

# 2018





Continental

Continental





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# History of PST CLC

PST CLC has been operating in the Czech and the European market since 1991 as a reliable supplier of warehousing, customs and forwarding services. Since 2012, we have been providing comprehensive logistics services as a member of a global holding, the Mitsui – Soko Group. While benefiting from strong backing by our Japanese parent company, we have preserved the uniqueness and identity of a Czech firm with an individual approach towards each customer.

Logistics centre  
in **Modřice**  
u **Brna** opens

First company  
in the CR to gain  
**AEO F status**

Cooperation with  
**Continental Barum**  
– internal logistics  
initiated

**ISO 9002:2001**  
certificate received



**PST CLC founded**,  
with a focus on customs  
services and forwarding

**Warehousing services  
launched**, building  
of customs and logistics  
centre in Zdíby u Prahy

Cooperation with  
**Philip Morris** Kutná Hora  
– internal logistics initiated

**Logistics  
services** at  
the Úžice  
logistics  
centre  
launched



**Maritime and air transport** developed with support from the parent Mitsui – Soko Group

New **logistics centre** in Ostrava opens

Cooperation with **Philip Morris** continues

Cooperation with an external logistics partner in **Lovosice** begins



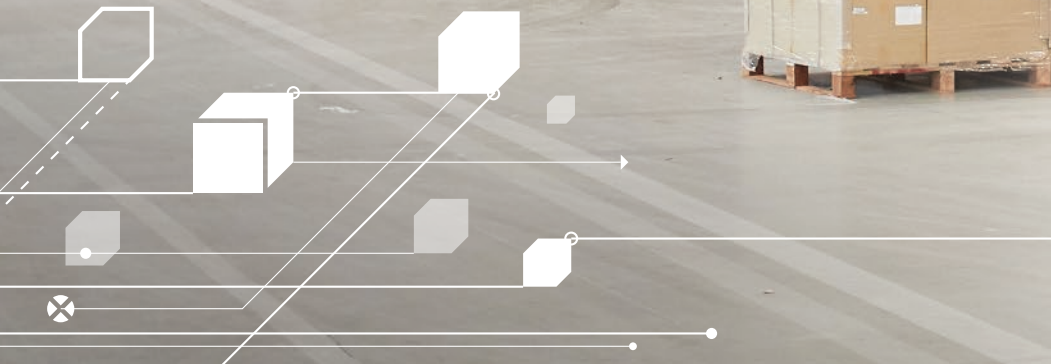
**PST Hungary**, a subsidiary, founded

New central logistics centre in **Úžice** opens

Cooperation with **Continental Barum** continues

Change of shareholder structure, entry of **Mitsui – Soko Group**







# Speech of the Chairman of the Board of Directors



Dear customers, business partners, employees,

**2018/2019 marked another successful year, when we met the planned financial results and achieved a substantial business development. Profit before tax amounted to nearly CZK 29 million, which is CZK 4 million more than in the previous year. Moreover, the financial year 2018/19 already comprised the standard 12 months, unlike the transitional financial year 2017/18, which consisted of 15 calendar months.**

Revenues grew by more than CZK 42 million in 2018/19 compared to the same 12 months of 2017/18. Business development was observed mainly in the Forwarding and Customs Services divisions. The Logistics divisions maintained more or less the same volumes, while improving profits.

Unlike in 2017/18, no major moves or relocations took place in 2018/19. The only significant organisational change was the closure of the logistics centre in Lovosice after our long-term key partner decided to build their own storage premises and moved to them in the autumn. For the remaining mainly Japanese customers, we continue to provide services through an external partner also operating in Lovosice and able to provide services at the same quality level.

In 2018/19 we further developed cooperation not just with the key clients of our divisions. We placed more focus on marketing activities, helping us develop our business and make new acquisition. The launch of PPC campaigns with emphasis on customs services was a pilot project, thanks to which we gained new contracts and business development opportunities in this key segment of our activity.

**Customs Services** are currently provided at 16 offices with more than 70 customs declarers. In 2017/18, we started the journey to strengthening our position in the Czech market and becoming the leading provider of customs services. We continued in this trend in 2018/19 and plan to follow it also in the upcoming period. A cornerstone of our business in this segment is the long-term cooperation with Foxconn, which is complemented by existing partners and new business acquisitions. We are experts in customs services, and endeavour to spread this awareness through our employees' quality and professional work.

**The Logistics division** was doing much better in terms of profit, mainly thanks to an extremely strong season for **Continental Barum**. The situation at our logistics centre in Úžice stabilised, to achieve better results following the move in 2016. The current status is not optimal yet, but a significant progress is evident. The logistics centre in Úžice is fully occupied and our other two multi user warehouses in Brno and Ostrava are also at their maximum capacity. Another positive fact is the continued cooperation with **Phillip Morris**, to whom we provide internal logistics services in Kutná hora.

Our subsidiary in Hungary has also been successfully developing its logistics projects, evidenced by the extension of the contract with **Zoltek**, for whom we now also provide forwarding services.

The most marked business development was observed in the **Forwarding division**; however, the increase in sales has not been accompanied by a respective increase in profit. The reason is a shortage of drivers, and subsequently insufficient capacities as well as a dramatic growth in purchase prices. On the other hand, the resumed cooperation with COSCO Shipping has to be viewed positively, as for this client, we will be arranging the loading of export consignments in 2019/20 – the "first mile".

The situation in the Czech labour market continued to be tense, which affected many areas of our activity. To hire quality employees, we modified our recruitment campaign, both through the career section on our website, and through cooperation with a larger number of advertising portals. The average wage in our Company increased by more than 7 % in 2018/19, the system of employee benefits was changed significantly, and we also prepared a talent management programme to ensure succession at key positions through individual development plans. At the moment, we employ 364 employees in the Czech Republic and 50 at PST Hungary, and we intend to remain their reliable partner.

Finally, I would like to mention that the Company has successfully defended the requirements of ISO 9001 and ISO 14001 standards, followed by the recertification of the integrated system. The recertification audit was passed in October 2018 and the certificate was awarded for the next three years.

Dear business partner and colleagues, let me thank you for your loyalty and cooperation in 2018/2019. I highly appreciate your support and believe that our joint journey will continue successfully in the times ahead.



Vít Votroubek

Chairman of the board of directors of PST CLC, a.s.

In Ostrava on 10 June 2019

# Company Profile

2018/19 was PST CLC's sixth year operating within multinational group Mitsui-Soko, a leading Japanese holding with worldwide market presence that unites more than 700 companies from various sectors – chemistry, mechanical engineering, energy, construction and food industries, logistics and financial services. The logistics part of the company comprises Mitsui-Soko Group, in which PST CLC, a.s. is included. It brings together 89 companies in 21 countries on four continents and employs nearly 9 000 employees.

The annual report and the financial statements have been prepared for the period of 12 months from 1 April 2018 to 31 March 2019 ("2018" or "2018/19"). The Company's financial statements as at 31 March 2018 have been prepared for 15 months ("2017" or "2017/18").

## 1. Basic company information

<b>Registered office:</b>	Nádražní 969/112, 702 00 Ostrava – Moravská Ostrava
<b>Legal form:</b>	a joint stock company
<b>Identification No.:</b>	253 97 249
<b>Tax identification No.:</b>	CZ25397249
<b>Telephone:</b>	+420 596 126 844
<b>E-mail:</b>	info@pst-clc.cz
<b>Data mailbox ID:</b>	magvx56
<b>Web:</b>	www.pst-clc.cz

Since 1991, PST CLC, a.s. has been operating in the Czech and European market as a provider of comprehensive logistics services. Through our network of logistics centres and customs offices, we have been providing warehousing, customs and forwarding services to a wide range of customers in the Czech Republic and beyond. Thanks to our subsidiary in Hungary and partner companies in Slovakia, Denmark, and Poland, we have also been active in other countries within the EU.

## 2. Board of Directors and the Supervisory Board as of 31 March 2019

### Board of directors

Chairman	Vít Votroubek
Vice-chairman	Jiří Bradna
Member	Martin Benda
Member	Hajime Ogawa
Member	Shigeki Kanai
Member	Kazuo Iwanaji

### Supervisory board

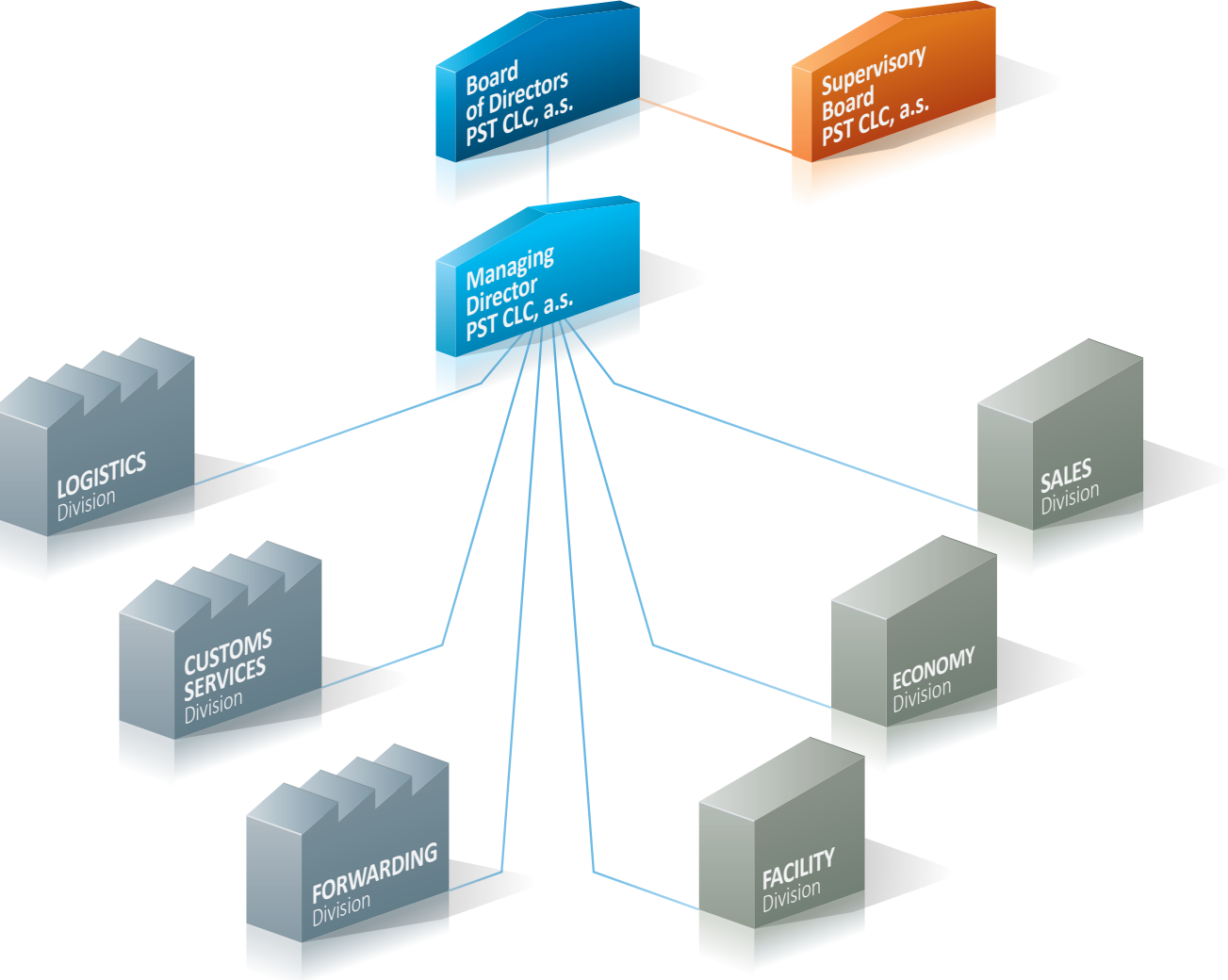
Chairman	Mitsugu Kai
Member	Vojtěch Brouček
Member	Pavína Otýpková

## 3. Shareholder structure

The sole shareholder of the Company is Mitsui-Soko (Europe) s.r.o. with its registered office in Prague.



# 4. Organizational structure





# Company Strategy

## Company mission

Our mission is to provide comprehensive logistics services of the highest quality, making the maximum use of our membership in the Mitsui-Soko group, with the aim of the global development of all our services.

The background of a multinational parent company gives us the advantage of strong financial backing while maintaining our uniqueness.

