

Institut pro testování a certifikaci, a. s.

Annual Report 2018

Chairman of the Board of Directors: Ing. Jiří Heš

Approved by the decision of shareholder on 21. 06. 2019



**Svět kvality a bezpečnosti
Safety and Quality World**

Institut pro testování a certifikaci, a. s.

www.itczlin.cz



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Dear friends,

Institut pro testování a certifikaci, a. s. (ITC), was founded as a joint-stock company in 1993. Then ITC celebrated a significant anniversary – 25 years of its activity – “silver quarter-century” in 2018. In 2018 there was an organizational change in position of ITC general director which is executed by Mgr. Jiří Heš from September 2018.

Czech economy was again successful in 2018, it confirmed stable economic results, and the rate of growth can be described as slightly above-average. According to the revised estimate of the Czech Statistical Office the Czech GDP increased by 3 % in 2018 and the interannual growth of GDP reached 2.8 % in the last quarter of last year. Despite the good results at the end of last year, when the Czech economy showed quite fair performance in the fourth quarter despite of the slowdown of the German economy and the loss of dynamics of many euro area countries, it is clear that the Czech economy slowed down slightly its growth rate in 2018 thereby got apparently closer to its long-term sustainable level. One of the reasons is also the capacitive limitation that the Czech economy interferes with. Employment rate in 2018 could slightly increase (by 1.6%) and the level of unemployment could decrease further, already in 2017 unemployment was so low that employers had a significant problem with recruiting new employees in any profession, which limits their further growth. This fact also directly affects our company and it will therefore have to rely mainly on increasing productivity of labour for further growth.

Despite a slight slowdown in growth rate also the whole European Union has achieved good results. The upcoming planned "Brexit" in 2019 and the associated uncertainty or nervousness could also have some impact on the EU's 2018 economic results. Therefore, the EU's GDP growth of 2.0% (1.9% in the euro area) in 2018 can be evaluated positively, also in terms of export-oriented ITC. We can only wish that the favourable situation lasts as long as possible.

The areas in which the company provides its services to clients did not change in 2018. Key position still keeps testing, certification and related services, which we provide mainly for the automotive industry, chemical industry (plastics, rubber, paints), light industry (footwear, textiles), testing of products coming into contact with food, services of authorized body in area of gamble law, construction products, including piping systems and sanitary ware, electrical products and medical devices, certification of management systems and assessment of toys.

In the field of testing and calibration laboratories competence ITC achieved in 2018 not only the maintenance of its competencies, but also its further extension. To emphasize may be not only on maintaining of the scope of competencies in the field of EMC, electrical safety, mechanical and climatic tests, or noise measurement, but also especially the maintaining of application of flexible accreditation for selected test procedures and changes made in the inter-accreditation period in connection with continuous updating of standards.

New tests and methods were also accredited in area:

- Automotive, e.g. climate resistance tests, fluid resistance tests,
- PPE, e.g. testing protectors, goggles, protective clothing,
- determination of layer thickness by optical methods,



- analyzes of mineral oils and oligomers
- construction (e.g. determination of thermal resistance by stationary method)
- equipment for children (e.g. testing mechanical properties of baby carriers)

In the non-accredited area, the portfolio of tests and products for the automotive industry has been extended:

- testing of large products in a 2.5 m³ chamber
- testing of battery capacity in propulsive vehicles
- testing of cooling liquid for various means of transport.

In 2018, the ITC Inspection Body achieved accreditation for professional assessment and certification of the serviceability of gambles, technical equipment and systems for operation of gamble.

In 2018, ITC also made significant progress in renewing and updating the accreditation of certification bodies for management systems and products.

In 2018, the Institute maintained its accreditation for the management systems certification body within the scope of the Annex to the Certificate of Accreditation, which includes, in addition to the general part, several separate parts confirming competence in special areas such as Certification of information security management systems; Certification of food safety management systems; Certification of quality management systems for medical devices; Certification of energy management systems, Certification of environmental management systems and Certification of occupational health and safety management systems for which an application for extension of accreditation for the newly issued standard ČSN ISO 45001: 2018 was filed at the end of 2018 (note: the accreditation obtained in March 2019).

In addition, two accreditation activities were performed, the accreditation of product certification body, and the accreditation scope for products was updated. In 2018, the new accreditation certificate to the Product Certification Body No. 3020 (PCB) was issued. It contains a separate part entitled "Conformity assessment for authorization/notification". This part concerns to the conformity assessment of personal protective equipment according to Regulation (EU) No. 2016/425 on personal protective equipment. A separate part is addressed to the "Procedure for assessment of the fulfillment of criteria for management of foodstuffs packaging" and "System of certified suppliers" according to Act 134/2016 Coll., on public procurement. In 2019, the re-accreditation is waiting for the product certification body – extension of the accreditation validity for another 5 years.

Regarding the area of regulated activities, it should be noted here that ITC has successfully fulfilled the conditions for prolongation of the notification according to the Directive 93/42/EEC on medical devices and received the Decision of the Czech Office for Standards, Metrology and Testing (COSMT) No. 1/2018, on prolongation of ITC authorization of 12 October 2018. Authorization for activities in conformity assessment of specified products was issued in within the range stipulated by Government Regulation No. 54/2015 Coll., on technical requirements for medical devices, as



amended. In this Decision, the COSMT took into account the mandatory standpoint of the Ministry of Health, by fulfilling the conditions laid down for the notified body in Government Regulation No. 54/2015 Coll. the requirements for a Notified Body set out in Commission Implementing Regulation (EU) No. 920/2013 of 24 September 2013 on the designation and the supervision of notified bodies under Council Directive 90/385/EEC on active implantable medical devices and Council Directive 93/42/EEC on medical devices. The COSMT also informed ITC that it had notified its Decision on the designation of the conformity assessment body - "notified" to the European Commission in accordance with § 7 par. b) Act No. 22/1997 Coll. on technical requirements for products and on amendments and supplements to certain acts, as amended, on 12.11.2018.

The ITC has been authorized to carry out the activities of a notified body on products specified in Regulation (EU) 2016/425 of the European Parliament and of the Council on personal protective equipment.

In the field of assessment and verification of constancy of performance of construction products within the meaning of Regulation (EU) 305/2011 of the European Parliament and of the Council, the ITC notifications in the NANDO database were updated in December 2018; in area of harmonized standards relating to the external and internal plasters and prefabricated reinforced device from autoclaved porous concrete.

ITC continues in professional assessment and certification of gamble based on the mandate of the Czech Ministry of Finance to professional assessment and certification of gambling, internet games and equipment through which such gambling is conducted, in accordance with the relevant provisions of Act No. 186/2016 Coll., on gambling, as amended.

In connection with the acquisition of its own operating and administrative building in 2016, one of ITC's activities is also real estate activities, property management and maintenance. This is because part of the ITC building is intended to be rented and ITC creates adequate conditions for tenants to use the leased premises properly, and at the same time this rental income is a significant part of ITC's income.

From an economic point of view, ITC can consider the year 2018 as a good year. Sales reached CZK 250 279 ths. In 2018, volume of sales was the largest in 25 years of ITC. Thanks to its performance in 2018, ITC made a number of significant investments. In 2018, ITC invested more than CZK 6.2 million in the acquisition and modernization of assets directly related to testing and related services from its own resources. In 2018, ITC also built two passenger lifts and full reconstruction of the 5th floor in its own office and operating building acquired in 2016 to move its office operations from the leased premises in 2019, increasing of the comfort of the provided services and extensit of its capacity for more than CZK 19 million. In 2018, the terms of the upcoming acquisition of ITC by one of the leading Czech testing and certification bodies were negotiated.

From the service point of view, the highest share of the reached sales was achieved in the accredited laboratory (54%) and AB/NB/DB 224/1023 (20%).



In territorial structuring, the sales from the Czech Republic amounted to CZK 162 million. Sales abroad amounted to CZK 88 million. In percentage terms, the share of foreign sales in total sales is 35%, which is comparable with y. 2017.

Attention is permanent paid to increasing the competence of employees. Last year, 23 internal trainings were realized with a total of 930 participants. Last year, ITC staff attended 66 external trainings and workshops/seminars totaling 163 man-days (of which 26 were concerned to technical topics, 13 to economic topics, everything else for the purpose of maintaining or improving of qualifications, management system development, personality development, etc.). A total of 11 trainings with a total of 83 participants were realized for external ITC co-workers to increase their competencies. In 2018, 45 workers attended language courses. At the same time, English courses started within the project "Training of employees of the members of the Regional Chamber of Commerce of the Zlín Region" (16 participants in total). With regard to the range of activities abroad and the need to permanent gaining knowledge and information from foreign sources, emphasis on maintainance and raising the language skills of employees. In 2017, 53 employees attended language courses.

