



WE ARE SCIENTISTS, MANUFACTURERS
& VISIONARIES

ANNUAL REPORT 2024



FOREWORD

Dear friends,

After successfully completing our five-year strategy up to 2023, we, the companies within the MEGA Group, also managed to meet the goals of the first year of our new 2024–2028 Strategy. This achievement is even more valuable given the highly challenging conditions currently affecting international markets.

Our aim is to further strengthen our position on the European and global stage, especially in the field of electromembrane processes. Water treatment and purification have long been our top priority. Already today, we are among the European leaders in electrodeionization and electrodialysis. In cooperation with Fumatech, we are expanding the application potential with homogeneous membranes, which allows us to stabilize our market position further. Additionally, our research and development base is actively working on so-called special applications of membrane processes, helping to address serious environmental issues.

Another major cornerstone of our success is the electrophoretic coating process for surface treatment in cooperation with PPG. In this area too, we can report further progress, with new implementations of this technology abroad.

Of course, we will continue to support our activities in the field of ecological services and remediation, as our work and technologies are directly linked to environmental protection.

At MEGA, we view ESG principles as an integral part of responsible business practices. These principles have long been reflected in our daily operations, and we are proud of the many concrete steps and achievements we have reached, even though applying ESG standards is not yet mandatory.

I firmly believe in the strength of the MEGA Group. It gives me the confidence that in the years to come, we will continue to move forward together, proving that we are a stable, financially strong company, and among the best in our fields.

Stráž pod Ralskem, 14 April 2025

Luboš Novák

VISION AND MISSION

MISSION OF THE MEGA GROUP OF COMPANIES

Our technology saves resources and protects the environment.

VISION FOR MEMBRANE PROGRAM

To become a globally active and financially stable company that offers its customers the best technological solutions based on electromembrane and integrated membrane processes with maximum emphasis on reuse of raw materials through implementation of waste-free technologies and environmental protection.

VISION FOR SURFACE TREATMENT

To become the leader in cataphoresis and other modern electrocoating technologies of surface treatments in the Czech and Slovak Republic.

VISION FOR ENVIRONMENTAL SERVICES

To become a recognized company interconnecting business and academic spheres in advanced remediation technologies in the Czech Republic.

VISION FOR WATER MANAGEMENT

To become the preferred supplier of advanced industry solutions based on a customised combination of integrated membrane processes.

CORNERSTONES FOR ACHIEVING THE VISION

FOCUSED AND RAPID RESEARCH AND DEVELOPMENT (R&D)

A leading company in innovation in the field of membrane processes.

STRONG ENGINEERING AND KNOW-HOW

A company delivering complete solutions, not just processes.

GLOBAL PRESENCE

A company with a strong distribution network and support from strategic partners.

COMPANY PROFILE

COMPANY HISTORY

The history of the joint-stock company MEGA goes back to the mid-1970s when the ČSUP Central laboratories were established within the former Czechoslovak uranium industry, to address the issue of the impact of uranium mining and its subsequent processing on the environment.

Within this unit, a group was formed under the leadership of Luboš Novák, PhD., the current chairman of the company's board of directors which began to address the issue of water treatment and industrial solutions using membrane technologies. In 1985, the first heterogeneous membrane was produced as an essential component of its own technology. The laboratories were an independent state enterprise before the process of coupon privatisation.

Since 1992, MEGA has been operating on the market as a Czech, private, joint-stock company. Although it has been clear from the outset that the main strategic direction of the company development focused on the water treatment issue (especially by membrane processes), the company sought further application in other areas of environmental protection. This gradually led to broadening the portfolio of services offered.

MEGA used its previous experience for its own production and according to the needs and wishes of its customers, it started to produce complete technological units. The company has long been active in four key areas, in which it delivers high-quality technologies and comprehensive services. These areas include membrane processes (liquid separation), surface treatment of materials, environmental services, and water management.

MEMBRANE PROCESSES (SEPARATION OF LIQUIDS)

Within the Membrane Programme, the main business activity of the MEGA company is to supply its own products (ion-exchange membranes, distributors, membrane equipment manufactured within the manufacturing facilities of the company MEGA) and complete technologies for membrane separation processes (electro membrane or hybrid) based on its own know-how. In this field, MEGA belongs to world leaders. All products and technologies supplied by MEGA are the results of its own research and development base and reflect the latest knowledge and expertise.