## Company vision

We are committed to providing high quality services to our clients, based on their requirements taking an individual approach towards each one of them. We want to be a strong and significant partner within the Mitsui-Soko group, a company that aims to remain prosperous and stable for its business partners as well as for its employees.

## Four fundamental pillars of our strategy

**Mitsui-Soko's strong financial background** gives us stability and security, while committing us to provide high-quality services and processes.

**Human resources** as the second pillar guarantee the quality of services we provide. We count on our employees' expertise, continuous learning, and last but not least on the further development of their talents.

The third pillar lies in our **strategic activities**, their comprehensiveness and the fact that we are experts in customs services.

The fourth pillar consists of our core values – **partnership, credibility and flexibility**. We care about our relationships with our business partners as well as our relationship with all our employees.

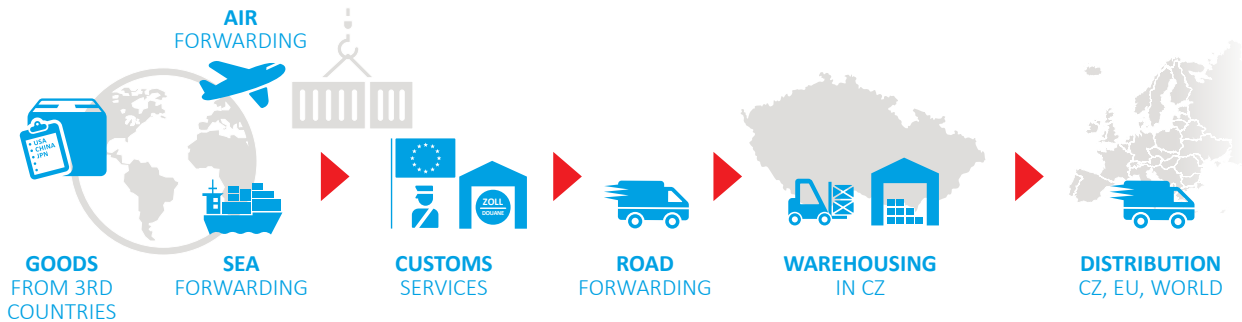




# Profile of the Company

## 1. Main business activities

In 2018/19 we continued to offer services and solutions covering a complete logistics chain to our business partners. As part of our services, we can arrange for the shipment of goods including all customs formalities, store goods in our logistics centres with the status of customs warehouses or temporary storage facilities, and subsequently deliver to end users.



## Forwarding

Thanks to the strong global background of our parent company Mitsui Soko, we are able to operate all types of transport worldwide. For full truck load (FTL) and pallet transport within Europe, we efficiently utilise free transport capacity, offer customs clearance of goods in our customs offices network, can take out additional insurance for consignments beyond the carrier's liability, and recently have added "First/Last Deliveries" of sea containers to our services. As a part of distribution within the Czech Republic and Slovakia, we offer services connected with goods distribution both from our own logistics centres and from clients' warehouses.

Our maritime transport services use an international network of our own branches, both for exports and imports. We transport goods as full container load (FCL) or less than container load (LCL) consignments. We operate our own collection line from Asia, transport excess loads, can secure additional insurance for goods beyond the ship-owner's liability, and secure customs clearance in this area.

In air transport, we also use our international network of offices and specialise in consolidated air consignments as well as express (priority) transport. We also transport valuable or military material, arrange door-to-door transport and customs clearance, and provide variable processing of consignments in logistics centres.



## Customs services

We provide customs services at 16 offices across the Czech Republic. With our team of qualified customs declaration officers, we ensure the fast and safe processing of even the most difficult customs cases.

We have launched a customs portal for our clients to let them view the details of all their operations, including electronic archiving of documents for each individual case. We also hold an AEO certificate at the highest F level, allowing us to offer our clients all advantages in customs procedures relating to import and export of goods.

As a leading provider of customs services in the Czech Republic, we offer our clients professional services, customs advisory including suggestions of suitable customs procedures, the possibility of using simplified customs procedures, centralised customs clearance, releasing goods to the regime without having to submit the goods to the customs authority, a system of customs guarantees for all regimes, processing and submitting Intrastat reports. Finally but importantly, we continuously monitor and respond to changes in applicable legislation regarding national and EU customs regulations.



## Warehousing

Warehousing is provided in seven modern logistic centres throughout the Czech Republic, always according to the specific customer's needs. After our analysis, we suggest the optimal logistics solution and set up proper logistic processes. We focus on the quality and flexibility of the provided services; our customers' goods are always well taken care of by our team of qualified experts.

Currently, we have more than 80 000 m<sup>2</sup> of warehouse space available in Prague, Brno, Ostrava, and Kutná Hora. After closing our logistics centre in Lovosice in the autumn of 2018, we have been operating in this locality through an external partner. We also offer services with added value such as packing, repacking, labelling, adding products to packages, and multipacks. Within our comprehensive services we also ensure distribution to the end customers in the Czech Republic and abroad. All our multi-user warehouses have the status of customs warehouses and temporary storage facilities, with modern WMS & TMS solutions.



## 2. Integrated management system and certification

PST CLC, a.s. has been certified by Lloyd's Register LRQA in quality (ČSN EN ISO 9001: 2015, since 2000), environment (ČSN EN ISO 14001:2015, since 2010), occupational health and safety (OHSAS 18001:2007, since 2012), and recently also in energy management (ČSN EN ISO 50001: 2011, since October 2018).

The system recertification takes place once every three years at all logistics centres and at a selected sample of customs services and forwarding departments. Furthermore, within a period of three years, all workplaces of PST CLC, a.s. must undergo an external audit according to an approved three-year plan, in form of supervisory audits taking place at selected workplaces twice a year.

### Summary of financial year 2018 from the perspective of integrated management system

In May 2018, PST CLC, a.s. successfully met the requirements of the new standards ISO 9001 and ISO 14001, and proceeded to meet the obligatory provisions of the internationally recognised standards required for recertification.

A recertification audit of the integrated system took place in October 2018. The aim of this important audit was to re-evaluate the compliance of the implemented management system with the audit criteria based on ISO 9001:2008, ISO 14 001:2004 and OHSAS 18 001:2007 standards, and on the scope of the certification which is 'providing customs, forwarding and logistics services and services with added value'. The Company successfully passed the extensive external audit and was recertified for the next three years.

The aim of the audit was accomplished, stating that the implemented integrated management system:

- meets all requirements of the standards and certification scope;
- is functional and provides a guarantee for the fulfilment of customers' requirements, compliance with legislation and fulfilment of other requirements for environmental protection and OHS
- helps to fulfil the aims of the organisation.

Within the recertification audit, the implementation of ČSN EN ISO 50001:2011 into the existing integrated management system was successfully defended. PST CLC, a.s. has yet again proven its commitment to energy management and the minimisation of its activities' environmental impact.



### The following areas were very positively evaluated:

- leadership pursuant to the requirements of the ISO 9001:2015 revision, including corporate culture and competent and motivated staff with appropriate awareness in all areas audited
- new improvement processes, based on project management principles.

Based on the above, the Company was recommended for the ISO 9001:2015, ISO 140001:2015, OHSAS 18001:2007 and ISO 50001:2011 certificates in the scope of 'providing customs, forwarding and logistics services and services with added value' for the next three years. The goals set by PST CLC, a.s. in the area of the integrated management system have thus been met.

The following was recommended for the financial year 2019/20:

- to continue with the system improvement process, namely to establish a process framework for project management in the company
- to start preparations for the transition to ISO 45001:2018 and ISO 50001:2015.

### PST CLC, a.s. is a member of the following professional associations:



Association of Forwarding and Logistics of the Czech Republic



Czech Chamber of Commerce



Port of Hamburg Marketing

Port of Hamburg

### 3. Human resources

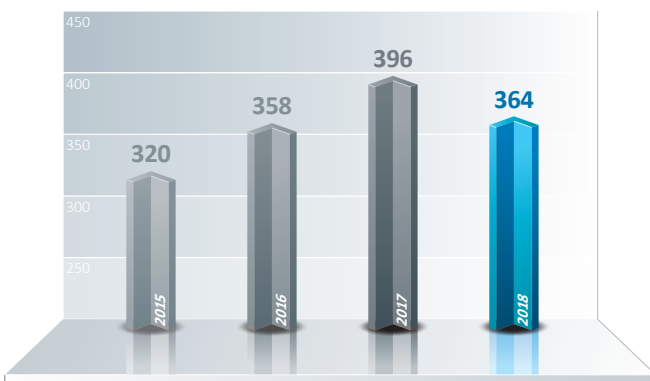
Year 2018/19 was very demanding in terms of human resources management, mainly due to a tight labour market. Due to labour shortage, we started to recruit workers from Ukraine (as part of the Ukraine Project). Some Ukrainian workers joined us at the end of the year, and more may arrive in the future.

In the course of the year, the headcount dropped company-wide, mainly as a result of a gradual increase in the efficiency of our working processes. As at 31 March 2019, the Company employed 364 employees, 35 less than in the previous year.

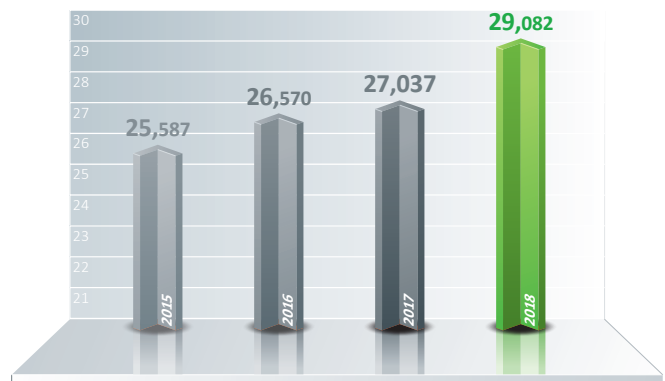
The average monthly salary in 2018 was CZK 29,082.

In 2018/19, an employee opinion poll was carried out, the outputs of which suggested changes in the system of employee benefits. From 1 September 2018, the value of a meal voucher for a shift worked increased to CZK 100, and employer's contributions to employees' supplementary pension insurance will be awarded already after the first year of employment. From January 2019, an entirely new benefit in the form of the Multisport card has been introduced, along with bonuses for years of service.

FTE headcount



Average earnings (CZK thousand)



### 4. Learning

Employee learning and development is a key element of human resources management. In line with our corporate strategy, we prepared a talent management project, setting individual development plans for selected employees and, equally important, addressing succession at key positions.

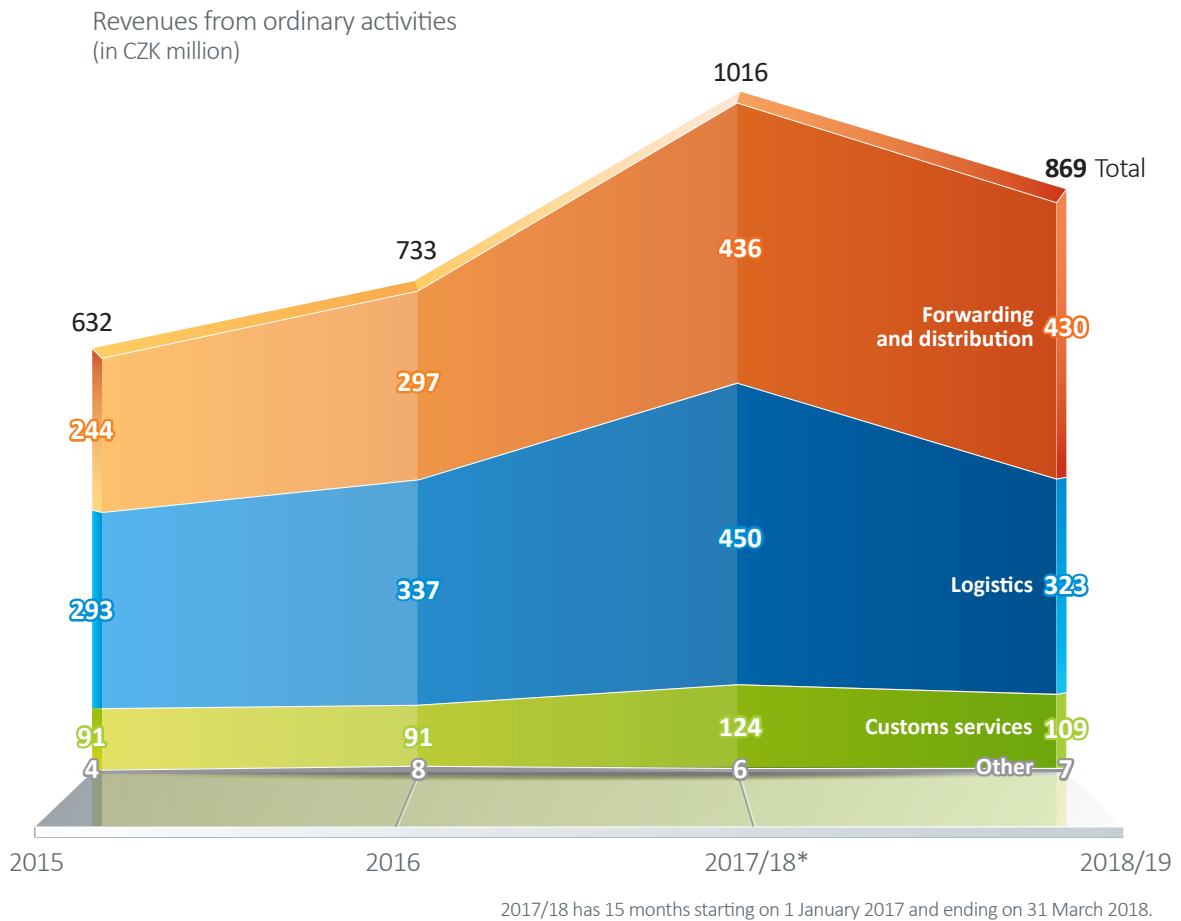
All specialists and professional staff regularly attend trainings and workshops to continuously develop their expertise. We actively benefit from the knowledge of these employees as they transfer their knowledge to other colleagues at in-house workshops.

