint-stock company as the contractor, and ZAPA beton a.s., for the provision of services to ensure accounting and related activities, concluded for an indefinite period with effect from January 1, 2017,

- contract for work dated April 4, 2017, with amendment no. 7 dated June 5, 2024, setting the service pricing for 2024, between Cement Hranice, joint-stock company as the contractor and ZAPA beton a.s., for the provision of IT services and related activities, concluded for an indefinite period effective from January 1, 2017,
- framework cooperation agreement between Cement Hranice, joint-stock company and ZAPA beton a.s. in the area of concrete technology and other materials with cement binders dated January 2, 2015, concluded for an indefinite period with a three-month notice period,
- agreement on automatic transfer of cash pooling balances between Cement Hranice, joint-stock company and ZAPA beton a.s. dated October 1, 2003, amended by addition no. 1 from December 22, 2006, and no. 2 from September 20, 2010, concluded with HVB Bank Czech Republic a.s., with ZAPA and Cement Hranice, joint-stock company as clients,
- agreement on mutual settlement of cash pooling interest between Cement Hranice, joint-stock company and ZAPA beton a.s. dated October 20, 2003, amended by additions from September 25, 2009, and July 1, 2016,
- lease agreement between Cement Hranice, joint-stock company and ZAPA beton a.s. dated August 31, 2000, with amendment no. 25 dated February 19, 2024, for rent amount for 2024; ZAPA as the lessee, leasing land for the concrete plant in Hranice,
- lease agreement between Cement Hranice, joint-stock company and ZAPA beton a.s. dated May 29, 2015, with amendment no. 9 dated March 28, 2024, for rent amount for 2024, ZAPA as the lessee, leasing business premises (offices with accessories) including services, lease for an indefinite period with a three-month notice period,
- lease agreement between Cement Hranice, joint-stock company and ZAPA beton a.s. dated October 21, 2015, with amendment no. 9 dated March 28, 2024, for rent amount for 2024, ZAPA as the lessee, leasing business premises (laboratory with accessories) including services, lease for an indefinite period with a three-month notice period,
- agreement on water supply and wastewater disposal between Cement Hranice, joint-stock company and ZAPA beton a.s. dated February 17, 2014, ZAPA as the consumer for the concrete plant in Hranice and from August 1, 2015, also for the Hranice laboratory, amended by appendix no. 2 dated January 31, 2023, to this agreement,
- agreement on bundled electricity supply services between Cement Hranice, joint-stock company and ZAPA beton a.s. dated July 31, 2015, with automatic renewal, ZAPA as the consumer, supply for the Hranice laboratory, amended by appendix no. 2 dated January 31, 2023,
- both parties further invoiced and re-invoiced each other during 2024 based on one-time orders for costs related to business operations, i.e., fuel,
- service agreement concluded for the area of GDPR – IT services in general, human resources, accounting, finance, and controlling between Cement Hranice, joint-stock company and ZAPA beton a.s. dated May 3, 2018, concluded for an indefinite period with a possibility of a three-month notice at the end of the calendar year, along with a data processing agreement concluded according to Article 28 GDPR dated May 3, 2018, ZAPA as the interested party.

Contracts concluded with **ZAPA beton SK s.r.o.**

- sublease agreement for property (Volvo Wheel Loader I. I50F) dated August 1, 2013
- lease agreement for the use of property (Pegson Maxtrak 1000SR mobile cone crusher) dated September 2, 2014, concluded for an indefinite period,
- loan agreement dated June 2, 2003, with amendment no. 12 extending maturity to December 31, 2024,
- Lease agreement dated March 1, 2021, as amended by amendment no. 1, for the lease of concrete plant technology for an indefinite period (ZAPA as the lessee),
- sublease agreement for a Škoda Superb Combi vehicle dated February 13, 2023, as amended by amendment no. 1 dated March 30, 2023, and amendment no. 2 dated May 21, 2024, ZAPA as the sublessee,
- sublease agreement for a vehicle (Peugeot Expert) dated March 28, 2024, for a fixed term from April 1, 2024, to December 31, 2024, ZAPA as the sublessee,
- lease agreement for a vehicle (Citroen Berlingo) dated March 28, 2024, for an indefinite period starting April 1, 2024, ZAPA as the lessor,
- lease agreement (KOMATSU tracked excavator) for an indefinite period starting September 25, 2024, ZAPA as the lessee,
- purchase agreement (MAN vehicle) dated December 7, 2024, ZAPA as the buyer,
- both parties further invoiced and re-invoiced each other during 2024 based on one-time orders for costs related to business operations, such as water consumption, fuel, travel expenses, etc.

- service agreement for GDPR-related services - IT services in general, human resources, accounting, finance, and controlling - dated May 3, 2018, concluded for an indefinite period with a three-month termination notice at the end of the calendar year, along with a data processing agreement under Article 28 of GDPR dated May 3, 2018, ZAPA as the provider.