ITC has participate in standardization activities and provides technical information in the long term. Our Centre of the technical standardization ensures the processing of documents from a total of 34 European and international technical committees and subcommittees. In 2018, 48 CSNs were elaborated in ITC as part of the technical standardization plan. ITC staff is actively involved in the activities of 20 technical standardization committees set up by COSMT. The ITC provides a report on the updating of the sections of the COSMT and the Czech Standardization Agency, namely: Information portal - Regulations and standards; Database of harmonized standards; Information portal - Building products; Manuals for smal and medium-sized enterprises (SMEs), Terminology Database. These web sites are publicly accessible and were processed with the support of COSMT and Czech Standardization Agency within the tasks of PRZ, PRTN. Since 2016, ITC offers registered users to access to the full version of the portal Laws and standards for the marketing of products, which summarizes the issues of standardization and testing in a comprehensive and detailed way.

Long-term cooperation with universities can be included in the category of maintainance and extension of the knowledge of our employees. ITC has contractual cooperation with the following universities: Mendel University in Brno; Brno University of Technology; University of Chemistry and Technology Prague; Tomas Bata University in Zlín, Faculty of Technology, Applied Informatics and Polymer Systems Centre; Technical university in Liberec; UCEEB (University Centre for Energy Efficient Buildings CTU in Prague); Palacký University Olomouc; Czech Technical University in Prague and Technische Universität Dresden.

One of our responsibilities is the provision of expert knowledge in our field of business to government employees and clients. In 2018, we organized several educational events in the form of trainings or open courses.



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In 2018, ITC actively presented its activities at four trade fairs: SPIELWARENMESSE, Nuremberg, toys; AMPER, Brno, electrical products; ForArch, Prague, building products; FachPack, Nuremberg, packaging. In one case we used the cooperation with the Czech Trade agency.

To conclude, please allow me to thank our customers on behalf of ITC for their goodwill and ITC colleagues/employees, partners and external co-workers for their performance, achievements, commitment, attitude, creative atmosphere and mutual cooperation. I am convinced that ITC will continue to be a firm support for the provision of its highly professional services and will do its utmost to remain a trusted, legible and pleasant business partner for all.

In 2018 the Institute for Testing and Certification a.s. celebrated 25 years of its existence as a joint stock company. I am convinced that ITC is a proud and mature company in full strength and at the best age, not only willing and able to properly meet its customers' requirements and responsibilities, thereby giving it wide competence, but also willing and able to learn new things and "Open-sighted" to take on new challenges.

Mgr. Jiří Heš

General Director



Main financial results

		2016	2017	2018
Total revenues	ths CZK	244 192	238 675	250 279
	of the CZ	ths CZK	162 838	155 509
	of which export	ths CZK	81 354	83 167
Added value	ths CZK	154 050	159 535	162 007
Personnel expenses	ths CZK	122 605	130 246	138 383
Depreciation	ths CZK	9 687	9 003	10 136
Profit (loss) of current accounting period	ths CZK	7 030	17 500	8 024
Assets	ths CZK	163 054	167 168	178 471
Liabilities	ths CZK	107 149	95 694	100 654
Equity	ths CZK	53 138	68 940	75 019
Employees	recalculated state	176,2	183,6	190,6
Ratio indicators				
Revenues/Employees	ths CZK	1 386	1 300	1 313
Added value/Employees	ths CZK	874	869	850
Profit (loss)/Owned capital	%	13,2%	25,4%	10,7%
Liabilities/Assets	%	65,7%	57,2%	56,4%
Revenues/Owned capital	%	459,5%	346,2%	333,6%



Scope of the Company's business activities

Institut pro testování a certifikaci, a. s., Zlín (hereinafter referred to as "ITC") is a joint-stock company founded and existing pursuant to the Commercial Code in 1993. Since 2000, it has been an independent joint-stock company with the only one shareholder – a Czech company ITC-SERVIS, spol. s r. o.

Scope of business according to the copy of its entry in the Company Register was on the date 31.12.2018 following:

Scope of business

- operability certification of prize gaming machines and technical facilities necessary to run betting games, as well as the performance of the subsequent technical inspection of their operation
- measurement of pollutants and odours, preparation of scatter studies
- manufacturing, trade and services not listed in Annexes No. 1 to 3 of the Trade Licensing Act

Scope of activities

- activities of an authorized (notified) body for conformity assessment according to Act No. 22/1997 Coll, as amended, in the scope as defined in the authorization issued by the Czech office for standards, metrology and testing
- activities of testing laboratories
- activities of calibration laboratories
- products certification
- management systems certification
- performance of inspection
- testing of living and working environmental components
- sampling and examination of product health safety
- official measurements
- activities of a calibration service centre
- verification of regulated measuring instruments
- assessment of construction suppliers
- activities of an expert institute
- activities of a notified body according to Act. No. 90/2016 Coll., on conformity assessment of certain products when made available on the market, as amended



Company's ompetency

In 2018, ITC carried out its activities based on the following mandates, authorizations and accreditations:

- **Authorized body No. 224**

(see: <http://www.unmz.cz/urad/ao-aktualni-seznam>)

- GR No. 173/1997 Coll., laying down selected products for conformity assessment, as amended
- GR No. 163/2002 Coll., laying down technical requirements for selected construction products, as amended

- **Notified body No. 1023**

(see: http://ec.europa.eu/growth/tools-databases/nando/index.cfm?fuseaction=notifiedbody.notifiedbody&refe_cd=EPOS%5F46625)

- GR No. 54/2015 Coll., on technical requirements for medical devices
- GR No. 56/2015 Coll., on technical requirements for medical devices in vitro
- GR No. 86/2011 Coll., on technical requirements for toys (Directive 2009/48/EC), as amended
- GR No. 21/2003 Coll., on technical requirements for personal protective equipments (Directive 89/686/EEC), as amended

- **Notified body No. 1023 – Designated body**

- Regulation of the European parliament and of the Council (EU) No. 305/2011, as amended, (CPR) (Construction products)
- Regulation (EU) 2016/425 of the European Parliament and of the Council No. 2016/425 on personal protective equipment
- GR No. 219/2016 Coll., on conformity assessment of pressure devices when made available on the market
- GR No. 117/2016 Coll., on conformity assessment of products in term of electromagnetic compatibility when madeavailable on the market

- **Accredited testing laboratory No. 1004**

- **Accredited testing laboratory No. 1004.3**

- **Accredited calibration laboratory No. 2222**

- **Management systems certification body accredited by CAI under No. 3002**

- **Products certification body No. 3020**



- Accredited certification body for qualification in system of certified construction suppliers according to Act No. 134/2016 Coll.
- Accredited inspection body No. 4035
- Authorized metrological centre for verification of specified gauges (official assigned number K123)
- Operator of the Technical standardization Association for rubber and plastic industry (SGP - Standard)
- Technical standardization centre authorized by COSMT
- Based on a decision of the Ministry of Justice ref. no. MSP-44/2015-OJSZN/22 of 18 January 2017, ITC is registered in the second section of the list of institutes qualified for expert activities in electronics, with the authorization covering expert assessments of technical gaming facilities and systems necessary to run gambling as regards hardware and software
- Based on a decision of the Ministry of Justice ref. no. 218/2004-ODS-ZN/16/2 of 29 April 2005 ITC is registered in the 2nd section of the list of institutes qualified for expert activities in the fields: air cleanliness, transport, economy, power industry, chemistry, leather and fur, packaging, environmental protection, food industry, services, sport, construction, engineering, various technical fields, textiles, art crafts, water management, healthcare and agriculture
- Authorization by the Ministry of Finance – based on a decision of the Ministry of Finance ref. no. MF-44497/2016 / 3403-19 of 3 July 2017 the Ministry of Finance of the Czech Republic authorized ITC to conduct expert assessment and certification of gambling games under Section 3, par. a) to e) of Act No. 186/2016 Coll., on games and devices used to operate these gambling games.
- Authorization by the Ministry of Finance – based on a decision of the Ministry of Finance ref. no. MF-24044/2016/3403-2 of 30 June 2016, the MF authorized ITC in accordance with Act No. 202/1990 Coll., on lotteries and similar games (hereinafter referred to as the Act):
 1. to professionally assess and certify the operability of technical devices and systems for the operation of lotteries and other similar games (hereinafter referred to as "TD") and games operated through them and gambling machines (hereinafter referred to as "GM") and games operated through GMs under section 1 (2) of the Act
 2. to carry out inspections of compliance with the conditions set out in the TD operability certificates under Section 46 of the Act.
- OPEL/GM recommendation as a testing laboratory for automotive components