We concluded a collaboration agreement with Vyšší odborná škola a Střední průmyslová škola dopravní in Praha 1, a technical college and secondary school specialising in transport. Under the agreement, third-year students of forwarding studies complete internships at our company.



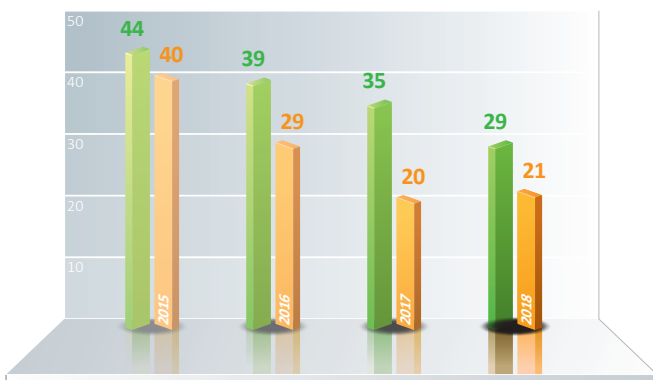


## 5. Selected Economic indicators

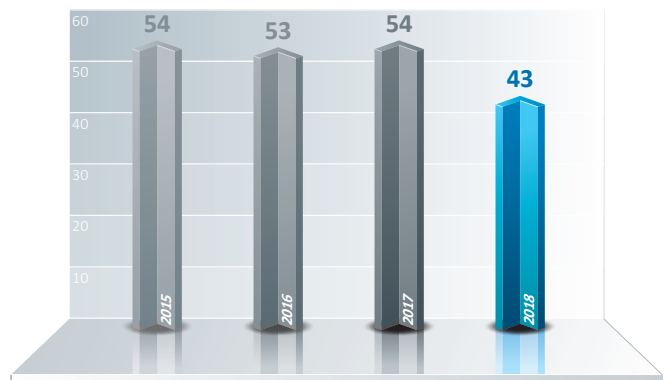


### Profit (CZK million)

Operating profit Accounting profit



### EBITDA (CZK million)



## 6. Business outlook

2018/19 for us was a standard 12-month year, unlike the previous financial year 2017/18. Because of this, it may seem that there was no business progress compared to the previous period, as revenues in absolute figures seem to be lower. However, this is solely due to the fact that the financial year 2017/18 comprised 15 months.

As in the previous year, we have further strengthened our cooperation with our existing customers, mainly in the field of contract logistics. Continental Barum experienced a strong season, and our cooperation with Phillip Morris was equally successful. Similarly, Foxconn, the most significant customer of the Customs Services segment, continued to cooperate with us, reflecting well on the high quality and sophistication of the services we provide.

Actively looking for new business is equally important, and is encouraged across the firm and individual divisions. Our marketing department has substantially modified our website to allow for advanced ways of contacting potential new partners. PPC campaigns were launched, thanks to which we gained new opportunities to develop business and boost sales already in 2018/19. We continue presenting ourselves as a firm that can offer its partners comprehensive logistics services, and we intend to further increase this awareness.

Warehousing services are currently offered in three multi-user facilities in Brno, Ostrava, and Úžice u Prahy. Since the closing of our logistics centre in Lovosice in the autumn of 2018, we have been operating in this locality through an external partner. In Brno, we plan to extend storage premises and build a new logistics centre in Tuřany near the international Brno Tuřany Airport. At our largest logistics centre in Úžice, we plan to invest in a new warehouse management system, which will be then implemented in all our warehouses to optimise all logistic processes and improve their efficiency.

Logistics division management is also in charge of the business development at our subsidiary in Hungary. Our cooperation with Zoltek and Nissin Foods continued to develop, while we also looked into new business opportunities, mainly in the forwarding segment.

The biggest business development has been observed in the forwarding segment. As in the previous period, in 2018/19 we have been seeing a steep progress in maritime and air transport. Thanks to the support of the Mitsui-Soko group, we expect this trend to continue in the years to come.

For 2018/19, the Customs Services division has set for itself the ambitious goal to become the market leader. In the upcoming period we intend to further develop this goal with our team of experienced customs declarers and specialists currently operating out of 16 offices country-wide.

To meet the Customs Services goal and other challenges, quality employees at all levels are essential. That is why we will continue to invest in their professional knowledge as well as language skills. We also intend to implement a remuneration system that will present us as a stable and desirable employer.

For 2019/20 we plan a turnover of CZK 817,168 thousand and operating profit of CZK 27,841 thousand.

## 7. Research and development

With respect to the Company's business activity, i.e. the provision of logistics, forwarding and customs services, the Company is not pursuing any research and development activities.

## 8. Environment

In 2018, the Company observed all laws, rules and regulations concerning environmental protection.

## 9. Branch or a part of a business establishment abroad

In 2018, the Company did not have a foreign branch or another part of a business establishment abroad.

## 10. Acquisition of own shares and interests

The Company did not acquire own shares or interests.

## 11. Material subsequent event

No events have occurred since the balance sheet date that would be material in terms of meeting the purpose of the annual report.





# FINANCIAL PART







# Financial Statements as at 31 March 2019

Company name: **PST CLC, a.s.**  
Registered office: **Nádražní 969/112, 702 00 Ostrava - Moravská Ostrava**  
Legal form: **a joint stock company**  
Identification No.: **253 97 249**

## Components of the financial statements:

Balance sheet  
Income statement  
Statement of changes in equity  
Cash flow statement  
Notes to the financial statements

These financial statements were prepared on 10 June 2019

Statutory body of the reporting entity	Signature
Vít Votroubek Chairman of the board of directors	
Jiří Bradna Vice-chairman of the board of directors	

# Balance sheet, in full format

As of 31. 3. 2019 (in CZK thousand)  
Translated from the Czech original

PST CLC, a.s.  
Corporate ID 253 97 249  
Nádražní 969/112  
702 00 Ostrava - Moravská Ostrava

		31. 3. 2019			31. 3. 2018
		Gross	Adjust.	Net	Net
	<b>TOTAL ASSETS</b>	<b>511 412</b>	<b>99 433</b>	<b>411 979</b>	<b>381 828</b>
<b>B.</b>	<b>Fixed assets</b>	<b>123 861</b>	<b>65 391</b>	<b>58 470</b>	<b>64 593</b>
<b>B.I.</b>	<b>Intangible fixed assets</b>	<b>10 658</b>	<b>7 757</b>	<b>2 901</b>	<b>899</b>
<b>B.I.2.</b>	<b>Intellectual property rights</b>	<b>10 658</b>	<b>7 757</b>	<b>2 901</b>	<b>899</b>
B.I.2.1.	Software	10 658	7 757	2 901	899
<b>B.II.</b>	<b>Tangible fixed assets</b>	<b>102 823</b>	<b>57 634</b>	<b>45 189</b>	<b>53 314</b>
<b>B.II.1.</b>	<b>Land and buildings</b>	<b>3 088</b>	<b>1 815</b>	<b>1 273</b>	<b>1 055</b>
B.II.1.2.	Buildings	3 088	1 815	1 273	1 055
B.II.2.	Plant and equipment	86 145	50 005	36 140	43 191
B.II.3.	Adjustments to acquired fixed assets	13 590	5 814	7 776	8 682
<b>B.II.5.</b>	<b>Advance payments for tangible fixed assets and tangible fixed assets under construction</b>				<b>386</b>
B.II.5.1.	Advance payments for tangible fixed assets				70
B.II.5.2.	Tangible fixed assets under construction				316
<b>B.III.</b>	<b>Long-term investments</b>	<b>10 380</b>		<b>10 380</b>	<b>10 380</b>
B.III.1.	Equity investments - group undertakings	10 380		10 380	10 380
<b>C.</b>	<b>Current assets</b>	<b>376 636</b>	<b>34 042</b>	<b>342 594</b>	<b>308 128</b>
<b>C.I.</b>	<b>Inventories</b>	<b>1 517</b>		<b>1 517</b>	<b>2 016</b>
C.I.1.	Raw materials	196		196	261
<b>C.I.3.</b>	<b>Finished goods and goods for resale</b>	<b>1 321</b>		<b>1 321</b>	<b>1 755</b>
C.I.3.2.	Goods for resale	1 321		1 321	1 755
<b>C.II.</b>	<b>Receivables</b>	<b>238 152</b>	<b>34 042</b>	<b>204 110</b>	<b>232 479</b>
<b>C.II.1.</b>	<b>Long-term receivables</b>				<b>83</b>
C.II.1.4.	Deferred tax asset				83
<b>C.II.2.</b>	<b>Short-term receivables</b>	<b>238 152</b>	<b>34 042</b>	<b>204 110</b>	<b>232 396</b>
C.II.2.1.	Trade receivables	173 779	3 291	170 488	188 412
<b>C.II.2.4.</b>	<b>Receivables - other</b>	<b>64 373</b>	<b>30 751</b>	<b>33 622</b>	<b>43 984</b>
C.II.2.4.3.	Tax receivables	1 481		1 481	4 460
C.II.2.4.4.	Short-term advances paid	1 904		1 904	4 152
C.II.2.4.5.	Estimated receivables	4 223		4 223	10 910
C.II.2.4.6.	Other receivables	56 765	30 751	26 014	24 462
<b>C.IV.</b>	<b>Cash</b>	<b>136 967</b>		<b>136 967</b>	<b>73 633</b>
C.IV.1.	Cash in hand	180		180	193
C.IV.2.	Bank accounts	136 787		136 787	73 440
<b>D.</b>	<b>Deferrals</b>	<b>10 915</b>		<b>10 915</b>	<b>9 107</b>
D.1.	Prepaid expenses	10 915		10 915	9 107



# Balance sheet, in full format

As of 31. 3. 2019 (in CZK thousand)  
Translated from the Czech original

PST CLC, a.s.  
Corporate ID 253 97 249  
Nádražní 969/112  
702 00 Ostrava - Moravská Ostrava