SURFACE TREATMENT

In the field of surface treatment, we provide comprehensive technical and logistic services to customers of the segment, where we have been representing for a long time the established global manufacturer of coatings, the PPG Company, whose products GI (General Industry) are used in many paint shops in the Czech and Slovak Republic.

ENVIRONMENTAL SERVICES

In the area of environmental services, we have recently focused mainly on the interconnection of the commercial and academic sectors in advanced remediation technologies.

WATER MANAGEMENT

In the field of water management, we use our extensive know-how to design modern, efficient solutions based on innovative combinations of membrane processes.

The company aims to further develop its activities and the activities of its subsidiaries in such a way as to maximize mutual synergies and strengthen the position of the whole group on both domestic and foreign markets. Special emphasis is placed on the direction of innovation and technological progress which should contribute to further development of its subsidiary MemBrain. A team of highly qualified experts from the MEGA company is a long-term leader in membrane processes in the Czech Republic.

MEGA is a member of the European Membrane Society (EMS) and the International Desalination Association (IDA). Currently, we are becoming a highly respected company in the field of membrane processes in foreign markets. CEO of the MEGA company is the founder of electromembrane processes in the Czech Republic and at the same time the president of the Czech Membrane Platform (CZEMP). He was also a member of the Research, Development and Innovation Council (R&D&I Council).

In 2007 he was awarded in a project which supports scientific and technical minds, Česká Hlava (Czech Head) Award, in the category of Inventions for research and development of ion-exchange membranes for membrane processes in environmental and process applications. So far, he has been effectively managing the company's operations and has been actively engaged in popularizing the field of membrane separation.

MEGA cooperates with many foreign institutions in the field of membrane processes, with which it participates in the solution of projects within the European Union. We have long-time cooperations with universities and professional institutions, namely the University of Chemical Technology in Prague, University of Pardubice, Institute of Macromolecular Chemistry, Technical University of Liberec, Technical University of Ostrava, Palacky University in Olomouc, with which we solve several projects together. We have rich experience in project management. We also cooperate with several major foreign companies as preferred partners.

Offering solutions to the problems of individual clients is a comprehensive set of all necessary steps and measures. These include condition monitoring, optimal solution offer, final technology delivery, process monitoring, guarantees and responsibility for the proposed solution. Our customers are large industrial domestic and foreign companies, small and medium-sized businesses, as well as cities and municipalities. It goes without saying that we also provide all customers with the necessary legislative advice. MEGA is in all respects a company that provides comprehensive services with a responsible approach to the customer. An important moment in the existence of MEGA is the decision to verify its own customer approach. This was a challenging requirement, after which the company was granted certificates according to standards ČSN EN ISO 9001, ČSN EN ISO 14001, ČSN ISO 45001, which were further steps to gradually build up the market position. MEGA processes and products are continuously and successfully certified according to current standards.

SUSTAINABILITY

Since 2005, our company has implemented and certified a management system according to ČSN EN ISO 14001:2016, which we are constantly improving. For several years, we have had a contract for joint performance with EKO-KOM. Since 2023, we have been evaluating the company's carbon footprint in its full scope (Scope 1–3). We focus on energy efficiency and potential savings. That is why, in 2024, we built a photovoltaic power plant with an output of 99.9 kWp on the roof of our production facility.



In 2024, we voluntarily prepared a Sustainability Report in accordance with the European ESRS standard. In an independent comparison of both quantitative and qualitative aspects of sustainability and ESG principles implementation, experts from the Faculty of Business Administration at the University of Economics in Prague ranked MEGA among the TOP 5 best small and medium-sized enterprises in the ESG Rating 2024.

At the end of 2024, MEGA's sustainability efforts were positively evaluated as part of customer audits, for example by companies such as ŠKODA Auto and SGS Czech Republic.

We provide information about our sustainability activities to stakeholders on a separate [Sustainability page](#) on the company's website.



DETAILS OF THE SHARE CAPITAL

The registered capital of the company amounts to 62,328,000 CZK. Share capital consists of 62,328 shares with a nominal value of 1 000 CZK. Forms of company shares: registered shares. The shares are in book-entry form and are not registered.

The sole shareholder of the company is První pokratický holding with 100% of the share capital, it owns 62,328 shares with a nominal value of 1 000 CZK.