- **Authorization by the Civil Aviation Authority L-3-061/** in compliance with § 17 of Act No. 49/1997 Coll. (Civil Aviation Act) according to the Procedure CAA-TI-012-4/99 for demonstrative and verification test of electrical and electronic aircraft components and devices
- **Organization approved for testing of military aviation equipment** in the scope of assessment and verification of conformity of properties of military aviation products with the requirements set by technical standards – Certificate No. MAA 009 pursuant to § 35n of Act No. 219/1999 Coll., on the Armed Forces of the Czech Republic, as amended of Act No. 147/2010 Coll.
- **Registration of Accredited Testing Laboratory No. 1004 at certification company DVGW cert GmbH**, for test in field of “water engineering products”.
- **Authorization of Accredited testing laboratory (ATL) No. 1004 at State Health Institute according to Act No. 258/2000 Coll.** for authorization set D 3 – Sampling and examination of health safety of products coming into contact with food and food stuffs
- **Administrator of the “Safe Toys” mark** registered in the Czech Quality program
- **Administrator of the “ITC Certified Quality”**
- **Authorized Certified Body KEYMARK No. 032** for awarding the "SOLAR KEYMARK"
- **Certification body authorized for activities in the certification system “Proven for Construction”** – administrator SZV (www.szv.cz)



Overview of membership in associations

ITC is actively engaged in various technical activities in the Czech Republic through membership in the following professional as well as social associations and confederations.

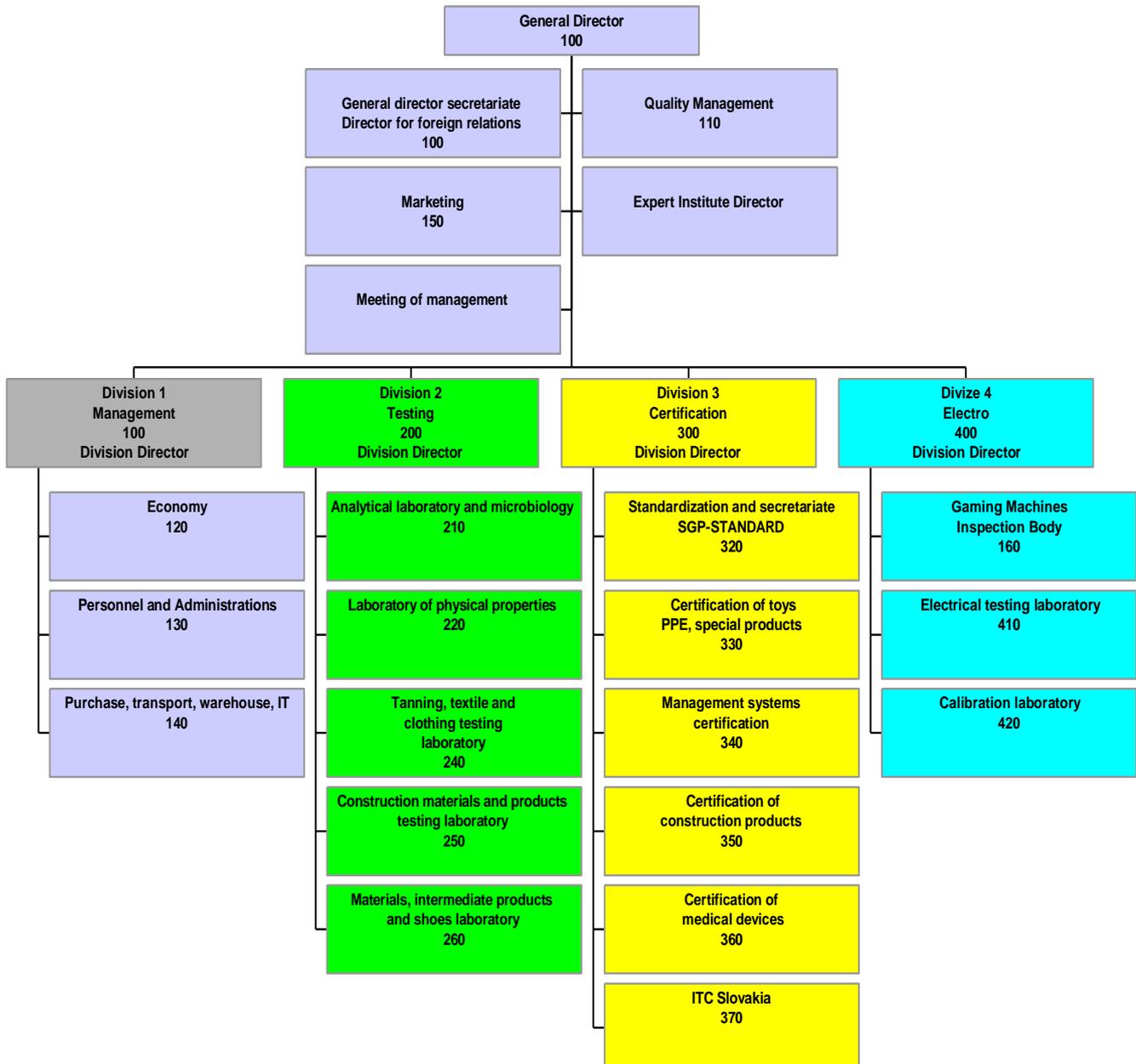
- AAAO – Association of accredited and Authorized Organizations, Prague
- SZV – Alliance of Construction Testing Laboratories, Prague
- SČZL – Association of Czech Testing Institutes and Laboratories, Zlín
 - the above stated associations form the association Eurolab-CZ, which has been a full-fledged member of EUROLAB since 1 May 2004 (<http://www.eurolab.org>)
- Toy and Game Association, Prague
- Regional Chamber of Commerce of the Zlín Region, Zlín
- CQS z.s., Prague, member of the international IQNET association
- ČOKA – Czech Footwear and Leather Association based in Zlín
- EURACHEM ČR, Ústí nad Labem
- SCOV – Association of Product Certification Bodies, Dobrá
- Czech Society for Industrial Chemistry, Rubber Industry Group Zlín
- ČKS – Czech Calibration Association, Brno
- SGP STANDARD – Association for Technical Standardization in Rubber and Plastic Industry
- Confederation of Industry of the Czech Republic, Prague
- Association of Building Entrepreneurs of the Czech Republic
- Czech-Slovak Association for Solar Energy
- AUTOSAP – Association of the Automotive Industry



Company's organizational chart

The company pursues its activities in a divisional organizational structure. The diagram below shows the organizational chart valid as at 31 December 2018.

Persons holding key positions in the company





The members of the ITC Board of Directors remained unchanged in 2018, in connection with the organizational change in ITC and the position of the General Director of the ITC, the position of Chairman of the ITC Supervisory Board changed.

Board of directors

Position	Held by
Chairman of the Board of Directors	Ing. Jiří Heš
Vice Chairman of the Board of Directors	RNDr. Radomír Čevelík
Member of the Board of Directors	MgA. Pavlína Úlehla Senić

Supervisory Board

Position	Held by	
Chairman of the Supervisory Board	Mgr. Marie Hešová	Lawyer of ITC
Member of the Supervisory Board	Ing. Petr Karlík	Head of ITC department, a company employees' representative
Member of the Supervisory Board	Magdalena Čevelíková	Entrepreneur