		31. 3. 2019	31. 3. 2018
	<b>TOTAL LIABILITIES AND EQUITY</b>	<b>411 979</b>	<b>381 828</b>
<b>A.</b>	<b>Equity</b>	<b>272 448</b>	<b>259 250</b>
<b>A.I.</b>	<b>Registered capital</b>	<b>80 010</b>	<b>80 010</b>
A.I.1.	Registered capital	80 010	80 010
<b>A.II.</b>	<b>Premium and capital contributions</b>	<b>42 690</b>	<b>42 690</b>
A.II.1.	Premium	42 690	42 690
<b>A.IV.</b>	<b>Retained earnings (+/-)</b>	<b>128 550</b>	<b>116 307</b>
A.IV.1.	Retained profits (+/-)	128 550	116 307
<b>A.V.</b>	<b>Profit (loss) for the current period (+/-)</b>	<b>21 198</b>	<b>20 243</b>
<b>B+C</b>	<b>Liabilities</b>	<b>121 506</b>	<b>107 631</b>
<b>B.</b>	<b>Provisions</b>	<b>3 317</b>	<b>1 598</b>
B.IV.	Other provisions	3 317	1 598
<b>C.</b>	<b>Liabilities</b>	<b>118 189</b>	<b>106 033</b>
<b>C.I.</b>	<b>Long-term liabilities</b>	<b>297</b>	
C.I.8.	Deferred tax liability	297	
<b>C.II.</b>	<b>Short-term liabilities</b>	<b>117 892</b>	<b>106 033</b>
C.II.3.	Short-term advances received	12 825	7 696
C.II.4.	Trade payables	75 626	60 243
<b>C.II.8.</b>	<b>Liabilities - other</b>	<b>29 441</b>	<b>38 094</b>
C.II.8.1.	Liabilities to shareholders/members	259	173
C.II.8.3.	Payables to employees	7 816	8 182
C.II.8.4.	Social security and health insurance liabilities	4 795	4 884
C.II.8.5.	Tax liabilities and subsidies	1 327	1 906
C.II.8.6.	Estimated payables	11 405	19 977
C.II.8.7.	Other payables	3 839	2 972
<b>D.</b>	<b>Accruals</b>	<b>18 025</b>	<b>14 947</b>
D.1.	Accrued expenses	17 692	14 947
D.2.	Deferred revenues	333	

# Income Statement

## classification by nature

Year ended 31 March 2019 (in thousand of CZK)  
Translated from the Czech original

PST CLC, a.s.  
Corporate ID 253 97 249  
Nádražní 969/112  
702 00 Ostrava - Moravská Ostrava

		31. 3. 2019	31. 3. 2018
I.	Revenue from products and services	869 182	1 015 504
II.	Revenue from goods	2 729	1 444
<b>A.</b>	<b>Cost of sales</b>	<b>629 289</b>	<b>732 072</b>
A.1.	Costs of goods sold	2 055	1 119
A.2.	Materials and consumables	14 901	23 030
A.3.	Services	612 333	707 923
<b>D.</b>	<b>Personnel expenses</b>	<b>192 687</b>	<b>230 812</b>
D.1.	Wages and salaries	138 340	166 612
<b>D.2.</b>	<b>Social security, health insurance and other expenses</b>	<b>54 347</b>	<b>64 200</b>
D.2.1.	Social security and health insurance expenses	46 886	56 755
D.2.2.	Other expenses	7 461	7 445
<b>E.</b>	<b>Adjustments relating to operating activities</b>	<b>13 727</b>	<b>17 812</b>
<b>E.1.</b>	<b>Adjustments to intangible and tangible fixed assets</b>	<b>14 039</b>	<b>18 359</b>
E.1.1.	Depreciation and amortisation of intangible and tangible fixed assets	14 039	18 359
E.3.	Adjustments to receivables	-312	-547
<b>III.</b>	<b>Other operating revenues</b>	<b>317 459</b>	<b>334 385</b>
III.1.	Proceeds from disposals of fixed assets	1 449	4 559
III.3.	Miscellaneous operating revenues	316 010	329 826
<b>F.</b>	<b>Other operating expenses</b>	<b>324 416</b>	<b>335 240</b>
F.1.	Net book value of fixed assets sold	56	2 000
F.3.	Taxes and charges	254	341
F.4.	Provisions relating to operating activity and complex prepaid expenses	1 719	305
F.5.	Miscellaneous operating expenses	322 387	332 594
<b>*</b>	<b>Operating profit or loss (+/-)</b>	<b>29 251</b>	<b>35 397</b>
<b>VI.</b>	<b>Interest revenue and similar revenue</b>	<b>67</b>	<b>6</b>
VI.2.	Other interest revenue and similar revenue	67	6
VII.	Other financial revenues	13 348	9 176
K.	Other financial expenses	14 051	19 159
<b>*</b>	<b>Profit (loss) from financial operations</b>	<b>-636</b>	<b>-9 977</b>
<b>**</b>	<b>Profit (loss) before tax (+/-)</b>	<b>28 615</b>	<b>25 420</b>
<b>L.</b>	<b>Income tax</b>	<b>7 417</b>	<b>5 177</b>
L.1.	Current tax	7 037	6 184
L.2.	Deferred tax (+/-)	380	-1 007
<b>**</b>	<b>Profit (loss) after tax (+/-)</b>	<b>21 198</b>	<b>20 243</b>
<b>***</b>	<b>Profit (loss) for the accounting period (+/-)</b>	<b>21 198</b>	<b>20 243</b>
<b>*</b>	<b>Net turnover for the accounting period</b>	<b>1 202 785</b>	<b>1 360 515</b>



# Statement of Changes in Equity

for the year ended 31 March 2019 (in thousands of CZK)  
Translated from the Czech original

PST CLC, a.s.  
Corporate ID 253 97 249  
Nádražní 969/112  
702 00 Ostrava - Moravská Ostrava

	Registered capital	Premium	Other capital contributions	Retained profits (+/-)	Profit for the current period	Total
<b>Balance as at 1. 4. 2018</b>	<b>80 010</b>	<b>42 690</b>		<b>116 307</b>	<b>20 243</b>	<b>259 250</b>
Transfer of the profit of prior year period				20 243	-20 243	0
Dividends				-8 000		-8 000
Profit for the current period					21 198	21 198
<b>Balance as at 31. 3. 2019</b>	<b>80 010</b>	<b>42 690</b>		<b>128 550</b>	<b>21 198</b>	<b>272 448</b>

	Registered capital	Premium	Other capital contributions	Retained profits (+/-)	Profit for the current period	Total
<b>Balance as at 1. 1. 2017</b>	<b>80 010</b>	<b>42 690</b>	<b>45</b>	<b>107 317</b>	<b>28 945</b>	<b>259 007</b>
Transfer of the profit of prior year period				28 945		28 945
Reductions of funds			-45	45	-28 945	-28 945
Dividends				-20 000		-20 000
Profit for the current period					20 243	20 243
<b>Balance as at 31. 3. 2018</b>	<b>80 010</b>	<b>42 690</b>		<b>116 307</b>	<b>20 243</b>	<b>259 250</b>

# Cash Flow Statement for the year ended 31 March 2019

(in thousand of CZK)

Translated from the Czech original

PST CLC, a.s.  
Corporate ID 253 97 249  
Nádražní 969/112  
702 00 Ostrava - Moravská Ostrava

		Current period	Prior period
<b>P.</b>	<b>Cash and cash equivalents, beginning of period</b>	<b>73 633</b>	<b>109 442</b>
<b>Net operating cash flow</b>			
<b>Z:</b>	<b>Accounting profit (loss) from ordinary activities</b>	<b>28 615</b>	<b>25 420</b>
A.1.	Non-cash transactions	15 618	15 776
A.1.1.	Depreciation and amortisation of fixed assets	13 133	17 226
A.1.2.	Change in:	2 313	892
A.1.2.1.	goodwill and adjustments to acquired assets	906	1 133
A.1.2.2.	provisions and other adjustments	1 407	-241
A.1.3.	Profit(-) Loss(+) on sale of fixed assets	-1 393	-2 559
A.1.5.	Expense and revenue interests accounted for	-67	-6
A.1.6.	Other non-cash transactions	1 632	223
<b>A*.</b>	<b>Net operating cash flow before taxation financial items, changes in working capital and extraordinary items</b>	<b>44 233</b>	<b>41 196</b>
A.2.	A.2. Changes in working capital	36 345	-29 509
A.2.1.	Change in receivables from operating activities, estimated receivables and deferrals	21 265	-42 009
A.2.2.	Change in short-term liabilities from operating activities, estimated payables and accruals	14 581	13 079
A.2.3.	Change in inventories	499	-579
<b>A.**</b>	<b>Net operating cash flow before taxation, financial balances, and extraordinary items</b>	<b>80 578</b>	<b>11 687</b>
A.4.	Interest received	67	6
A.5.	Income tax paid on ordinary income and income tax relating to prior periods	-2 874	-9 979
<b>A.***</b>	<b>Net operating cash flow</b>	<b>77 771</b>	<b>1 714</b>
<b>Investing activities</b>			
B.1.	Acquisition of fixed assets	-7 972	-23 921
B.1.1.	Acquisition of tangible fixed assets	-5 013	-23 173
B.1.2.	Acquisition of intangible fixed assets	-2 959	-1 165
B.1.3.	Acquisition of long-term investments		417
B.2.	Proceeds from sales of fixed assets	1 449	4 559
B.2.1.	Proceeds from sales of tangible and intangible fixed assets	1 449	4 559
B.3.	Advances and loans to related parties		1 666
<b>B.***</b>	<b>Net cash flow from investing activities</b>	<b>-6 523</b>	<b>-17 696</b>
<b>Financing activities</b>			
C.1.	Change in long-term resp. short-term liabilities from financing	86	173
<b>C.2.</b>	<b>Increase and decrease in equity from cash transactions</b>	<b>-8 000</b>	<b>-20 000</b>
C.2.6.	Dividends paid, including withholding tax paid and bonuses paid to board members	-8 000	-20 000
<b>C.***</b>	<b>Net cash flow from financing activities</b>	<b>-7 914</b>	<b>-19 827</b>
<b>F.</b>	<b>Net increase or decrease in cash balance</b>	<b>63 334</b>	<b>-35 809</b>
<b>R.</b>	<b>Cash and cash equivalents, end of period</b>	<b>136 967</b>	<b>73 633</b>

Cash and cash equivalents also include cash at special bank accounts, the disposal of which is restricted for the Company (see note 3.16). Restricted cash as at 31 March 2019 totalled TCZK 12 970 (31 March 2018: TCZK 10 548).

# Notes to the Financial Statements

## for the year from 1 April 2018 to 31 March 2019

Name of the Company: **PST CLC, a.s.**  
Registered Office: **Nádražní 969/112, 702 00 Ostrava - Moravská Ostrava**  
Legal Status: **joint stock company**  
Corporate ID: **253 97 249**

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# 1. GENERAL INFORMATION

## 1.1. Incorporation and Description of the Business

PST CLC, a.s. was formed on 26 February 1998 and incorporated following its registration in the Register of Companies held by the Regional Court in Ostrava, File B, Insert 1895, on 30 June 1998.

The principal activities of the Company include logistics, shipment and customs services.

### Registered office

PST CLC, a.s.  
Nádražní 969/112, 702 00 Ostrava, Moravská Ostrava  
Czech Republic  
Corporate ID 253 97 249

### Shareholders of the Company

The sole shareholder of the Company as of 31 March 2019 is Mitsui-Soko (Europe) s.r.o., holding the shares with a nominal value of CZK 80 010 000, which is the 100% investment in the registered capital of the issuer.

The consolidated financial statements of the widest group of entities to which the Company as a consolidated entity belongs are prepared by Mitsui-Soko Holdings Co., Ltd., with its registered office at 20-1, Nishi-shimbashi 3-chome, Minato-ku, Tokyo 105-0003, Japan. The consolidated financial statements are available at the consolidating entity's registered office.

Mitsui-Soko (Europe) s.r.o., with its registered office at Prosecká 855/68, Prosek, 190 00 Praha 9, prepares its consolidated financial statements for the narrowest group of reporting entities. These financial statements are available at the registered office of Mitsui-Soko (Europe).