EQUITY INTERESTS

Company	Field of activity	%	Capital
MEGA-TEC Bystřice nad Pernštejnem	delivery of technologies in the field of water treatment and electrophoresis	51	100 000 CZK
MemBrain Stráž pod Ralskem	solving research and development projects and efficient transfer research results into industrial practice	100	1 000 000 CZ
TOV MEGA-UKRAINA, Kyjev, Ukrajina	supply of technological units based on membrane processes especially for food (dairy)	100	249 999,95 UAH
OOO MEGA ProfiLine, Podolsk, Rusko	supply of technological units based on membrane processes especially for food (dairy)	99	30 000 RUB

INFORMATION ON THE ACQUISITION OF TREASURY SHARES

The company did not acquire any treasury shares in 2024 and does not own any treasury shares.

INFORMATION REQUIRED UNDER SPECIAL REGULATIONS

The company is not required to disclose any other information under the special regulations.

BANK LOANS AND BONDS

Creditor	Type of contract
UniCredit Bank Czech Republic and Slovakia a.s.	Multi-purpose credit line, Treasury line
Československá obchodní banka a.s.	Multi-purpose credit line, Treasury line
Česká spořitelna a.s.	Multi-purpose credit line

2024 was again a year where there was no change with the cooperating banks. MEGA has agreements with banking financial institutions to cover operational financing, to issue bank guarantees and to cover the purchase of investment in machinery and equipment. Funds for operational financing are focused on short-term fluctuations in cash flow. MEGA did not draw any investment loans and financed any minor investments in production equipment (in the form of machinery and equipment) and R&D activities from its own resources.

In the future, we expect long-term loans only for strategic investments, such as the development of new production capacities, in-house research and development, and planned growth initiatives. For 2025, we again do not expect any changes in the cooperation with banks due to satisfaction with the services provided by the banks, considering the long-term cooperation.

Due to the development of the geopolitical situation in the world, we expect to place increased emphasis on verifying new customers and partial securing of receivables with verification of the creditworthiness of customers. As a more cost-effective alternative, combinations of collateral with bank guarantees and commercial insurance against insolvency will be used - insurance companies EGAP, Credendo, Lloyds, etc.

The main reason for this change in financial management is to optimize banking service fees, and above all, to ensure simplicity and speed.

The aim of the cooperation with the banks is to ensure that any future changes in the financing structure are controlled by a structure that will increase the value of the company. The main banks with which the company cooperated in 2024 were ČSOB and UniCredit Bank Czech Republic and Slovakia.

We will continue to hold credit lines for commitment limits due to the provision of bank guarantees (down payment, performance etc.), particularly in connection with contract security in the membrane program and the Division of Water Management, or for the purpose of issuing counter-guarantees on behalf of our subsidiaries.

In 2024, cooperation with other banking institutions - in particular Česká spořitelna and Raiffeisenbank - was discussed to find optimal conditions for financing projects abroad, not only in Europe but also in more complex territories such as Ukraine, South Africa, India, Argentina, or Saudi Arabia. In these markets, the

availability of financing can provide a competitive advantage for customers and actively support the export activities of companies within the MEGA Group.

In 2024 and the following period, business activity in the territories of Belarus and Russia declined once again, in connection with EU-imposed sanctions and the broader global geopolitical situation.

Negotiations with other commercial banks are ongoing to verify the conditions set by our main banking partners and to seek optimal financing solutions for the companies within the Group. In 2024, R&D projects focused on validating the transfer of research and development into practice continued to be financed exclusively from internal resources — primarily to limit competition and prevent its entry into these segments of the market. There were no delays in the settlement of liabilities in 2024.

Within the Group, a clearly defined credit and financial policy is strictly followed. This policy forms the foundation for maintaining the financial stability of MEGA as well as the entire Group. The approved long-term strategy allows MEGA to finance subsidiaries, if necessary, with both long-term investment and short-term loans. For companies in the Group, we implement automated financing using banking tools - cash pooling - especially for the financing of R&D activities at our subsidiary MemBrain. In 2025, this strategy was reviewed and revised given the setting of the new Strategy 2024+.

The set price conditions are under competitive but commercial conditions. It is the duty of all companies within the MEGA Group to maintain good relations with the above-mentioned banking institutions, and to fulfil the terms and conditions of credit agreements and other agreements in a due and timely manner so that future financing is not endangered in case of need. MEGA strives to find an optimal financing structure that does not jeopardize stability and at the same time increases the efficiency and effectiveness of the business. For the above reasons, we are gradually centralizing financial management from the parent company. In the coming period, we will focus more on foreign currency bank financing due to the higher rate differentiation between CZK - EUR and USD.