Committee for Impartiality Assurance

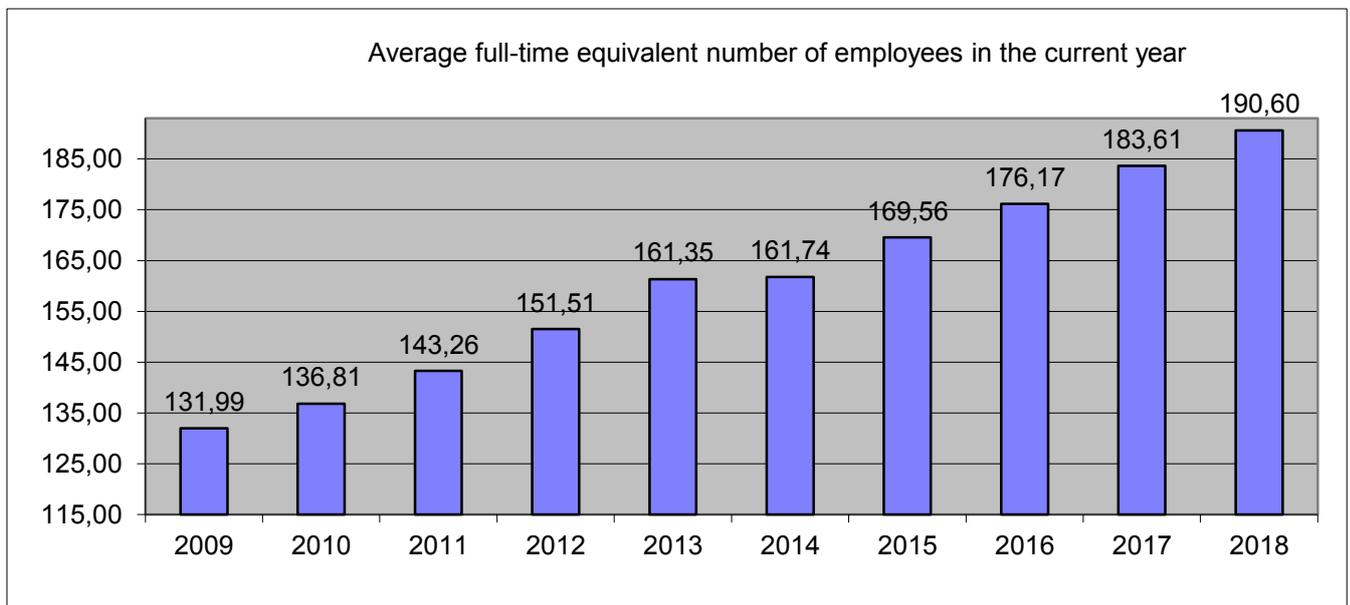
Trustworthiness and impartiality in activities related to the performance of conformity assessment, products and management systems certification are guaranteed in the ITC by the Committee for Impartiality Assurance, which had the following members as at 31 December 2018:

Position	Held by	
Chairman of the Committee	RNDr. Anna Christianová, CSc.	Institut pro testování a certifikaci, a. s., Zlín – specialist in the field of environment, ecodesign and National Qualification Systems.
Vice Chairman of the Committee	Ing. Jaroslav Toufar	Plastics Cluster.
Member of the Committee	MUDr. Milena Dostálková	Association of General Practitioners of the Zlín Region.



Position	Held by	
Member of the Committee	Ing. Jan Veselý	CTIA, Inspector of the Technical Inspection department of the II. Inspectorate of the CTIA Central Bohemia and the Capital City of Prague.
Member of the Committee	Ing. Petr Houdek	Academic bodies (nominated by Pilsen University) – management systems + IT, ITSM and information security, risk management.
Member of the Committee	Ing. Milan Báša	Customer sector (nominated by FEP, a.s.) – production field, plastic industry, wood processing industry.
Member of the Committee	RNDr. Vlastislav Trnka	Customer sector (nominated by GESOS, spol. s r.o.).
Secretary of the Committee	Ing. Milan Kovář	Institut pro testování a certifikaci, a. s., Zlín.

In 2018 the average full-time equivalent number of employees was 190.60.





Company's quality policy

ITC Quality policy adopted by the Company' Board of Directors with effect from 1. 9. 2015 remains valid without any changes in 2018:

The basic principle of the activities of Institut pro testování a certifikaci, a. s. Zlín (hereinafter referred to as ITC) is to generate intellectual and material values through permanent satisfaction of the needs of the customers and other persons interested in the Company's products, through a highly professional, quick, perfect and complex output. The satisfaction of the customer's needs and expectations is the driver of the Company's development.

Team of satisfied, qualified and motivated employees is a warranty for quality and reliability of all provided products.

Orientation on customers:

- Customer satisfaction is a priority for ITC.
- A non-discriminatory approach is always applied when providing our products.
- The customer's requirements concerning the quality of the provided product, the compliance with the contractual terms and condition, duties and liabilities in relation to the customer must be fully established and met. Respecting the agreed deadlines forms an integral part of the basic principles behind the activities of ITC.
- Every employee should know what the customer requires or might require, as the case may be, what the customer needs or might need, as the case may be, what ITC can offer to the customer in addition, and what can be done to this end by the organizational unit, which that employee belongs to.
- Every employee is obliged to seek ways for permanent improvement of activities and procedures in the company in order to retain or extent its competencies, ensuring besides the required quality and professional level of the products offered also their complexity.
- Every employee must do whatever they can do for the customer, within employment relationship, and must not jeopardize its confidentiality, objectivity and impartiality.
- Every delivery of a product should generate recommendations for further business at the destination.
- During realization of job orders we meed the obligation of objectivity and impartiality, which is understood as one of the most important aspects securing trust in the activities carried out by ITC.

Staff focus:

- The managers and ITS as a whole shall create suitable conditions for the stability of a team of professionally competent and motivated employees bent of continuous improvement of the expert level and complexity of the offered products.
- By the internal cooperation between employees, we create synergy effect outwards, multiplying the ITC reputation as a homogeneous group of top-class professionals, who know what the customer needs, wants or might want, and how to satisfy the customer's expectations, as well as what they may fairly require for their work.
- The management of ITC strengthens good and long-term relationships with employees, thus contributing to the trust of employees towards the company. Loyalty, personal akctivity and interest in increase of professional qualifications are a major contribution of



the employees to further development of ITC.

Supplier focus:

- ITC cooperates with its suppliers based on the principle of a long-term partnership, which brings benefits to all interested parties.
- The company requires a high quality of the products delivered by the suppliers.

Sustainable business focus:

- Social responsibility:
 - ITC is aware of the responsibility for the impact of its activities on society.
 - ITC is organized and operated as as to safeguard ethical behaviour, independence, objectivity and impartiality of its activities in all circumstances.
- Process management:
 - ITC creates sufficient own resources as a prerequisite for its future development.
 - Integral part of the corporate culture is searching for ways leading towards high profitability, improvement of management system efficiency and improving of products and all activities. The organization and method of work are both subject to that culture.
 - The principles of management system provide for openness in ITC decisions and activities. They are a means of transparently meeting the expectations of interested parties (workers, shareholders, customers, public authorities and the general public).
- Security of information:
 - The principles of information security management in ITC determine the information security framework and set out clearly formulated principles that are applied in ITC.
 - ITC personnel are aware of their main responsibilities and duties in working with information and ICT.
- Environment:
 - ITC requires all its employees to ensure environmentally responsible behaviour.
 - ITC pays attention to environmentally responsible behaviour and to efficient energy use.
 - In all operations of ITC, we behave in such a way as to prevent any leakage of harmful emissions, minimize waste generation, thus limiting potential hazard to nature.



Company's balance sheet – comments

As at 31 December 2018, the total balance sheet sum of assets and liabilities was CZK 176.6 million. The total assets increased by CZK 9.6 million.

The growth is mainly given to to increase in fixed assets by CZK 16.1 million

- by technical evaluation of the building No. 113 (especially put into use the lift) + CZK 3.4 million
- by growth of accounting entry “Advance payments for tangible fixed assets and tangible fixed assets under construction” + CZK 12.6 million (in this case it means the expenses for reconstruction of V. floor of building No. 113, where it has not been put into use – the activation – as of the date of this annual report).

The current assets decreased by CZK 5.8 million compared to 2017

- inventory (work-in-progress) increased by CZK 11 million
- trade receivables decreased by CZK 5.4 million
- total cash decreased by CZK 2.3 million

Company's increased by CZK 6.2 million on a year-on-year basis, mainly due to higher value of retained earnings from previous years (change compared to 2017 + CZK 15.5 million).

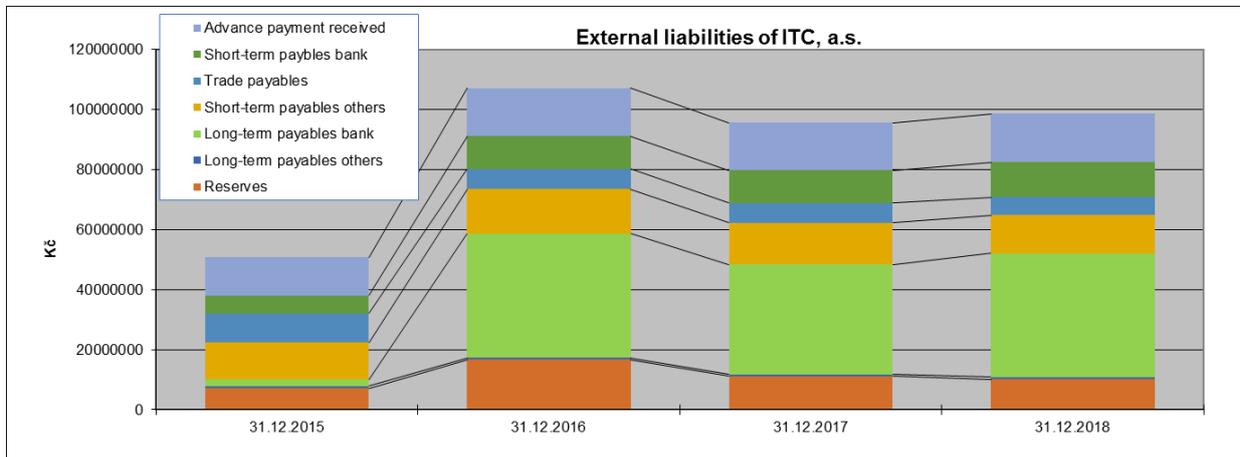
External liabilities increased by CZK 2.9 million