## 1.2. Changes and Additions to the Register of Companies in the Past Accounting Period

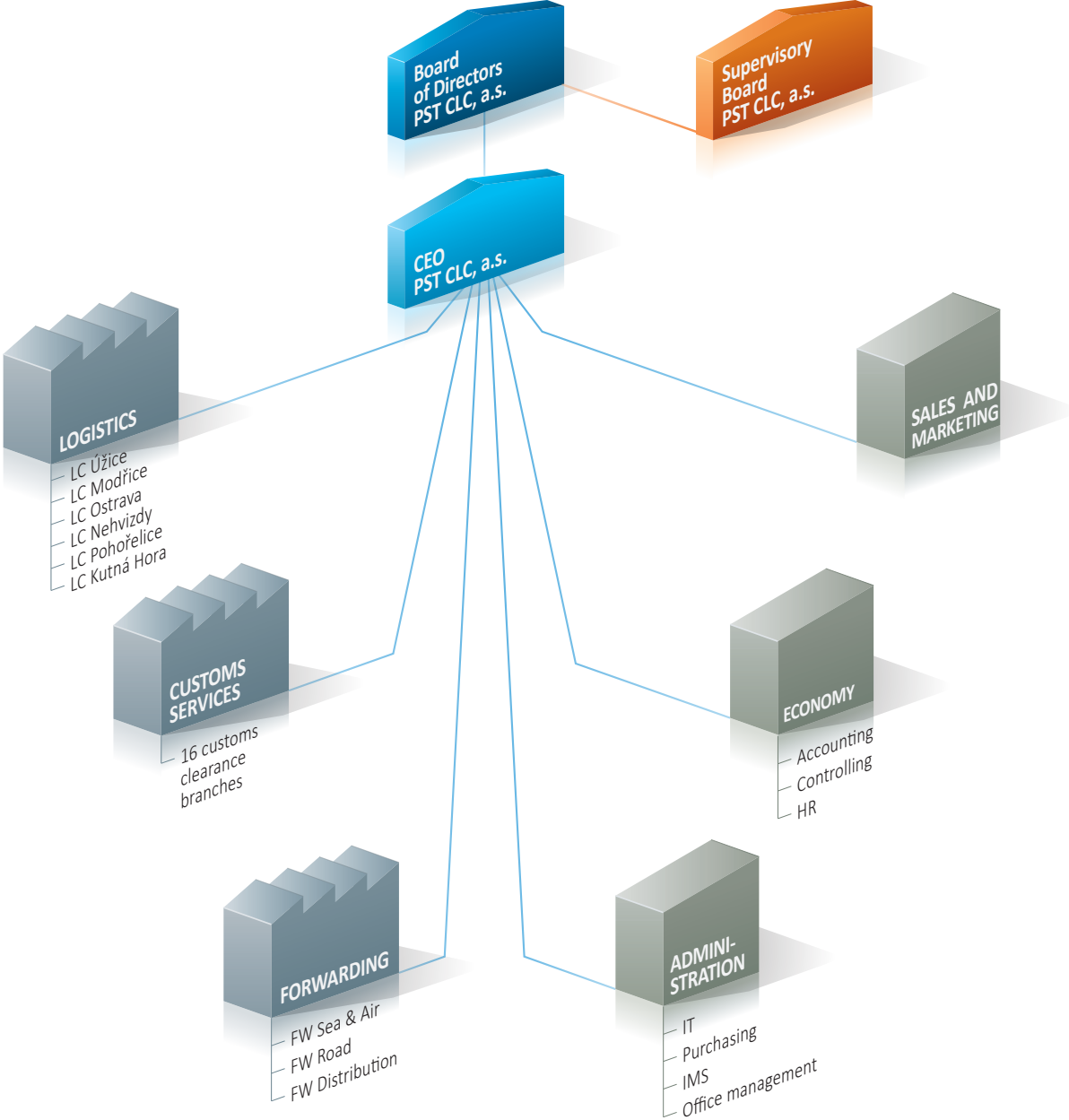
Changes to the Register of Companies in 2018 were as follows.

Record	Original entry	New entry	Membership arose on
Vice-chairman of the board of directors	Miroslav Bradna	Jiří Bradna	3 August 2018
Member of the board of directors	Jiří Bradna	Martin Benda	3 August 2018
Member of the board of directors	Yoshiaki Miyajima	Shigeki Kanai	1 April 2018
Member of the board of directors	Masaji Hosoda	Kazuo Iwanaji	1 April 2018
Chairman of the supervisory board	Kazuhiko Tanaka	Mitsugu Kai	1 April 2018

### 1.3. Organisational Structure

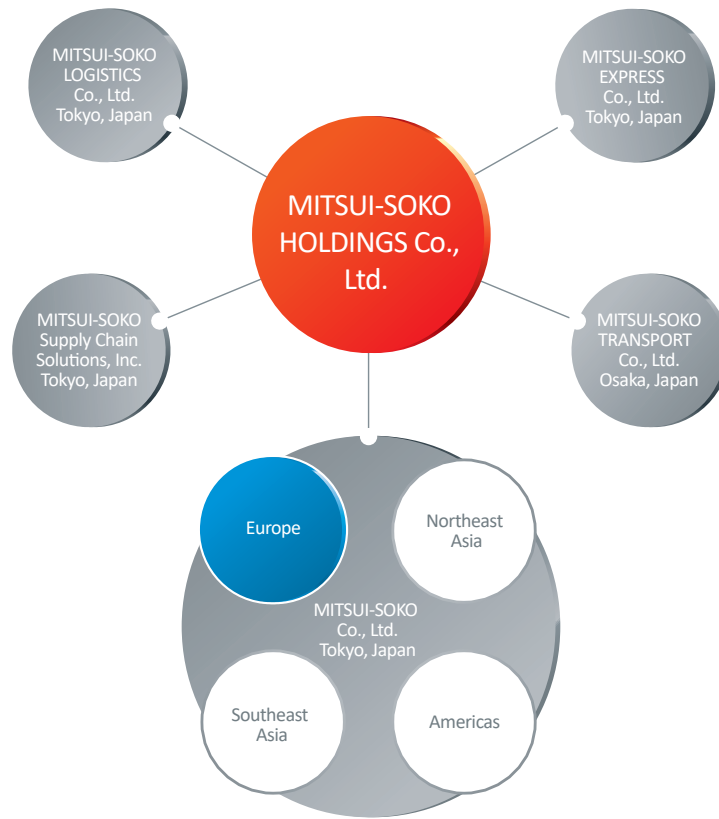
According to the nature of provided services, the Company is divided into executive divisions such as Logistics, Forwarding and Customs Services divisions. These divisions ensure technical and business functions necessary for their own functioning and performing activities in the extent of their registered business activity and competence.

Non-executive divisions are Administration, Economic, and Sales and Marketing divisions.



## 1.4. Group Identification

In the Group, the holding structure system is set with the ultimate parent, Mitsui-Soko Holdings. The Company is part of the group of European companies managed by Mitsui-Soko Co., Ltd., refer to the below scheme.



In previous years, the following changes took place in the European part of the Group:

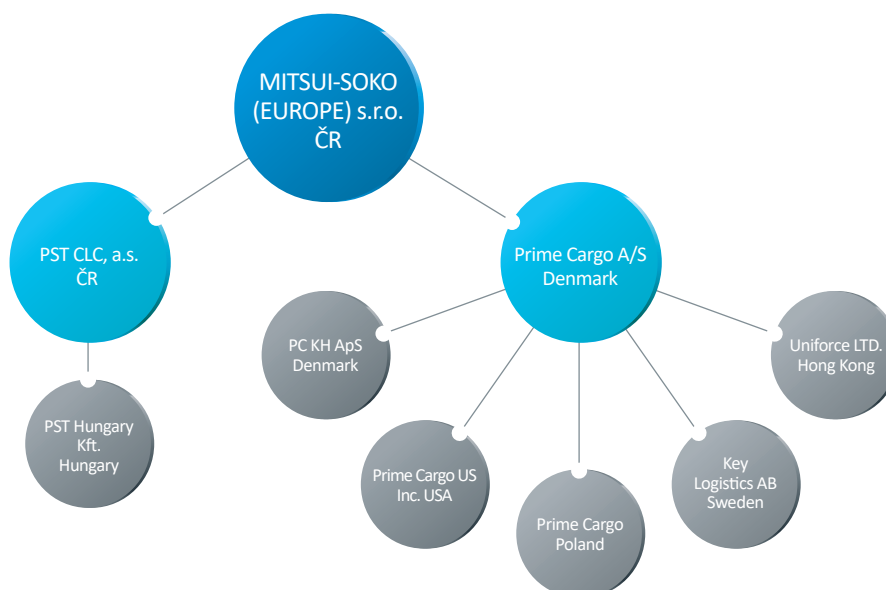
On 1 April 2018, Mitsui Soko International Pte Ltd. merged with Mitsui-Soko Co., Ltd. A new controlling entity for the European part of the Group is Mitsui-Soko Co., Ltd.

In 2017, Prime Cargo A/S sold One Chain Logistic and carried out the acquisition of Key Logistics AB, in which it holds a 30% share.

The acquisition of Prime Cargo A/S was carried out in May 2015. This entity was acquired as a 100% subsidiary of Mitsui-Soko (Europe) s.r.o.

PST Hungary Kft., a Hungarian company, was established as a 100% subsidiary of PST CLC, a.s. in September 2015.

For a complete structure of the European part of the Group refer to the below scheme.





## 1.5. Board of Directors and the Supervisory Board as of the Balance Sheet Date

	Position	Name
<b>Board of directors</b>	Chairman	Vít Votroubek
	Vice-chairman	Jiří Bradna
	Member	Hajime Ogawa
	Member	Shigeki Kanai
	Member	Kazuo Iwanaji
	Member	Martin Benda
<b>Supervisory board</b>	Chairman	Mitsugu Kai
	Member	Vojtěch Brouček
	Member	Pavína Otýpková

## 2. ACCOUNTING METHODS

The Company's accounting books and records are maintained and the financial statements were prepared in accordance with Accounting Act 563/1991 Coll., as amended; Regulation 500/2002 Coll., which provides implementation guidance on certain provisions of the Accounting Act for reporting entities that are businesses maintaining double-entry accounting records, as amended; and the Czech Accounting Standards for Businesses, as amended.

The accounting records are maintained in compliance with general accounting principles, specifically the historical cost valuation basis (unless stated otherwise), the accruals principle, the prudence concept, and the going concern assumption.

The financial statements have been prepared for the twelve-month period from 1 April 2018 to 31 March 2019 ("the 2018 fiscal period"). The financial statements as at 31 March 2018 have been prepared for the fifteen-month period ("2017 fiscal period"). Consequently, the prior period information is not comparable with the information as at 31 March 2019.

If not stated otherwise, financial data in these financial statements are presented in thousands of Czech crowns (CZK '000).

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES

### 3.1. Tangible and Intangible Fixed Assets

Fixed assets include assets with an estimated useful life greater than one year and an acquisition cost greater than CZK 40 thousand in respect of tangible assets, and CZK 60 thousand in respect of intangible assets, on an individual basis.

Purchased tangible and intangible fixed assets are stated at cost less accumulated depreciation and adjustments, if any.

When assessing the use and depreciation of tangible and intangible fixed assets, it was determined that the Company will use a single procedure for the depreciation. The depreciation period determined by the act and operational use in the organisation are equal, the depreciation is provided on a straight line basis in accordance with Section 30 and 31 of Act No. 586/1992 Coll. on Income Taxes, as amended. The depreciation plan of fixed assets for accounting purposes is identical to the methods used in the calculation of depreciation for tax purposes.

Assets are depreciated using the following methods over the following periods:

Assets	Method	Period
Machinery and equipment	Straight-line	5 years
Motor vehicles	Straight-line	5 years
Software	Straight-line	3 years
Adjustments to acquired fixed assets	Straight-line	15 years

The only exception is the depreciation of technical improvements to buildings that are not owned by the Company. The depreciation for accounting purposes depends on the lease term pertaining to a specific leased asset.

The Company considers creating adjustments to tangible fixed assets based on the results of the inventory taking, to the extent that the carrying value temporarily does not match the actual balance.

In the income statement, depreciation is presented in "Depreciation and amortisation of intangible and tangible fixed assets".

### 3.2. Low Value Tangible and Intangible Assets

The Company determined that low value tangible assets with the cost ranging from CZK 10 thousand to CZK 40 thousand and useful life exceeding one year, are depreciated over 12 months on a straight line basis following their being put into use. Low value tangible assets with the cost lower than CZK 10 thousand are recognised directly in consumption.

Low value intangible assets with the cost ranging from CZK 10 thousand to CZK 60 thousand and useful life exceeding one year, are depreciated over 12 months on a straight line basis following their being put into use. Low value intangible assets with the cost lower than CZK 10 thousand are recognised directly in consumption.

Tangible and intangible fixed assets are carried at cost.

### 3.3. Financial Assets

Financial assets with maturity or intent to hold exceeding one year are reported as long-term; financial assets with maturity or intent to hold up to one year are considered short-term.

#### Valuation of Financial Assets upon Acquisition

Upon acquisition, equity investments, securities and derivatives are stated at cost including the share premium and indirect acquisition costs.

#### Valuation of Financial Assets as of the Balance Sheet Date

Equity investments are stated at cost net of adjustments.

The Company reports the long-term part of the provided loan in 'Loans and borrowings – other', the short-term part is presented in 'Other receivables'.