FINANCIAL INDICATORS

	2023	2024
Total sales	939 888	984 017
Sales of own products and services	456 087	473 353
Sales of goods	474 801	510 664
ROA	10,13 %	8,74 %
ROE	13,79 %	8,99 %
EBITDA	107 978	94 557
EBIT	87 060	72 833
Liquidity common	3,22	3,07
Indebtedness	24,59 %	17,84 %
Number of employees (annual average)	176	187

Year-on-year comparison of financial indicators shows an increase in total sales by more than 4% compared to 2023, which we consider a success given the geopolitical situation - Russia's ongoing invasion of Ukraine the related sanctions, high energy prices, and the need for a rapid shift toward new markets. In the area of goods, there was growth of 2%. Most of the revenue from the sale of goods and services is generated in EUR.

Revenues from own products and services grew by more than 7% compared to 2023. This growth was primarily driven by a strong project backlog developed in previous periods, particularly in the Division of Membrane Processes. In the newest division, the Division of Water Management, efforts are ongoing to build a solid project pipeline. In 2024, revenue grew in part due to the completion of a major contract for a pharmaceutical company, as well as the execution of another project for a hospital facility.

However, the biggest impact on the revenue performance in 2024, which prevented more progressive growth, are still the sanctions imposed as a result of Russia's invasion of Ukraine, which have always been one of the important markets for the company. Nevertheless, our company has always fulfilled its obligations under the contracts it has entered into, and we have realized partial sales in these markets. However, revenue from these regions has become insignificant for the company. Despite various risks, we managed to negotiate a contract in Ukraine, which we are not abandoning, and we continue to support our subsidiary. In the other divisions, we have more significant orders with an impact on the period ahead.

In the period under review, the successful transfer of R&D also had an impact on realized revenues. Strategic shifts and reassessments made in previous years are now proving to be successful, and innovation remains a key driver for future development, with a significant impact expected in the upcoming strategic period. This shift has been reflected in the new 2024+ Strategy. In addition, we expect to establish cooperation with other strong strategic partners.

Year-on-year, there was a moderate decline in performance indicators (ROA, ROE). The main reasons for this are primarily higher input costs for project execution, reflecting inflation from the previous period, as well as increased personnel expenses due to a growing number of employees and partial wage adjustments in response to inflation. In 2024, we again made targeted investments in R&D, funded from internal resources. These investments are gradually contributing to entry into new market segments, with the expectation of strengthening these performance indicators again in 2025 and the years to follow.

Other effects on profitability indicators in the future are the implementation of core projects within the supply of MEGA's own products, the change in the sales ratio in favour of Aftersales and Spare parts, and the supply to the Water Segment, including the implementation of the order in the new segment - all secured for 2024 and following years. For these reasons, we aim to continue to invest considerable resources in research and development and to maintain competitiveness in the future period in line with the newly defined Strategy 2024+. The financial stability of the company is expressed by the indicators of current liquidity and the level of indebtedness. In a year-on-year comparison, the above values were stable at acceptable levels despite the payment of dividends.

The current liquidity is above the recommended level of 1,5 and, overall, it shows a year-on-year increase to the current value of 3.07 over the evaluated periods. However, we expect a gradual reduction in the liquidity ratio following the next expected payment of retained dividends to the company's owner.

Nevertheless, we are still trying to keep a high share of cash in part to reduce the risks in the event of a further decline in the economic cycle, despite the reduction in economic efficiency. This has proven to be the right strategy over the long term, ensuring long-term stability and the ability to invest in research and development. Nevertheless, to increase economic added value, we plan to finance long-term investments and projects using long-term funding sources, especially in light of declining interest rates.

Another measure to reduce risk was the lowering of the debt ratio to an even lower level, reaching a final value of 17.8%. The company has no significant problem in collecting its receivables, despite some unpaid receivables, and this is also reflected positively in the company's positive cash flow. In 2024, the company resolved a larger outstanding receivable related to an unfinished handover of technology. All receivables are continuously monitored and addressed, and the company consistently meets all its obligations on time. The debt ratio has remained stable over the long term. For 2025, we do not expect a significant impact of financial costs on financial management due to changes in interest rates. We continue to focus on optimizing financing in foreign currencies to reduce costs. Looking ahead, we expect the possibility of drawing long-term external financing in connection with planned strategic investments. To support these investments, we are also exploring grant funding opportunities to reduce reliance on both internal and external financial resources.