- decrease of reserves (compensation of ITC Slovakia loss in 2017) – CZK 1 million
- increase of long-term payables by CZK 4.7 million, especially long-term payables to credit institutions - bank loans for reconstruction of V. floor of building No. 113 (+ CZK 4.6 million)

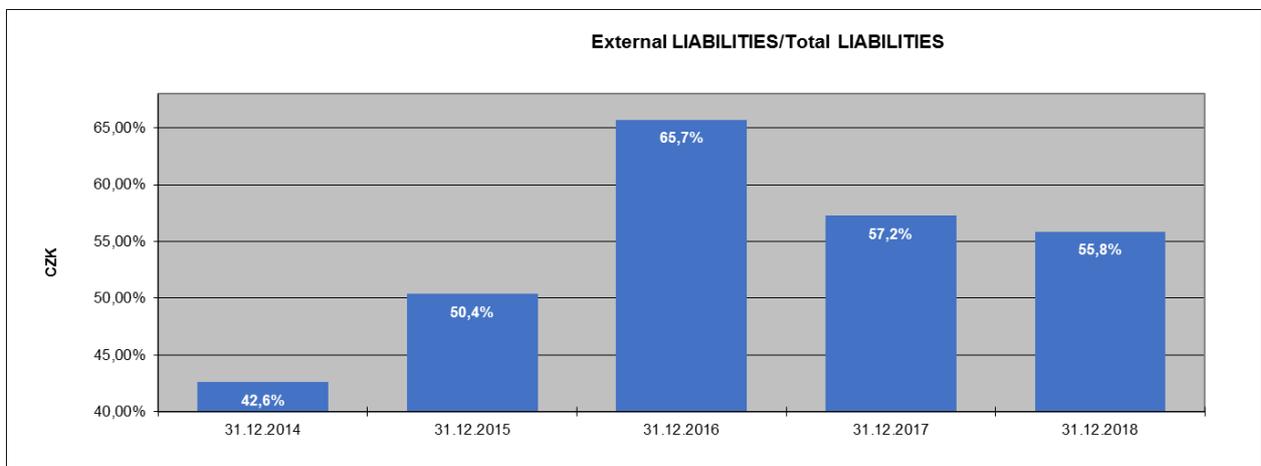
	31.12.2014	31.12.2015	31.12.2016	31.12.2017	31.12.2018
CZK					
TOTAL ASSETS	82 625 485	100 763 891	163 053 917	167 167 842	176 649 758
Receivables for equity subscription	0	0	0	0	0
Fixed Assets	34 274 602	30 470 104	91 636 248	91 868 191	108 038 959
Current Assets (cash, receivables)	44 208 249	66 057 625	67 039 790	70 672 232	64 842 310
Assets accruals	4 142 634	4 236 161	4 377 879	4 627 418	3 768 489
TOTAL LIABILITIES	82 625 485	100 763 891	163 053 917	167 167 842	176 649 758
Owner's equity	44 858 926	47 655 660	53 137 674	68 940 170	75 220 573
External Liabilities (payables, advance payments received)	35 210 871	50 759 047	107 148 992	95 693 976	98 631 098
Liabilities accruals	2 555 687	2 349 184	2 767 251	2 533 696	2 798 087



As external liabilities still form a significant part of the company's liabilities, their development is illustrated in the chart below for comparison.



The chart shows, in particular, that the external liabilities consist of short-term trade liabilities (invoices, leasing, advance payments for contract solutions), bank loans. Total amount of bank loans is CZK 53.0 million as at 31 December 2018.



The above chart demonstrates the year-on-year development of ratio indicator (external liabilities vs. total liabilities) – repayment of bank loans.



Company's economic results - comments

The company's economic result reached CZK 8.2 million after taxes with the sales revenues amounting to CZK 250.3 million. This economic result is 53% lower than in 2017, but part of this 2017 result was due to the under-utilization of the reserve created in 2015 for property repairs, which was then actually acquired in 2016. Taking into account this fact, the economic result of 2018 is in line with the slightly increasing profitability of the company in the last 10 years.

Profit and loss account (CZK)	2014	2015	2016	2017	2018
I. Revenues from products and services	195 501 060	214 232 755	244 191 762	238 675 303	250 279 352
II. Revenues from goods	1 400	308 600	0	0	0
A. Production consumption	74 036 492	81 254 621	90 141 958	77 220 953	89 421 149
B. Change in inventory of own production(+/-)	283 298	-2 434 366	-2 783 567	2 353 649	-748 183
C. Capitalization	-8 565	-197 557	-856 918	-434 089	-400 312
* Added value	121 191 235	135 918 657	157 690 289	159 534 789	162 006 698
D. Personnel expenses	103 238 279	113 798 686	122 604 839	130 245 772	138 383 431
E. Adjustments to operating expenses	7 785 681	8 329 150	9 687 413	9 002 965	10 136 195
III. Other operating revenues	1 240 563	419 790	431 038	364 749	232 956
F. Other operating expenses	4 154 843	3 312 639	12 920 555	-2 205 202	1 959 425
* Operating profit (loss)	7 487 741	8 601 105	12 908 521	22 856 004	11 760 602
VII. Other financial revenues	308 544	457 483	131 437	829 472	576 513
K. Other financial expenses	1 448 733	1 786 186	985 084	2 371 296	1 215 493
* Profit (loss) from financial operations	-1 288 095	-1 528 237	-1 776 633	-2 530 395	-1 753 112
** Profit (loss) before tax (+/-)	6 199 646	7 072 868	11 131 888	20 325 583	10 007 490
L. Income tax	1 389 597	2 901 174	4 101 690	2 825 504	1 798 408
** Profit (loss) after tax (+/-)	4 810 049	4 171 694	7 030 198	17 500 105	8 209 082
* Net turnover for the accounting period	197 053 738	215 425 597	244 754 288	239 869 524	251 088 821

The table above clearly implies the following:

- There was a year-on-year growth in production and revenues by 4.9% and the revenues of 2018 are nominally at their historical maximum since the joint-stock company was founded in 2013 and the revenues exceeded CZK 250 million.
- Growing revenues brought with it an increase of output (before production) consumption by 15.8%, the main item here is the growth of external cooperations (especially for solution of questions in assessment of gaming machines) by 16.7%, by also growth in area of consumed material especially in testing laboratories (+ 12.3%).
- The company's added value grew by 1.55% compared to 2017 and reached the amount CZK 162 million.
- Personnel costs constitute an important cost item, their sum increased by 6.25% year-on-year basis. This growth results from the increased average number of employees (by 3.8 % in full-time equivalent) and from the employee remuneration method – the personal bonus of up to 23% paid when the objectives were met. The average scale wage increased year-on-year (2017/2018) by 4.7%, the average wage paid out (including extra payments, bonuses and personal rewards) increased by 4.4%. Extra payments, bonuses and personal rewards (variable wage components) accounted for 47% of the scale wage in 2018.
- The increase in wages described in the previous paragraph resulted from the company management policy as well as external influences – especially pressure on increase in wages



in the private sector in the Czech Republic is caused by the public economic expectations (very good growth in 2017 and first half of 2018) as well as the policy of the Czech Government that led again to a drastic increase in state administration in 2018. And this fact significantly affects the wage requirements especially for newly engaged employees. This also implies a somewhat increased staff turnover – see the table

	2016	2017	2018
New employments	18	21	15
Termination of employment	9	12	15
of that the retirement	2	2	2
Total full-time equivalent number of employees	176,2	183,6	190,6

- Despite of these reasons the labour productivity (expressed as CZK revenues/CZK wages) increased by 3.5% to 2.57, with the average annual sales revenue per employee amounting to CZK 1,313 thousand, although it was not succeeded the values of 2016 in this area of indicators.

The following table provides an overview of the company's key accounts in terms of the type of contract.