As of the balance sheet date, the provided loan is measured at the amount of the outstanding portion of the principal.

### 3.4. Inventory

The Company recognises only the inventory of office equipment and pallets in logistics terminals. This inventory is carried at cost.

The Company recognises no adjustments to inventory given their nature and volume.

### 3.5. Receivables

Upon origination, receivables are stated at their nominal value as subsequently reduced by appropriate adjustments. The Company recognises adjustments to receivables from debtors in bankruptcy and settlement proceedings or insolvency proceedings and to receivables that are not subject to limitation periods in the amount determined by Act No. 593/1992 Coll., on Provisions to Ensure the Tax Base. Adjustments of up to 100% are created for receivables from companies in which extraordinary situations affecting the payment risk occurred, depending on the amount of risk and circumstances known in each individual case. In other cases, 100% adjustments are recognised for receivables where more than six months passed after the end of the agreed maturity period.

In the income statement, the establishment and release of adjustments is presented in "Adjustments to receivables".

### 3.6. Payables

Payables are stated at their nominal value.

### 3.7. Foreign Currency Translation

The Company translates foreign currencies using the daily exchange rate of the Czech National Bank. During the year, the Company recognises only realised foreign exchange rate gains and losses.

Assets and liabilities denominated in foreign currencies as of the balance sheet date are translated using the official exchange rate of the Czech National Bank. Unrealised foreign exchange rate gains and losses are recognised in profit or loss.

### 3.8. Finance Leases

Finance lease payments are charged to expenses. The initial lump-sum payment related to assets acquired under finance leases is amortised and expensed over the lease period. Upon the termination of the lease and use of the possibility of purchase, the leased asset is included in the assets of the Company at purchase price.

### 3.9. Provisions

As at the balance sheet date, a provision for untaken holidays is established based on an analysis of untaken holidays in the accounting period and average payroll expenses, including social security and health insurance expenses per employee.

The Company also creates other provisions to cover personnel expenses and costs of repair that may arise at the moment internal logistics projects for two major customers are terminated.

An income tax provision is established as the financial statements are prepared before the tax liability is determined. In the subsequent accounting period, the Company releases this provision and records the actual tax liability determined.

In the balance sheet, the income tax provision is reduced by income tax prepayments, and the net receivable (if any) is recorded in tax receivables.

### 3.10. Current Tax

Management of the Company has recognised a tax payable and a tax charge based on its tax calculation which follows from its understanding of the interpretation of Czech tax legislation valid at the financial statements date and believes that the

amount of tax is correct in compliance with the effective Czech tax regulations. Since various interpretations of tax laws and regulations by third parties, including state administrative bodies, exist, the income tax payable reported in the Company's financial statements may change based on the ultimate opinion of the tax authorities.

### 3.11. Deferred tax

Deferred tax is accounted for using the balance sheet liability method. The deferred tax is recognised in the income statement. Deferred tax assets and liabilities are offset and reported on an aggregate net basis in the balance sheet, except when partial tax assets cannot be offset against partial tax liabilities.

### 3.12. Impairment

At each balance sheet date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

### 3.13. Revenue Recognition

Revenues from the provision of logistics, shipment and customs services are recognised at the date of transaction resulting from concluded contracts, always in the period to which they relate in terms of timing and substance and in the amount of the consideration received or receivable, and represent amounts receivable for services provided in the normal course of business, net of discounts and value added tax.

### 3.14. Use of Estimates

The presentation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period. Management of the Company has made these estimates and assumptions on the basis of all relevant information available to it. Nevertheless, pursuant to the nature of estimates, the actual results and outcome in the future may differ from these estimates.

### 3.15. Year-on-Year Changes in Accounting Policies

The Company did not change its accounting policies in 2018.

### 3.16. Cash Flow Statement

The cash flow statement is prepared using the indirect method. Cash equivalents include current liquid assets easily convertible into cash in an amount agreed in advance. Cash and cash equivalents can be analysed as follows:

	(CZK '000)	
	31 March 2019	31 March 2018
Cash on hand and cash in transit	180	193
Cash at bank	136 787	73 440
<b>Total cash and cash equivalents</b>	<b>136 967</b>	<b>73 633</b>

As of 31 March 2019, the availability of the cash balance on the blocking bank account of CZK 12 970 thousand (31 March 2018: CZK 10 548 thousand) was restricted. This cash is blocked in line with the contractual terms for banking guarantees.

Cash flows from operating, investment and financial activities presented in the cash flow statement are not offset.

## 4. ADDITIONAL INFORMATION

### 4.1. Intangible Fixed Assets

Cost

	(CZK '000)				
	Opening balance	Additions	Disposals	Transfers	Closing balance
Software	9 801	2 959	2 102	0	10 658
Intangible FA under construction	0	0	0	0	0
Other	0	0	0	0	0
<b>Total 2018</b>	<b>9 801</b>	<b>2 959</b>	<b>2 102</b>	<b>0</b>	<b>10 658</b>
<b>Total 2017</b>	<b>8 782</b>	<b>1 165</b>	<b>0</b>	<b>0</b>	<b>8 782</b>



#### Adjustments and accumulated depreciation

(CZK '000)

	Opening balance	Additions	Disposals	Transfers	Closing balance	Adjustments	Net book value
Software	8 902	957	2 102	0	7 757	0	2 901
Intangible FA under construction	0	0	0	0	0	0	0
Ostatní	0	0	0	0	0	0	0
<b>Total 2018</b>	<b>8 902</b>	<b>957</b>	<b>2 102</b>	<b>0</b>	<b>7 757</b>	<b>0</b>	<b>2 901</b>
<b>Total 2017</b>	<b>8 135</b>	<b>767</b>	<b>0</b>	<b>0</b>	<b>8 902</b>	<b>0</b>	<b>899</b>

In 2018, the Company disposed of no intangible assets for which it would have recorded the net book value at the moment of the disposal.

## 4.2. Tangible Fixed Assets

### Cost

(CZK '000)

	Opening balance	Additions	Disposals	Transfers	Closing balance
Buildings	2 659	664	235	0	3 088
Property, plant and equipment	103 519	4 412	22 172	386	86 145
Adjustment to acquired fixed assets	13 590	0	0	0	13 590
Tangible FA under construction	316	0	0	-316	0
Advances for tangible FA	70	0	0	-70	0
<b>Total 2018</b>	<b>120 154</b>	<b>5 076</b>	<b>22 407</b>	<b>0</b>	<b>102 823</b>
<b>Total 2017</b>	<b>108 017</b>	<b>23 293</b>	<b>11 156</b>	<b>0</b>	<b>120 154</b>

#### Adjustments and accumulated depreciation

(CZK '000)

	Opening balance	Addition	Disposals	Transfer	Closing balance	Adjustments	Net book value
Buildings	1 604	286	75	0	1 815	0	1 273
Property, plant and equipment	60 328	11 512	21 835	0	50 005	0	36 140
Adjustment to acquired fixed assets	4 908	906	0	0	5 814	0	7 776
Advances for tangible FA	0	0	0	0	0	0	0
<b>Total 2018</b>	<b>66 840</b>	<b>12 704</b>	<b>21 910</b>	<b>0</b>	<b>57 634</b>	<b>0</b>	<b>45 189</b>
<b>Total 2017</b>	<b>58 404</b>	<b>17 592</b>	<b>9 156</b>	<b>0</b>	<b>66 840</b>	<b>0</b>	<b>53 314</b>

Major additions to tangible fixed assets in 2018 was the acquisition of equipment for warehouses such as additional camera systems and lighting, and the construction of a gallery in LC Úžice (CZK 1 100 thousand), passenger cars (CZK 1 747 thousand) and IT equipment (CZK 1 874 thousand).

In 2018, the Company sold assets with the net book value of CZK 280 thousand (2017: CZK 2 000 thousand). The total selling price was CZK 1 449 thousand (2017: CZK 4 559 thousand).

In addition to the disposal of assets that had been sold, the Company additionally disposed of the fully depreciated assets in 2018.

#### Adjustments to acquired fixed assets:

As a result of the contribution of part of Mitsui-Soko (Europe) s.r.o. made to the Company on 1 November 2012, the Company records an adjustment to acquired fixed assets of CZK 13 590 thousand including a related deferred tax liability. The total depreciation period has been set to 180 months. The adjustment to acquired fixed assets as at 31 March 2019 was CZK 7 776 thousand (31 March 2018: CZK 8 682 thousand).

#### Finance lease with a subsequent purchase of the leased asset:

The Company does not report any lease contracts.

#### Operating lease:

The cost of operating lease arrangements for 2018 was CZK 8 151 thousand (2017: CZK 9 275 thousand).

### 4.3. Long-term Investments

Equity investments in group undertakings as at 31 March 2019:

(CZK '000)

Company	Share	Registered office	Cost	Company's equity	Company's profit or loss	Carrying amount
PST Hungary Kft.	100 %	2537 Nyergesújfalu, Varga József tér 1., Maďarsko	10 380	15 578	2 299	10 380
<b>Total</b>			<b>10 380</b>	<b>15 578</b>	<b>2 299</b>	<b>10 380</b>

*\*the audited financial statements of PST Hungary Kft. were not available at the date of preparing the annual report*

PST Hungary Kft., a subsidiary with its registered office at 2537 Nyergesújfalu, Varga József tér 1., Hungary, Corporate ID: 01-09-270158, was established in 2015.

#### Other long-term investments:

The Company does not report any other long-term investments as at 31 March 2019.

### 4.4. Inventory

Inventories as at 31 March 2019 in the gross amount of CZK 1 517 thousand (31 March 2018: CZK 2 016 thousand) only comprise office supplies of CZK 196 thousand (31 March 2018: CZK 261 thousand) and pallets of CZK 1 321 thousand (31 March 2018: CZK 1 755 thousand). No adjustment to these inventories was established as at 31 March 2019 (31 March 2018: CZK 0 thousand).

### 4.5. Short-Term Receivables

Short-term trade receivables (gross) as of 31 March 2019 total CZK 173 779 thousand (31 March 2018: CZK 192 015 thousand), of which CZK 16 184 thousand (31 March 2018: CZK 15 784 thousand) is overdue.

An adjustment to these receivables as of 31 March 2019 was CZK 3 291 thousand (31 March 2018: CZK 3 603 thousand).

Other receivables include receivables from customs debts and other receivables. As of 31 March 2019, their gross amount is CZK 56 765 thousand (31 March 2018: CZK 55 213 thousand), of which CZK 36 747 thousand (31 March 2018: CZK 34 841 thousand) is overdue. An adjustment for doubtful receivables as of 31 March 2019 was CZK 30 751 thousand (31 March 2018: CZK 30 751 thousand). The largest share in the provisioning level relates to the outstanding receivable from the customs debt from 2006 of CZK 28 908 thousand. This receivable cannot be removed from the accounting records due to the pending bankruptcy proceedings.

### 4.6. Deferrals

Prepaid expenses primarily include deferred expenses relating to the lease of LC Pohořelice of CZK 1 799 thousand (31 March 2018: CZK 1 786 thousand).

Another major item of prepaid expenses as of 31 March 2019 relates to the lease of the LC Nehvizdy warehouse for the 4/2019 period of CZK 1 478 thousand (31 March 2018: CZK 5 188 thousand).

Estimated receivables primarily include unbilled transport services of CZK 3 082 thousand (31 March 2018: CZK 10 254 thousand) and unsettled employee-related damage of CZK 358 thousand (31 March 2018: CZK 656 thousand).

### 4.7. Equity

The profit generated for the year ended 31 March 2019 will partially be used to pay out dividends to the sole shareholder, with the remaining amount transferred to retained earnings brought forward.

### 4.8. Short-Term Payables

Short-term trade payables amount to CZK 75 626 thousand (31 March 2018: CZK 60 243 thousand), of which CZK 3 835 thousand (31 March 2018: CZK 4 347 thousand) includes payables past their due dates.

Other payables include payables arising from customs debt and other payables. These amount to CZK 3 839 thousand (31 March 2018: CZK 2 972 thousand), of which CZK 2 thousand are past their due dates (31 March 2018: CZK 0 thousand) included payables past their due dates).

Short-term prepayments received include prepayments made in relation to the provision of customs services of CZK 12 825 thousand (31 March 2018: CZK 7 696 thousand).