The main reason for the use of external credit resources in 2024 and the following period (especially for operational financing) is the optimization of exchange rate changes balanced by natural hedging. Partial foreign exchange hedging was agreed upon at the level of approximately 25–30% of the company's annual revenue, covering the period through 2026. In 2024, we also carried out a restructuring of our hedging strategy to prevent significant exchange rate losses. Additional hedging measures for 2025 and beyond will be arranged in line with the company's financial models and future exchange rate forecasts.

We are monitoring the global situation related to war conflict, changes in U.S. trade policy, and the introduction of tariffs, and we take measures to mitigate any potential negative impacts (cost-saving measures, changes in the structure of operations, expansion of cooperation with holding companies, etc.).

COMPANY MANAGEMENT

THE COMPANY'S MANAGEMENT SYSTEM IS ORGANIZED IN A DUALISTIC SYSTEM BASED ON THE BOARD OF DIRECTORS AND THE SUPERVISORY BOARD

The internal structure of MEGA is based on the so-called dualistic system in the sense of the provisions of § 435 et seq. Act No. 90/2012 Coll., Act on Business Corporations. The company's statutory body is the Board of Directors. As of February 6, 2024, the number of board members was increased from five to six, with Světlana Adamová appointed as the newest member of the statutory body. Luboš Novák remains Chairman of the Board of Directors. The other members are Marie Nováková, Jiří Truhlář, Miroslav Matuška and Zbyněk Petráš.

Each member of the Board of Directors has been authorized to represent the company individually unless it involves a legal transaction, the subject of which is a performance exceeding the value of CZK 15 million. The Chairman of the Board of Directors represented the company in legal transactions whose subject matter exceeded CZK 15 million.

Special rules apply to the conclusion of credit or loan agreements of any amount, which is also established as the exclusive authority of the Chairman of the Board of Directors.

The company's supervisory body consists of a three-member Supervisory Board. As of February 6, 2024, Monika Brychová replaced Světlana Adamová as Chairwoman of the Supervisory Board. The remaining members of this supervisory body were Petr Vanský and Michal Hejral.

CAPITAL STRUCTURE OF THE MEGA GROUP

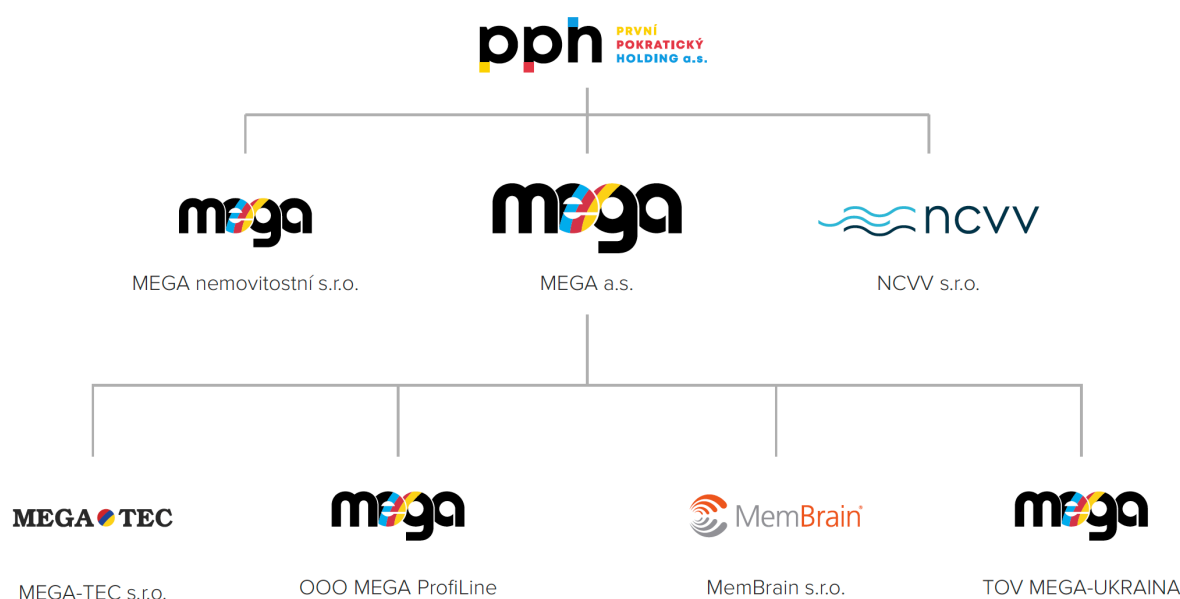
There was no significant change in the capital structure of the MEGA Group during 2024. The shares of MEGA were already transferred in 2019 to the newly established company První pokratický holding, which is currently the sole shareholder of MEGA. The shares of První pokratický holding are fully allocated to the Pokratický Private Trust Fund, the founder of which is Luboš Novák.