Invoicing (whole year)	2015	2016	2017	2018	17/18
Grants, Development, CQS	1 735 128	1 607 738	1 579 191	1 938 213	22,73%
Gaming machines + AO module A	24 439 833	31 852 995	14 440 836	30 189 752	109,06%
Production AB (STL) 224 in the regulated area	20 388 549	19 258 785	24 759 069	24 476 761	-1,14%
AO 224 surveillances	26 856 970	26 518 791	26 712 796	26 178 139	-2,00%
Product certification COV 3020 + ITC (+surveillances)	3 408 434	3 637 503	4 373 363	3 855 425	-11,84%
Surveillances COV + ITC	726 334	552 722	579 732	603 584	4,11%
Systems certification	8 379 456	7 648 666	6 649 697	8 344 979	25,49%
Surveillance of systems certification	4 976 199	5 991 576	6 217 147	5 565 222	-10,49%
Production in accredited laboratory	101 936 146	128 659 081	139 006 400	136 015 728	-2,15%
Information, SGP, standardization	1 888 706	1 602 601	1 784 460	2 055 025	15,16%
Metrology	12 107 014	10 443 339	9 851 484	9 201 517	-6,60%
Assessment, education	307 608	862 330	532 435	219 213	-58,83%
Environmental services	298 550	243 250	240 950	249 900	3,71%
Technical inspection	4 691 730	3 036 068	39 600	97 450	146,09%
Others	-531 513	2 284 425	1 908 143	1 288 444	-32,48%
Total	211 609 142	244 199 868	238 675 302	250 279 352	4,86%



Major clients

The following table provides an overview of the company's key accounts in terms of sales volume in 2018:

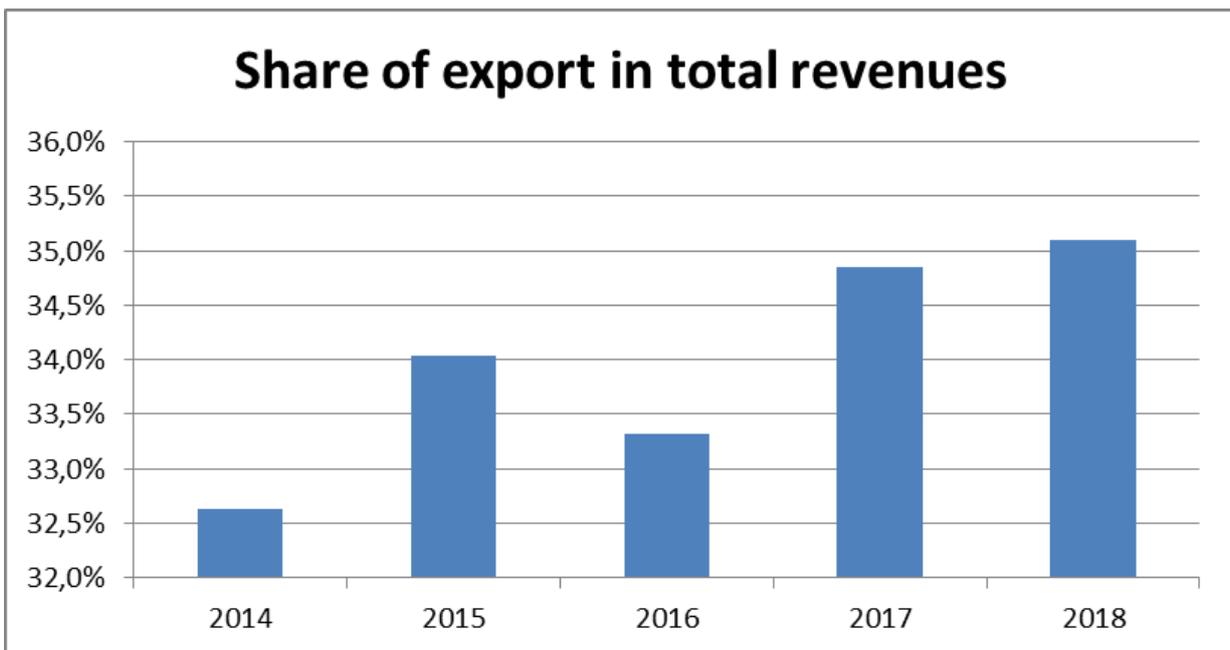
TESCOMA s.r.o.	Zlín	Testing, household,
SYNOT TIP, a.s.	Uherské Hradiště	Assessment of gaming machine
Continental Automotive Czech Republic s.r.o.	Jičín	Testing, calibration, automotive
MB TOOL s.r.o.	Prostějov	Testing, automotive
AVON AUTOMOTIVE a.s.	Rudník	Testing, calibration, automotive
Tristone Flowtech Poland Sp. z o.o.	Walbrzych (Polsko)	Testing, automotive
GAPA GROUP a.s.	Praha	Assessment of gaming machine
VALEO AUTOKLIMATIZACE k.s.	Rakovník	Testing, automotive
Dia Pro Tibbi Ürünler Sanayi ve Ticaret A.S.	Turecko	Assessment of medical devices
ITC ASIA Co. Ltd.	Soul (Korea)	EC Conformity assessment, QMS certification
VIKTORIAPLAY, a.s.	Liberec	Assessment of gaming machine
POWER, a.s.	Praha	Assessment of gaming machine
MERKUR CASINO a.s.	Praha	Assessment of gaming machine

In 2018, the average value of a contract invoiced was CZK 27,830 – a total of 8,993 contracts (in 2017, the average value of a contract was CZK 26,260 with 9,089 contracts).



Company's exports – comments

The following charts indicate the percentage share of exports in the company's total sales in the given period and the total export volumes.





Auditor's report

ZPRÁVA NEZÁVISLÉHO AUDITORA

Auditorská zpráva pro společníka a vedení účetní jednotky

Institut pro testování a certifikaci, a.s.

Zlín, tř. T. Bati 299, 763 02, IČ 479 10 381

Výrok auditora

Provedli jsme audit přiložené účetní závěrky společnosti Institut pro testování a certifikaci, a.s. (dále také „Společnost“) sestavené na základě českých účetních předpisů, která se skládá z rozvahy k 31. prosinci 2018, výkazu zisku a ztráty, přehledu o změnách vlastního kapitálu a přehledu o peněžních tocích za rok končící 31. prosincem 2018 a přílohy k účetní závěrce, která obsahuje popis použitých podstatných účetních metod a další vysvětlující informace. Údaje o Společnosti jsou uvedeny v bodě 1 přílohy k této účetní závěrce.

Podle našeho názoru přiložená účetní závěrka podává věrný a poctivý obraz aktiv a pasiv Společnosti k 31. prosinci 2018 a nákladů a výnosů a výsledku jejího hospodaření a peněžních toků za rok končící 31. prosincem 2018 v souladu s českými účetními předpisy.

Základ pro výrok

Audit jsme provedli v souladu se zákonem o auditorech a standardy Komory auditorů České republiky pro audit, kterými jsou mezinárodní standardy pro audit (ISA), případně doplněné a upravené souvisejícími aplikačními doložkami. Naše odpovědnost stanovená těmito předpisy je podrobněji popsána v oddílu Odpovědnost auditora za audit účetní závěrky. V souladu se zákonem o auditorech a Etickým kodexem přijatým Komorou auditorů České republiky jsme na Společnosti nezávislí a splnili jsme i další etické povinnosti vyplývající z uvedených předpisů. Domníváme se, že důkazní informace, které jsme shromáždili, poskytují dostatečný a vhodný základ pro vyjádření našeho výroku.

Odpovědnost statutárního orgánu Společnosti za účetní závěrku

Statutární orgán Společnosti odpovídá za sestavení účetní závěrky podávající věrný a poctivý obraz v souladu s českými účetními předpisy a za takový vnitřní kontrolní systém, který považuje za nezbytný pro sestavení účetní závěrky tak, aby neobsahovala významné (materiální) nesprávnosti způsobené podvodem nebo chybou.

Při sestavování účetní závěrky je statutární orgán Společnosti povinen posoudit, zda je Společnost schopna nepřetržitě trvat, a pokud je to relevantní, popsat v příloze k účetní závěrce záležitosti týkající se jejího nepřetržitého trvání a použití předpokladu nepřetržitého trvání při sestavení účetní závěrky, s výjimkou případů, kdy statutární orgán plánuje zrušení Společnosti nebo ukončení její činnosti, resp. kdy nemá jinou reálnou možnost, než tak učinit.