Contracts concluded with **EKO ZAPA beton, s.r.o.**

- service Agreement dated January 2, 2002, for sales representative services, ZAPA as the provider,
- concrete Transportation Agreement dated May 15, 2002, with concrete mixer trucks operated by ZAPA, ZAPA as the operator of concrete transportation,
- concrete Transportation Agreement dated July 1, 2016, with an addendum dated May 1, 2023, ZAPA as the client,
- purchase Agreement (mobile concrete plant STETTER M2) dated October 15, 2024, ZAPA as the seller,
- EKO ZAPA beton, s.r.o. additionally reimbursed ZAPA for invoiced expenses including diesel fuel, technologist work, concrete testing, promotional items, tires, spare parts, protective work clothing, concrete pumping, telephone services, meal vouchers, security, and GPS monitoring, repairs, and assets,
- service Agreement for the GDPR area - IT services in general, human resources, accounting, finance, and controlling - dated May 3, 2018, concluded for an indefinite period with a three-month notice period at the end of the calendar year, along with a data processing agreement according to Article 28 GDPR dated May 3, 2018, ZAPA as the provider.

Contracts concluded with **ZAPA UNISTAV, s.r.o.**

- based on the agreement dated January 2, 2001, and its addendum dated December 30, 2008, the following services were provided: concrete testing, technologist work, legal services, with ZAPA as the provider,
- agreement dated July 1, 2016, for concrete transportation, with ZAPA as the operator, and Addendum No. 1 dated May 1, 2023, which includes *Safety Instructions for the entry of workers and employees of supplier companies to the workplace and risk familiarization*,
- agreement dated March 4, 2021, for concrete transportation, with ZAPA as the operator,
- agreement dated October 1, 2002, for concrete transportation, with ZAPA as the client,
- concrete pumping services were carried out based on orders,
- rebilling of expenses for telephone, procurement of promotional items and calendars, spare parts, assets, meal vouchers, GPS monitoring, and security; invoiced by ZAPA,
- service agreement concluded for the GDPR area - IT services in general, human resources, accounting, finance, and controlling - dated May 3, 2018, concluded for an indefinite period with a three-month notice period at the end of the calendar year, along with a data processing agreement according to Article 28 GDPR dated May 3, 2018, with ZAPA as the provider.

Contracts concluded with **ZAPA Beton Hungaria Kft.**

- IT services in general, human resources, accounting, finance, and controlling - dated May 3, 2018, concluded for an indefinite period with a three-month notice period at the end of the calendar year, along with a data processing agreement according to Article 28 GDPR dated May 3, 2018, with ZAPA as the provider.

5. Legal acts made at the instigation of or in the interest of the Controlling Party or other parties controlled by the Controlling Party

During the relevant period, the Company, at the instigation of the Controlling Entity or entities controlled by it, undertook the actions listed below concerning assets exceeding 10% of the Company's equity, amounting to more than 84,969 thousand CZK, as determined according to the last financial statements prepared as of December 31, 2023:

- payment of dividends according to the decision of the sole shareholder on March 27, 2024
- purchase of materials from Cement Hranice, joint-stock company based on orders and the aforementioned agreements,
- utilization of cash pooling from Cement Hranice, joint-stock company based on the aforementioned agreements.

6. Assessment of a detriment and its compensation

Based on the agreements concluded during the Reporting Period between the Company and other entities within the Group, or other actions undertaken in the interest or at the behest of these entities during the Reporting Period, the Company did not incur any harm. Similarly, no harm was incurred by the Controlled Entity within its position in the group. For this reason, the Board of Directors does not provide commentary in this report regarding any potential compensation for harm, nor the method and timing of such compensation

7. Evaluation of relations and risks within the Group

7.1 Evaluation of advantages and disadvantages of relations within the Group

In particular, the following advantages arise from the participation within the Group to the Company. The inclusion of a controlled entity in a business group brings financial stability, open access to technological know-how, easier access to foreign markets (Poland, Slovakia) and the advantage of vertical linkage: production of cement - aggregate - concrete.

No disadvantages have arisen to the Company from the participation within the Group.

7.2 No risks have arisen to the Company from the relations within the Group.

8. Conclusion

The preparation of this report was carried out within the legal deadline, and the Board of Directors, as the statutory body of the Company, declares that the report was prepared to the best of its knowledge and belief, and that in the preparation of the report, all information and data available to the statutory body or that were discovered in the course of acting with due diligence were fully utilized.

Prague, 14 March 2025

Jörg Reiner Wild
Chairman of the Board of Directors

Katarína Gáborová
Member of the Board of Directors

Ladislav Hylmar
Member of the Board of Directors



English translation

Independent Auditor's Report

To the shareholder of ZAPA beton a.s.

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of ZAPA beton a.s., with its registered office at Michle č. ev. 417, 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 board of directors 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.

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

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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 board of directors and supervisory board of the Company for the financial statements

The board of directors 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 board of directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board of directors 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 board of directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The supervisory board of the Company is responsible for overseeing the financial reporting process.

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 board of directors.

- Conclude on the appropriateness of the board of directors' 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 board of directors and supervisory board 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.

14 March 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.