MEGA-TEC, a subsidiary of MEGA, has holds a 100% stake in NOSCO, a company engaged in the implementation of comprehensive projects in the field of the automatization of production lines, single-purpose machines, and technological process control.

MemBrain, another subsidiary of MEGA, is the sole shareholder of Memspin.

THE ORGANIZATIONAL STRUCTURE

DIVIDED BY COMPANY



The company has a branch office in Belarus.

DIVIDED BY PROGRAM

Membrane program	Surface treatment	Ecological services
<ul style="list-style-type: none">• Division of MembraneProcesses MEGA• Division of Water Management MEGA• MemBrain• Memspin• OOO MEGA ProfiLine• TOV MEGA-UKRAINA• MEGA-TEC• NCVV	<ul style="list-style-type: none">• Division of Surface Treatment MEGA• MEGA-TEC• NOSCO	<ul style="list-style-type: none">• Division of Ecological Services MEGA

THE ORGANIZATIONAL STRUCTURE OF THE COMPANY MEGA

The system of the internal structure of the company is dualistic. The company has the following organs:

- the General Meeting,
- the Supervisory Board,
- the Board of Directors.

HR POLICY

MEGA's HR policy is part of the company's strategy and defines the principles and procedures in human resources management. It covers aspects such as the selection and recruitment of employees, remuneration, benefits, working conditions, performance evaluation, development and talent management, HR marketing, leadership, communication, and employee relations. HR policy aims to ensure that the needs of the organization are matched with the needs of the employees, by legal and ethical standards. The right HR policy significantly affects the company's effectiveness and results.

KEY POINTS

- Equal and transparent conditions and opportunities;
- compliance with laws and codes of ethics relating to human relations, environmental protection, work safety and personal data protection;
- safety and health protection of employees in the workplace;
- support for training and career development;
- establishing a system of communication, information and involvement of employees in the organisation's decision-making processes;
- ensuring employee motivation, satisfaction and loyalty through appropriate remuneration, benefits, training, career development, flexible working conditions and a suitable working environment;
- promoting teamwork, self-fulfilment and accountability for the results of one's work;
- diversity and inclusion.

The main goal of the HR strategy is to define the company's medium-term objectives in personnel and organizational development and the determination of measures leading to their achievement. We emphasize creating a positive work environment where employees feel motivated and engaged. This includes addressing their needs, developing their skills, and supporting their career growth. The recruitment strategy is set according to pre-determined criteria ensuring objectivity to maximize efficiency and talent search. High-quality human resources therefore provide MEGA with stability and a competitive advantage.

The company is committed to ethics both in the workplace and towards business partners and the public. MEGA's Code of Ethics sets out the company's core values and defines desirable behaviour outside and inside the company. It promotes trust in the company and demonstrates high professionalism. Continuous development of the corporate culture creates a positive environment and maintains a consistent direction for the organization.

Our company is committed to fostering a diverse, fair and inclusive environment, which is why our HR strategy includes a Diversity and Inclusion Strategy that clearly defines practices and standards in this area, including awareness raising, diverse recruitment practices, an inclusive work environment, regular monitoring and the involvement of the top management. The company has also established a program for the integration of foreign employees.

The HR policy of MEGA is an integral part of the company's overall strategy and defines the principles and procedures in the field of human resource management. It covers aspects such as employee selection and

recruitment, compensation, benefits, working conditions, performance evaluation, development and talent management, HR marketing, leadership, communication, and employee relations. The aim of the HR policy is to ensure alignment between the needs of the organization and those of its employees, in compliance with legal regulations and ethical standards. A well-designed HR policy significantly influences the company's efficiency and overall performance.