## 4.9. Deferred Tax

The total deferred tax liability can be analysed as follows:

(CZK '000)

	Balance at 31 March 2019	Balance at 31 March 2018
Net book value of fixed assets	458	1 189
Adjustment to acquired fixed assets	-1 477	-1 650
Social security and health insurance	92	74
Adjustment to receivables	0	0
Provisions	630	304
<b>Total deferred tax asset/(liability)</b>	<b>-297</b>	<b>83</b>

## 4.10. Provisions

(CZK '000)

	Provision for untaken holidays	Other provisions	Total
Balance as of 31 March 2018	1 598	0	1 598
Additions	1 622	1 695	3 317
Utilisation	-1 598	0	-1 598
<b>Balance as of 31 March 2019</b>	<b>1 622</b>	<b>1 695</b>	<b>3 317</b>

The Company also created other provisions to cover personnel expenses and costs of repair that may arise at the moment internal logistics projects for two major customers are terminated.

In 2018, the income tax provision of CZK 7 037 thousand was reduced by income tax prepayments of CZK 6 767 thousand and the net liability of CZK - 270 thousand was reported in tax liabilities and subsidies.

## 4.11. Income from Ordinary Activities

The services provided in 2018 and 2017 were as follows:

(CZK '000)

	Year ended 31 March 2019	Year ended 31 March 2018
Goods	2 729	1 444
<b>Total revenue from goods</b>	<b>2 729</b>	<b>1 444</b>
Logistics	323 214	449 958
Shipping and distribution	435 608	296 762
Customs services	108 621	123 551
Other	7 279	6 387
<b>Total revenue from own products and services</b>	<b>869 182</b>	<b>1 015 504</b>

## 4.12. Purchase of Services

The services purchased in 2018 and 2017 were as follows:

(CZK '000)

	Year ended 31 March 2019	Year ended 31 March 2018
Repairs	4 389	9 067
Software services	5 336	5 955
Advisory services	2 779	2 580
Advertising and entertainment	4 436	4 491
Transportation and shipping	382 969	384 358
Rent	104 533	170 689
Customs services	9 579	7 705
Handling fees	38 937	53 431
Hiring-out of employees	30 284	30 027
Management Fee	0	4 449
FX royalties	19 018	21 807
Other	10 073	13 364
<b>Total</b>	<b>612 333</b>	<b>707 923</b>



## 4.13. Employees, Management and Statutory Bodies

The number of employees and executives and related staff costs were as follows:

	2018		2017	
	Number	Staff costs	Number	Staff costs
Employees	369	179 360	389	222 567
Executives	8	13 327	7	8 245
<b>Total</b>	<b>377</b>	<b>192 687</b>	<b>396</b>	<b>230 812</b>

(CZK '000)

The number of employees is based on the average recalculated number of employees plus three members of the Company management who have entered into contracts to perform a service.

The Company management as of 31 March 2019 comprises the following positions: CEO, Customs Services Director, Logistics Director, Forwarding Director, Sales Director, Economic Division General Manager, and Administration General Manager.

Members of the Board of Directors, Supervisory Board and members of statutory bodies received the following remuneration:

2018	Board of Directors		Supervisory Board	
Bonuses	5 252		348	

(CZK '000)

2017	Board of Directors		Supervisory Board	
Bonuses	4 836		435	

(CZK '000)

## 4.14. Other Operating Revenues and Expenses

Other operating revenues in 2018 amount to CZK 316 010 thousand (2017: CZK 329 826 thousand), which principally include revenues from customs debt of CZK 306 449 thousand (2017: CZK 316 449 thousand) and also NVO data of CZK 4 100 thousand (2017: CZK 6 980 thousand).

Other operating expenses in 2018 amount to CZK 322 387 thousand (2017: CZK 332 594 thousand), which principally include customs debt costs of CZK 306 449 thousand (2017: CZK 316 449 thousand) and also NVO data of CZK 4 100 thousand (2017: CZK 6 980 thousand).

## 4.15. Financial Revenues and Expenses

Financial revenues include interest received of CZK 67 thousand (2017: CZK 6 thousand) and foreign exchange rate gains of CZK 13 348 thousand (2017: CZK 9 176 thousand).

Financial expenses include foreign exchange rate losses of CZK 11 509 thousand (2017: CZK 17 077 thousand) and other financial expenses (banking fees) of CZK 2 542 thousand (2017: CZK 2 082 thousand).

## 4.16. Related Party Transactions

The direct parent is the sole shareholder of the Company, Mitsui-Soko (Europe) s.r.o., and the ultimate controlling entity as of 31 March 2019 is Mitsui-Soko Co., Ltd. based in Tokyo, Japan.

Another related party is PST-Invest, spol. s r.o. owned by the prior owner and the late Vice-Chairman of the Board of Directors, Miroslav Bradna. The membership of Miroslav Bradna in the Board of Directors terminated on 2 August 2018.

Other related parties are the entities of the Mitsui-Soko group with which the Company entered into business transactions.

Revenues generated from related party transactions for the 2018 fiscal period amounted to CZK 140 696 thousand (2017: CZK 130 013 thousand).

Expenses arising from related party transactions for the 2018 fiscal period amounted to CZK 26 813 thousand (2017: CZK 26 300 thousand).

In 2018, the Company paid out a dividend of CZK 8 000 thousand to its parent company, Mitsui-Soko (Europe) s.r.o.

**Revenues from related party transactions for the period from 1 April 2018 to 31 March 2019:**

(CZK '000)

Entity	Relationship with the Company	Services	Other	Total as of 31 March 2019
Mitex International (Hong Kong) Ltd.	affiliate	31	0	31
Mitex Logistics (Shanghai) Co., Ltd.	affiliate	717	0	717
Mitsui-Soko (Europe) s.r.o.	parent	2 489	0	2 489
Mitsui-Soko (Singapore) Pte Ltd	affiliate	12	0	12
Mitsui-Soko (Thailand) Co., Ltd.	affiliate	274	0	274
Mitsui-Soko Bizport Co., Ltd.	affiliate	1	0	1
Mitsui-Soko Co., LTD	affiliate	13 453	0	13 453
Mitsui-Soko Express Co., Ltd.	affiliate	20 485	4 131	24 616
Mitsui-Soko Mexico S.A. de C.V.	affiliate	1 380	0	1 380
Mitsui-Soko Supply Chain Solutions, Inc.	affiliate	70 424	0	70 424
MS Supply Chain Solutions (Malaysia) Sdn. Bhd.	affiliate	582	0	582
N.V. MSE Europe S.A., organizational unit	affiliate	263	13	276
PT.Mitsui-Soko Indonesia	affiliate	62	0	62
Prime Cargo A/S (Denmark)	affiliate	11 545	0	11 545
Prime Cargo Shanghai Ltd	affiliate	151	0	151
PST Hungary Kft.	subsidiary	14 621	62	14 683
<b>Total</b>		<b>136 490</b>	<b>4 206</b>	<b>140 696</b>

**Expenses arising from related party transactions for the period from 1 April 2018 to 31 March 2019:**

(CZK '000)

Entity	Relationship with the Company	Services	Other	Total as of 31 March 2019
Mitex International (Hong Kong) Ltd.	affiliate	51	0	51
Mitex Logistics (Shanghai) Co., Ltd.	affiliate	29	0	29
Mitsui-Soko (Malaysia) Sdn. Bhd.	affiliate	542	0	542
Mitsui-Soko (Thailand) Co., Ltd.	affiliate	3 539	0	3 539
Mitsui-Soko (U.S.A.) Inc.	affiliate	14	0	14
Mitsui-Soko Co., LTD	affiliate	1 575	13	1 588
Mitsui-Soko Express Co., Ltd.	affiliate	11 267	4 783	16 050
Mitsui-Soko Holdings Co., Ltd.	controlling	5	0	5
Mitsui-Soko Mexico S.A. de C.V.	affiliate	184	0	184
Mitsui-Soko Supply Chain Solutions, Inc.	affiliate	69	0	69
Prime Cargo A/S (Denmark)	affiliate	39	0	39
Prime Cargo Shanghai Ltd	affiliate	3 059	0	3 059
Prime Cargo (H.K.) Ltd.	affiliate	273	0	273
PST Hungary Kft.	affiliate	586	0	586
PST-Invest, spol. s r.o.	owned by the vice-chairman of the board of directors (until August 2018)	785	0	785
<b>Total</b>		<b>22 017</b>	<b>4 796</b>	<b>26 813</b>

**Payables to related parties as of 31 March 2019:**

(CZK '000)

Entity	Relationship with the Company	Short-term trade payables	Total as of 31 March 2019
Mitex Logistics (Shanghai) Co., Ltd..	affiliate	7	7
Mitsui-Soko Express Co., Ltd.	affiliate	2 173	2 173
Mitsui-Soko Holdings Co., Ltd.	controlling	1	1
Mitsui-Soko Supply Chain Solutions, Inc.	affiliate	30	30
Prime Cargo (H.K.) Ltd.	affiliate	24	24
Prime Cargo Shanghai Ltd.	affiliate	524	524
<b>Total</b>		<b>2 759</b>	<b>2 759</b>

**Payables to related parties as of 31 March 2018:**

(CZK '000)

Entity	Relationship with the Company	Short-term trade payables	Total as of 31 March 2018
Mitsui-Soko Co., Ltd.	affiliate	50	50
Mitsui-Soko Holdings Co., Ltd.	controlling	10	10
Mitsui-Soko (Europe) s.r.o.	parent	252	252
Mitsui-Soko Express Co., Ltd.	affiliate	552	552
Mitsui Soko International Pte Ltd.	affiliate	211	211
Mitsui-Soko (Thailand) Co., Ltd.	affiliate	70	70
PST Hungar Kft.	affiliate	6	6
Prime Cargo (H.K.) Ltd.	affiliate	1	1
Prime Cargo Limited Shanghai	affiliate	43	43
<b>Total</b>		<b>1 195</b>	<b>1 195</b>

**Receivables from related parties as of 31 March 2019:**

(CZK '000)

Entity	Relationship with the Company	Short-term trade receivables	Total as of 31 March 2019
Mitex Logistics (Shanghai) Co., Ltd..	affiliate	197	197
Mitsui-Soko Express Co., Ltd.	affiliate	4 497	4 497
Mitsui-Soko Supply Chain Solutions, Inc.	affiliate	5 487	5 487
Mitsui-Soko Co., LTD	affiliate	1 550	1 550
Mitsui-Soko (Europe) s.r.o.	affiliate	9	9
Mitsui-Soko (Thailand) Co., Ltd.	affiliate	29	29
Mitsui-Soko (Singapore) Pte Ltd	affiliate	13	13
Mitsui-Soko Bizport Co., Ltd.	affiliate	1	1
Prime Cargo A/S (Denmark)	affiliate	1 313	1 313
<b>Total</b>		<b>13 096</b>	<b>13 096</b>

**Receivables from related parties as of 31 March 2018:**

(CZK '000)

Entity	Relationship with the Company	Short-term trade receivables	Total as of 31 March 2018
Mitex Logistics (Shanghai) Co., Ltd..	affiliate	503	503
Mitsui-Soko Express Co., Ltd.	affiliate	3 281	3 281
Mitsui-Soko Supply Chain Solutions, Inc.	affiliate	4 166	4 166
Mitsui-Soko Co., LTD	affiliate	795	795
Mitsui-Soko (Europe) s.r.o.	affiliate	47	47
Mitsui-Soko (Thailand) Co., Ltd.	affiliate	16	16
Mitsui-Soko (U.S.A.) Inc.	affiliate	165	165
Mitsui-Soko International Japan Co., Ltd.	affiliate	1 303	1 303
Prime Cargo A/S (Denmark)	affiliate	774	774
<b>Total</b>		<b>11 050</b>	<b>11 050</b>

#### 4.17. Total Fee to the Statutory Auditor/Audit Company

The Company is part of the consolidated group of the parent company, Mitsui-Soko (Europe) s.r.o. Information on fees paid to the statutory auditor is provided in the consolidated financial statements.

#### 4.18. Contingencies and Commitments

As of 31 March 2019, the Company records contingencies and commitments in form of bank guarantees of CZK 308 961 thousand (31 March 2018: CZK 144 759 thousand). These bank guarantees are used to secure customs debt and payment obligations resulting from lease contracts.

#### 4.19. Subsequent events

No significant events occurred after the balance sheet date.