Odpovědnost auditora za audit účetní závěrky

Naším cílem je získat přiměřenou jistotu, že účetní závěrka jako celek neobsahuje významnou (materiální) nesprávnost způsobenou podvodem nebo chybou a vydat zprávu auditora obsahující náš výrok. Přiměřená míra jistoty je velká míra jistoty, nicméně není zárukou, že audit provedený v souladu s výše uvedenými předpisy ve všech případech v účetní závěrce odhalí případnou existující významnou (materiální) nesprávnost. Nesprávnosti mohou vzniknout v důsledku podvodů nebo chyb a považují se za významné (materiální), pokud lze reálně předpokládat, že by jednotlivě nebo v souhrnu mohly ovlivnit ekonomická rozhodnutí, která uživatelé účetní závěrky na jejím základě přijmou.

Při provádění auditu v souladu s výše uvedenými předpisy je naší povinností uplatňovat během celého auditu odborný úsudek a zachovávat profesní skepticismus. Dále je naší povinností:

- *Identifikovat a vyhodnotit rizika významné (materiální) nesprávnosti účetní závěrky způsobené podvodem nebo chybou, navrhnout a provést auditorské postupy reagující na tato rizika a získat dostatečné a vhodné důkazní informace, abychom na jejich základě mohli vyjádřit výrok. Riziko, že neodhalíme významnou (materiální) nesprávnost, k níž došlo v důsledku podvodu, je větší, než riziko neodhalení významné (materiální) nesprávnosti způsobené chybou, protože součástí podvodu mohou být tajné dohody, (koluze), falšování, úmyslná opomenutí, nepravdivá prohlášení nebo obcházení vnitřních kontrol.*
- *Seznámit se s vnitřním kontrolním systémem Společnosti relevantním pro audit v takovém rozsahu, abychom mohli navrhnout auditorské postupy vhodné s ohledem na dané okolnosti, nikoli abychom mohli vyjádřit názor na účinnost jejího vnitřního kontrolního systému.*
- *Posoudit vhodnost použitých účetních pravidel, přiměřenost provedených účetních odhadů a informace, které v této souvislosti statutární orgán Společnosti uvedl v příloze k účetní závěrce.*
- *Posoudit vhodnost použití předpokladu nepřetržitého trvání při sestavení účetní závěrky statutárním orgánem a to, zda s ohledem na shromážděné důkazní informace existuje významná (materiální) nejistota vyplývající z události nebo podmínek, které mohou významně zpochybnit schopnost Společnosti nepřetržitě trvat. Jestliže dojdeme k závěru, že taková významná (materiální) nejistota existuje, je naší povinností upozornit v naší zprávě na informace uvedené v této souvislosti v příloze k účetní závěrce, a pokud tyto informace nejsou dostatečné, vyjádřit modifikovaný výrok. Naše závěry týkající se schopnosti Společnosti nepřetržitě trvat vycházejí z důkazních informací, které jsme získali do data naší zprávy. Nicméně budoucí události nebo podmínky mohou vést k tomu, že Společnost ztratí schopnost nepřetržitě trvat.*
- *Vyhodnotit celkovou prezentaci, členění a obsah účetní závěrky, včetně přílohy, a dále to, zda účetní závěrka zobrazuje podkladové transakce a události způsobem, který vede k věrnému obrazu.*

Naší povinností je informovat osoby pověřené správou a řízením mimo jiné o plánovaném rozsahu a načasování auditu a o významných zjištěních, která jsme v jeho průběhu učinili, včetně zjištěných významných nedostatků ve vnitřním kontrolním systému.

Ostatní informace

Účetní jednotka je dle právních předpisů povinna sestavit výroční zprávu, jejíž součástí má být ověřovaná účetní závěrka. Auditor obdržel před datem vydání zprávy auditora úplnou



výroční zprávu. Výrok k účetní závěrce byl bez výhrad. Auditor ve výroční zprávě neidentifikoval žádnou významnou nesprávnost.

Datum vydání zprávy

Ve Zlíně dne 3. června 2019

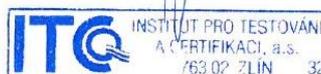
Alois BERKA s. r. o.

*auditorská a daňová kancelář
tř. T. Bati 640, 760 01 ZLÍN
DIČ: CZ60701331 -2-*

*odpovědný auditor ing. Berka Alois
osvědčení KA ČR č. 0249
auditorská firma: Alois Berka s.r.o.
osvědčení KA ČR č. 108*

Mgr. Jiří Heš
generální ředitel

za auditovanou účetní jednotku



Příloha: auditovaná rozvaha

auditovaný výkaz zisku a ztráty

auditovaná příloha k účetní závěrce

auditovaný výkaz Přehled peněžních toků a změn vlastního kapitálu



INDEPENDENT AUDITOR'S REPORT

Auditor's report for the shareholder and the management of the accounting unit

Institut pro testování a certifikaci, a. s.

Zlín, tř. T. Bati 299, 763 02, Reg. ID No. 47910381

Auditor's statement

We audited the accompanying statement of balance of the company Institut pro testování a certifikaci, a.s. (hereinafter referred to as the "Company") prepared on the basis of Czech accounting standards, which consists of the balance sheet as at 31 December 2018, the profit and loss account, overview of changes in equity and cash flow overview for the year ended 31 December 2018 and annexes to the statement of balance, which contains a description of the significant accounting methods used and other explanatory information. Information about the Company is stated in point 1 of the annex to this statement of balance.

In our opinion, the accompanying statement of balance give a true and fair view of the assets and liabilities of the Company as at 31 December 2018 and its expenses and revenues and its economic result for the year ended 31 December 2018 in accordance with Czech accounting standards.

Basis for the statement

We performed our audit in accordance with the Act on Auditors and the Standards of the Chamber of Auditors of the Czech Republic for Auditing, which are International Standards on Auditing (ISA), eventually supplemented and modified by related application clauses. Our responsibilities under these regulations are described in more detail in the Auditor's Responsibility for the Audit of Statement of balance section. In accordance with the Act on Auditors and the Ethics Code adopted by the Chamber of Auditors of the Czech Republic, we are independent of the Company and have also complied with other ethical obligations arising from these regulations. We suppose that the audit evidence we have collected is sufficient and appropriate to provide an appropriate basis for our statement expression.

The statutory body's responsibility for the statement of balance

The Company's statutory body is responsible for the preparation of the statement of balance giving a true and fair view in accordance with Czech accounting standards and for such internal control system as it considers necessary for the preparation of the statement of balance not to contain significant (material) incorrectness caused by fraud or mistake.

During preparation of the statement of balance, the Company's statutory body is required to assess whether the Company is able to continue as a going concern and, if applicable, to describe in the annex to the statement of balance the matters relating to its continuity and use of the going concern assumption, when the statutory body plans to wind up the Company or terminate its activities, respectively when he has no other real option but to do so.

Auditor's responsibility for auditing statement of balance



Our goal is to obtain reasonable assurance about whether the statement of balance as a whole does not contain any significant (material) incorrectness caused by fraud or mistake and to issue an auditor's report containing our opinion. An adequate rate of certainty is a high certainty rate nevertheless it is not a guarantee that the audit performed in accordance with the above standards discloses eventual existing significant (material) incorrectness in all cases in statement of balance. Incorrectness may arise as a result of fraud or mistakes and are considered as significant (material), if it is possible factually suppose that they could separately or in total affect the economic decisions that users of the statements of balance make on its basis.

During audit performance in accordance with the above stated standards it is our duty to apply within whole audit the expert opinion and to keep the professional scepticism. Further our duty is:

- To identify and evaluate the risks of significant (material) incorrectness of the statement of balance caused by fraud or mistake, to suggest and implement audit procedures responding to these risks, and obtain sufficient and appropriate probative information to provide an opinion. The risk of not detecting significant (material) incorrectness caused by fraud is higher than the risk of not detecting the significant (material) incorrectness by mistake, because the part of fraud can be conspiracy (collusion), falsification, and intentional act of omissions, false declarations, or evasion of internal controls.
- To understand the Company's internal control system relevant to the audit in the extent that we can propose audit procedures suitable with regard to the circumstances, rather than giving an opinion on the effectiveness of its internal control system.
- To evaluate the appropriateness of used accounting rules, the adequacy of accounting estimates made and the information provided by the Company's statutory body in the annex to the statement of balance.
- To review the appropriateness of continuous persistency use during statement of balance preparation by the statutory body and whether, with regard to the collected probative information, there is significant (material) uncertainty arising from events or conditions that may significantly impeach the ability of the Company to continue as a going concern. If we conclude that there is such significant (material) uncertainty, it is our duty to disclose in our report the information included in the annex to the statement of balance in this context and, if that information is not sufficient, to express a modified opinion. Our conclusions regarding the Company's ability to continue as a going concern are based on the probative information obtained up to the date of our report. Nevertheless, future events or conditions may result in the Company losing its ability to continue on an ongoing basis.
- To evaluate the overall presentation, structuring and content of the statement of balance, including the annex, and whether the statement of balance presents source transactions and events in a manner that gives a true and fair view.