# Report on relations

between related parties for the accounting period from 1 April 2018 to 31 March 2019

This report on relations between PST CLC, a.s., with its registered office at Nádražní 969/112, 702 00 Ostrava-Moravská Ostrava, Identification No. 253 972 49, recorded in the Commercial Register maintained by the Regional Court in Ostrava, File B, Insert 1895 (“the Company”) and its controlling entities, between the Company and entities controlled by the same controlling entity, and between the Company and other related entities has been prepared pursuant to Section 82 et seq. of Act No. 90/2012 Coll., on Business Corporations, as amended, for the reporting period from 1 April 2018 to 31 March 2019 (“the preceding reporting period”).

## I. Definition of controlling and controlled entities and structure of their relations

### A. Controlling entities

**Mitsui-Soko (Europe) s.r.o.**, a limited liability company, with its registered office at Prosek Point – Building C, Prosecká 855/68 190 00 Praha 9, Identification No. 242 271 53

Relation: In the preceding reporting period, Mitsui-Soko (Europe) s.r.o. was a controlling entity of the Company.

**Mitsui-Soko Holdings Co., Ltd.**, with its registered office at Minato-ku, Tokyo, Nishi-Shimbashi 3-chome 20-1, Japan, Identification No. 0104-01-046416

Relation: In the preceding reporting period, Mitsui-Soko Holdings Co., Ltd. was a controlling entity of Mitsui-Soko (Europe) s.r.o.

Mitsui-Soko Holdings Co., Ltd. is the sole member of Mitsui-Soko (Europe) s.r.o. and is not controlled by another controlling entity.

### B. Entities controlled by the controlled entity

**PST Hungary Kft.**, with its registered office at 2537 Varga József tér 1, Hungary, Identification No. 01-09-270158

Relation: In the preceding reporting period, PST Hungary Kft. Was a controlled entity of the Company, being a 100% subsidiary of PST CLC, a.s.

### C. Entities controlled by the same controlling entity

Set out below are companies of the Mitsui-Soko group with whom PST CLC, a.s. carried out business in 2018/19:

Mitsui Soko Co., Ltd	Tokyo, Japan
Mitsui-Soko Bizport Co., Ltd.	Tokyo, Japan
Mitsui-Soko Express Co., Ltd.	Tokyo, Japan
Mitsui Soko (Malaysia) Sdn. Bhd.	Malaysia
Mitsui-Soko (Singapore) Pte Ltd.	Singapore
Mitsui-Soko (Thailand) Co., Ltd.	Bangkok, Thailand
Mitsui-Soko (USA) Inc.	Carson, USA
Mitsui-Soko Mexico S.A. de C.V.	Mexico
Mitsui-Soko Supply Chain Solutions, Inc.	Tokyo, Japan
MS Supply Chain Solutions (Malaysia) Sdn. Bhd.	Malaysia
PT. Mitsui-Soko Indonesia	Indonesia
MITEX International	Ltd. Koeloon, Hong Kong
MITEX Logistics (Shanghai) Co., Ltd.	Shanghai, China
N.V. MSE Europe, organizational unit	Belgium
Prime Cargo A/S	Denmark
Prime Cargo Shanghai Ltd.	Shanghai
Prime Cargo (H.K.) Ltd.	Hong Kong

### D. Other related parties

**PST-Invest, spol. s r.o.**, a limited liability company, with its registered office at Nádražní 969/112, 702 00 Ostrava-Moravská Ostrava, Identification No. 483 959 78

Relation: In the preceding reporting period, PST-Invest, spol. s r.o. was controlled by Miroslav Bradna, the former vice-chairman of the board of directors of the Company. Miroslav Bradna’s term of office in the Company’s board of directors terminated on 2 August 2018.



## II. Role of PST CLC, a.s. and method and means of control

In the relations with the entities under Chapter I of this Report on relations, the Company acts as an entity whose principal activity is the provision of services in freight forwarding, logistics and customs.

The Company is directly controlled by Mitsui-Soko (Europe) s.r.o.

In the preceding reporting period, Mitsui-Soko (Europe) s.r.o. exercised its control over the Company as its sole shareholder acting in the capacity of the general meeting of the Company and acting in the capacity of the board of directors of the Company.

## III. Overview of acts and agreements

### a) Overview of acts and mutual transactions between the Company and related parties:

#### Revenues generated with related parties for the period from 1 April 2018 to 31 March 2019

(‘000)

Entity	Relation to the Company	Services	Other	Total as at 31 March 2019
Mitex International (Hong Kong) Ltd.	Fellow subsidiary	31	0	31
Mitex Logistics (Shanghai) Co., Ltd.	Fellow subsidiary	717	0	717
Mitsui-Soko (Europe), s.r.o.	Parent	2 489	0	2 489
Mitsui-Soko (Singapore) Pte Ltd	Fellow subsidiary	12	0	12
Mitsui-Soko (Thailand) Co., Ltd.	Fellow subsidiary	274	0	274
Mitsui-Soko (U.S.A.) Inc.	Fellow subsidiary	-14	0	-14
Mitsui-Soko Bizport Co., Ltd.	Fellow subsidiary	1	0	1
Mitsui-Soko Co., LTD	Fellow subsidiary	13 453	0	13 453
Mitsui-Soko Express Co., Ltd.	Fellow subsidiary	20 485	4 131	24 616
Mitsui-Soko Mexico S.A. de C.V.	Fellow subsidiary	1 380	0	1 380
Mitsui-Soko Supply Chain Solutions, Inc.	Fellow subsidiary	70 424	0	70 424
MS Supply Chain Solutions (Malaysia) Sdn. Bhd.	Fellow subsidiary	582	0	582
N.V. MSE Europe S.A., organizational unit	Fellow subsidiary	263	13	276
PT.Mitsui-Soko Indonesia	Fellow subsidiary	62	0	62
Prime Cargo A/S (Denmark)	Fellow subsidiary	11 545	0	11 545
Prime Cargo Shanghai Ltd	Fellow subsidiary	151	0	151
PST Hungary Kft.	Subsidiary	14 621	62	14 683
<b>Total</b>		<b>136 490</b>	<b>4 206</b>	<b>140 696</b>

“Services” include business transactions between entities, primarily in the forwarding segment (transportation). For Mitsui Soko (Europe), “Services” comprise mainly bookkeeping, personnel services and consolidation.

“Other” comprise rebilling of NVO data.

#### Purchases from related parties for the period from 1 April 2018 to 31 March 2019

(‘000)

Entity	Relation to the Company	Services	Other	Total as at 31 March 2019
Mitex International (Hong Kong) Ltd.	Fellow subsidiary	51	0	51
Mitex Logistics (Shanghai) Co., Ltd.	Fellow subsidiary	29	0	29
Mitsui-Soko (Malaysia) Sdn. Bhd.	Fellow subsidiary	542	0	542
Mitsui-Soko (Thailand) Co., Ltd.	Fellow subsidiary	3 539	0	3 539
Mitsui-Soko Co., LTD	Fellow subsidiary	1 575	13	1 588
Mitsui-Soko Express Co., Ltd.	Fellow subsidiary	11 267	4 783	16 050
Mitsui-Soko Holdings Co., Ltd.	Parent	5	0	5
Mitsui-Soko Mexico S.A. de C.V.	Fellow subsidiary	184	0	184
Mitsui-Soko Supply Chain Solutions, Inc.	Fellow subsidiary	69	0	69
Prime Cargo A/S (Denmark)	Fellow subsidiary	39	0	39
Prime Cargo Shanghai Ltd	Fellow subsidiary	3 059	0	3 059
Prime Cargo (H.K.) Ltd.	Fellow subsidiary	273	0	273
PST Hungary Kft.	Subsidiary	586	0	586
PST-Invest, spol. s r.o.	Owned by the vice chairman of the board of directors (until August 2018)	785	0	785
<b>Total</b>		<b>22 017</b>	<b>4 796</b>	<b>26 813</b>

“Services” include business transactions between entities, primarily in the forwarding segment (transportation). For PST Invest, “Services” includes lease of real estate (calculated only for the term of office of Miroslav Bradna in the Company’s board of directors, i.e. 5 months).

The Company paid a dividend of CZK 8 000 thousand to the parent company Mitsui-Soko (Europe) s.r.o. in 2018.

**b) Overview of agreements between the Company and related parties pursuant to Section 82 (2) (e) of the Act on Business Corporations in effect in the preceding reporting period:**

**1. Agreements between the Company and PST-Invest:**

- Agreement on rental of commercial premises;
- Agreement on rental of commercial premises and parking area; and
- Agency agreement on real estate administration.

**2. Agreements between the Company and Mitsui-Soko (Europe):**

- Agreement on storage and other storage-related services;
- Agreement on lease of office premises;
- Agreement on lease of vehicles;
- Agency agreement on provision of personnel and administrative services;
- Commission agent's agreement on indirect representation in customs proceedings; and
- Agreement on provision of accounting services.

**3. Agreements between the Company and other companies of the Mitsui-Soko group:**

- These business activities in the field of forwarding and logistics are controlled by the central office in Japan, and they are carried out based on single partial supplies for each executed order.

**c) In the preceding reporting period, no business relations were effected between the Company and related parties other than entities listed in this Report in the preceding reporting period.**

**d) The management of the Company is not aware of any actions taken in the preceding reporting period at the instigation or in the interest of a controlling entity or entities controlled by it that would concern assets exceeding 10 % of the controlling entity's equity as ascertained from the last financial statements.**

## IV. Assessment of relations

This Report on relations contains all significant facts that form an essential part of a report on relations pursuant to Section 82 of the Act on Business Corporations, concerning relations between the Company and its controlling entities, entities controlled by the same controlling entity and other related entities

All of the above supplies and considerations were provided at arm's length prices common to commercial relations with unrelated parties and, therefore, the parties to the contracts did not incur any damage.

The Company considers its relations with the controlling entities and other related parties to be advantageous and not posing any risks to the Company other than common market risks arising from business activities in the respective field.

The membership in the Mitsui-Soko group brings the following advantages to the Company:

- the Company can use the customer base of the related entities and vice versa;
- due to the membership in the business group, the Company has access to the up-to-date information on market development;
- the Company may use the interconnected network of branches for its business activities even outside the Czech Republic.

## V. Conclusion

The statutory body of PST CLC, a.s. declares that the data included in this Report are accurate and complete, and that during the preparation of the Report pursuant to Section 82 et seq. of Act No. 90/2012 Coll., on Business Corporations, they proceeded fully in the extent of all the information and data that the statutory body had at their disposal or ascertained while exercising their due managerial care.

It follows from the aforementioned part of the Report that PST CLC, a.s. did not incur any damage from the relations between related parties within the Mitsui-Soko group or PST-Invest spol. s r.o., that supplies and considerations were provided at arm's length prices common to commercial relations with unrelated parties in the respective place and in the given time, that no other legal acts were made by the controlled entity in the interest of the entities controlled by the same controlling party or in the interest of the controlling party.

In Ostrava on 10 June 2019

**Vít Votroubek**  
Chairman of the board of directors

**Jiří Bradna**  
Vice-chairman of the board of directors



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This document is a signed English translation of the Czech auditor's report.  
Only the Czech version of the report is legally binding.

**Independent Auditor's Report to the Shareholder of  
PST CLC, a.s.**

***Opinion***

We have audited the accompanying financial statements of PST CLC, a.s. ("the Company"), prepared in accordance with Czech accounting legislation, which comprise the balance sheet as at 31 March 2019, and the income statement, the statement of changes in equity and the cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes. Information about the Company is set out in Note 1 to the financial statements.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2019, and of its financial performance and its cash flows for the year then ended in accordance with Czech accounting legislation.

***Basis for Opinion***

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

***Other Information***

In accordance with Section 2(b) of the Act on Auditors, other information is defined as information included in the annual report other than the financial statements and our auditor's report. The statutory body is responsible for the other information.

Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, our responsibility is to read the



other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with applicable laws and regulations, in particular, whether the other information complies with laws and regulations in terms of formal requirements and the procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with those requirements could influence judgments made on the basis of the other information.

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

- the other information describing matters 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 applicable laws and regulations.

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

#### ***Responsibilities of the Statutory Body and Supervisory Board for the Financial Statements***

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

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

The Supervisory Board is responsible for the oversight of the Company's 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 above regulations will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements,





whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the statutory body.
- Conclude on the appropriateness of the statutory body's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

#### **Statutory Auditor Responsible for the Engagement**

Milan Bláha is the statutory auditor responsible for the audit of the financial statements of PST CLC, a.s. at 31 March 2019, based on which this independent auditor's report has been prepared.

Prague  
10 June 2019

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KPMG Česká republika Audit, s.r.o.  
Registration number 71

Fergus Cunningham  
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