It is our duty to inform the persons authorized by the board and management, among others, of the planned scope and timing of the audit and the significant findings we have found during the audit, including found significant deficiencies in the internal control system.

Other informations



Annual report 2018



An accounting entity is obliged according to the legal regulations to prepare an annual report that includes verified statement of balance. The auditor received a complete annual report before the date of the auditor's report. The opinion to the statement of balance was without restriction. The auditor did not identify any significant incorrectnes in the annual report.

Date of report issue

In Zlín, 3 June 2019

Alois BERKA s. r. o.
Audit and tax office
Tř. T. Bati 640, 760 01 Zlín
VAT reg. No: CZ60701331

Responsible auditor dipl. eng. Berka Alois
Czech Auditors Office Certificate No. 0249
Auditing company: Alois Berka s. r. o.
Czech Auditors Office Certificate No. 108

Annex: audited balance sheet
audited profit (loss) account
audited annex to statement of balance
audited overview of cash flows and changes in equity



Foreign branch of Institut pro testování a certifikaci, a. s. – extract from the commercial register in the Slovak Republic as at 31 December 2018

Trade name of foreign branch:	Institut pro testování a certifikaci, a.s., organizational unit of foreign entity's business	(od: 30. 01. 2007)
Registered seat of foreign branch:	Mlynské Nivy 54 Bratislava 821 05	(od: 30. 01. 2007)
Reg. ID No.:	36 731 307	(od: 30. 01. 2007)
Date of registration:	30. 01. 2007	(od: 30. 01. 2007)
Legal form:	foreign entity's business (organizational unit of foreign entity's business)	(od: 30. 01. 2007)
Scope of business activities:	business consultancy in the scope of free trade	(od: 30. 01. 2007)
	rental property associated with the provision of additional services and procurement services associated with the hire in the scope of free trade	(od: 30. 01. 2007)
	purchase of goods for sale to final consumer (retail)	(from: 30. 01. 2007)
	purchase of goods for sale to other trades (wholesale)	(from: 30. 01. 2007)
	rental of movable property in the scope of free trade	(from: 30. 01. 2007)
	computerized data processing	(from: 30. 01. 2007)
	computer network management	(from: 30. 01. 2007)
	activities related to European Union notified body No. 1023	(from: 31. 05. 2007)
	assessment and certification of management systems	(from: 31. 05. 2007)
	activities of testing laboratories in the scope of free trade	(from: 31. 05. 2007)
	certification of products in the scope of free trade	(from: 31. 05. 2007)
	impartial inspection of the finding of a certain thing, or verification of the result of a certain activity and issue of a control certificate	(od: 31. 05. 2007)
	Head of the foreign branch:	Ing. Jiří Heš
Acting on behalf of the company:	In matters of the foreign branch, the head of the organizational unit shall represent and sign for it separately by attaching his handwritten signature to the written or printed name of the organizational unit.	(from: 30. 01. 2007)
Founder:	Institut pro testování a certifikaci, a.s. Reg. ID No.: 47 910 381 třída Tomáše Bati 299, Louky, 763 02 Zlín	(from: 30. 01. 2007)
Other legal matters:	The organizational unit of a foreign entity was established on the basis of a decision of the founder dated 21 December 2006 pursuant to § 21 et seq. of the Commercial Code No. 513/1991 Coll., as amended. Decision of the founder dated 29.3.2007.	(from: 30. 01. 2007)



Foreign branch of Institut pro testování a certifikaci, a. s. – extract from the commercial register in the Slovak Republic as at 19 April 2019

Trade name of foreign branch:	Institut pro testování a certifikaci, a.s., organizational unit of foreign entity's business	(from: 30. 01. 2007)
Registered seat of foreign branch:	Mlynské Nivy 54 Bratislava 821 05	(from: 30. 01. 2007)
Reg. ID No.:	36 731 307	(from: 30. 01. 2007)
Date of registration:	30. 01. 2007	(from: 30. 01. 2007)
Legal form:	foreign entity's business (organizational unit of foreign entity's business)	(from: 30. 01. 2007)
Scope of business activities:	foreign entity's business (organizational unit of foreign entity's business)	(from: 30. 01. 2007)
	business consultancy in the scope of free trade	(from: 30. 01. 2007)
	rental property associated with the provision of additional services and procurement services associated with the hire in the scope of free trade	(from: 30. 01. 2007)
	purchase of goods for sale to final consumer (retail)	(from: 30. 01. 2007)
	purchase of goods for sale to other trades (wholesale)	(from: 30. 01. 2007)
	rental of movable property in the scope of free trade	(from: 30. 01. 2007)
	computerized data processing	(from: 30. 01. 2007)
	activities related to European Union notified body No. 1023	(from: 31. 05. 2007)
	assessment and certification of management systems	(from: 31. 05. 2007)
	activities of testing laboratories in the scope of free trade	(from: 31. 05. 2007)
	certification of products in the scope of free trade	(from: 31. 05. 2007)
	impartial inspection of the finding of a certain thing, or verification of the result of a certain activity and issue of a control certificate	(from: 31. 05. 2007)
Head of the foreign branch:	Mgr. Jiří Heš commencement of the function: 01.03.2019	(from: 19.04.2019)
Acting on behalf of the company:	In matters of the foreign branch, the head of the organizational unit shall represent and sign for it separately by attaching his handwritten signature to the written or printed name of the organizational unit.	(from: 30. 01. 2007)
Founder:	The organizational unit of a foreign entity was established on the basis of a decision of the founder dated 21 December 2006 pursuant to § 21 et seq. of the Commercial Code No. 513/1991 Coll., as amended.	(from: 30. 01. 2007)
	Decision of the founder dated 29.3.2007	(from: 31.05.2007)
Foreign entity:	Institut pro testování a certifikaci, a.s. Reg. ID No.: 47 910 381 Třída Tomáše Bati 299, Zlín 763 02, Czech Republic	(from: 19.04.2019)
	Legal form: joint-stock compancy Companies Registry details: CR administered by the Regional Court in Brno,	



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Section B, Insert No. 1002	
Statutory body: Board of Directors	(from: 19.04.2019)
RNDr. Radomír Čevelík – Vice-Chairman commencement of the function: 23.11.2005	(from: 19.04.2019)
Ing. Jiří Heš - Chairman commencement of the function: 23.11.2005	(from: 19.04.2019)
Mgr. Paulína Úlehla Senič - member commencement of the function: 23.11.2015	(from: 19.04.2019)
Method of acting of the statutory body: The Company represents the Board of Directors in its entirety vis-a-vis third parties, in courts and other bodies, either jointly by all members of the Board of Directors or separately by the Chairman or Vice-Chairman of the Board. The company is signed either by all members of the Board of Directors or by the Chairman or Vice-Chairman of the Board. Everyone does so by attaching their signature to the company name or stamp.	(from: 19.04.2019)



Company's balance sheet

ths. CZK	31.XII.2016	31.XII.2017	31.XII.2018
TOTAL ASSETS	163 054	167 168	176 650
A. Receivables for register capital subscription	0	0	0
B. Fixed assets	91 636	91 868	108 039
B.I. Intangible fixed assets	170	113	132
B.II. Tangible fixed assets	91 466	91 755	107 907
B.III. Long-term investment	0	0	0
C. Current assets	67 040	70 672	64 842
C.I. Inventory	8 901	6 755	7 915
C.II. Receivables	28 702	29 739	25 071
C.II.1. Long-term receivables	517	514	522
C.II.2. Short-term receivables	28 185	29 225	24 549
C.II.3. Accruals			
C.III. Short-term financial assets	0	0	0
C.IV. Cash/Finances	29 437	34 179	31 856
D. Accruals	4 378	4 627	3 768
ths. CZK	31.XII.2016	31.XII.2017	31.XII.2018
TOTAL LIABILITIES	163 054	167 168	176 650
A. Equity	53 138	68 940	75 221
A.I. Register capital	5 455	5 455	5 455
A.II. Share premium and capital funds	10 847	10 847	10 847
A.III. Funds created from net profit	1 162	1 065	1 136
A.IV. Profit (loss) of previous years (+/-)	28 643	34 073	49 573
A.V. Profit (loss) of current period	7 030	17 500	8 209
A.VI. Decided on advance payment of profit share	0	0	0
B+C LIABILITIES	107 149	95 694	98 631
B. Reserves	16 714	11 114	10 086
C. Payables	90 435	84 580	88 546
C.I. Long-term payables	41 916	41 916	41 916
C.II. Short-term payables	48 503	47 292	46 471
C.III. Accruals			
D. Accruals	2 767	2 534	2 798