We strive for continuous improvement of working conditions, fair remuneration with clear rules and maximum effort to be competitive in the job market. We monitor the differences in the average wages of men and women in the organization, regularly analyze the remuneration system and adjust it appropriately according to the company's current needs. We also focus on flexible employment contracts and work-life balance. THP employees can use a part-time or full-time home office where the nature of the work allows it, or they can use flexible working hours. We set suitable working conditions or part-time hours for employees with disabilities, and we enable employees on parental leave to balance work and private life (individual shorter work schedules etc.).

We have a strong focus on employee welfare, where employees can take advantage of a broad benefits programme aimed at attracting new employees, as well as motivating and retaining existing employees in the long term, fostering their positive relationship with their employer and team cohesion. We regularly monitor the Net Promote Score and are pleased that MEGA has seen a significant increase in the number of employees who would recommend the company as a good employer over the last two years.

EDUCATION

Training plans are designed as annual plans and are drawn up individually for each department and employee according to the needs of the calendar year. The plans are then evaluated annually. We look for new talents and try to develop them appropriately.

Employees can take benefit of a wide range of educational activities, including tailor-made training, in agreement with their manager. We encourage upskilling and offer employees qualification agreements or career plans.

In 2024, a total of CZK 481,596 was invested in employee training, of which CZK 133,111 was allocated to mandatory professional qualification training and CZK 348,485 to soft skills and other courses. A total of 115 training sessions were conducted, and employees completed a total of 1,953.5 training person-hours — 1,317 hours by men and 636.5 hours by women.

In April 2024, we also utilized a grant program funded by the European Union under the Operational Programme Employment Plus, titled Innovating Through Education (Reg. No. CZ.03.01.03//00/22040/0002400). The program enabled employee training in soft and managerial skills, and offered courses in economics, law, technical fields, and other professional areas. It is a three-year program focused primarily on employees aged 55 and over. A total of 6 training sessions, each lasting 8 hours, were conducted within this program, with a total value of CZK 59,238 (under the de minimis scheme), attended by 18 employees. Employees also had the opportunity to participate in trade fairs and conferences in the Czech Republic and abroad. In total, 20 such events took place, with a total value of CZK 3,640,213.

Our strategy involves working not only with our employees but also with students. We actively and regularly participate in career days at chemically oriented universities such as the University of Chemistry and Technology

Prague, the University of Pardubice, the Technical University of Liberec and others. We also actively cooperate with foreign universities such as the Slovak University of Technology in Bratislava or universities involved in the ERASMUS programme. We have implemented the field of electromembrane processes into the curricula and are authors of several professional publications.

We offer excursions to high schools and universities to the parent company and the subsidiary (science and research centre) with expert explanations.

For university students, we offer a long-established student programme and organize an annual student workshop. We regularly hold specialized conferences and lectures on electromembrane processes. In September 2024, MEGA was the general sponsor of the international Euromembrane conference. We also occasionally publish the results of our activities in peer-reviewed journals. In 2024, we published 8 articles in scientific journals, submitted abstracts to conference proceedings, and gave 3 oral presentations. We regularly organize excursions for professionals and students from secondary schools and universities. For example, we hosted students participating in the Network Young Membranes conference, participants of Euromembrane, representatives of TU Eindhoven, students from the University of Chemistry and Technology in Prague (UCT), the Secondary School of Glassmaking in Železný Brod, and the Jan Blahoslav Secondary School in Hejnice.

In 2024, we also established a new long-term contractual partnership to provide student internships for two newly accredited study programs at the University of Pardubice: Environmental Chemistry and Sustainability and Innovative Polymeric Materials and Coatings. In addition, we signed four more agreements to provide professional internships with other secondary schools and universities.

In September 2024, we signed a Memorandum of Cooperation with Junior Achievement, expressing our commitment to engage in joint activities aimed at developing the talents and skills of young Ukrainian refugees aged 15–24. The cooperation focuses on preparing them for the labour market, supporting their employment, and offering opportunities for further education.

Thanks to student involvement and our presentations at university career days, the company has been successful in filling expert positions that are otherwise hard to find in the region. In 2024, we participated in the KONTAKT 2024 Job Fair at the University of Pardubice and the Chemik Fair at the University of Chemistry and Technology in Prague.

In the same year, MEGA provided professional internships or placements for 9 students from secondary schools and universities across various fields of study.

EMPLOYEE BENEFITS

The company's benefits program includes both financial and non-financial benefits, including: 5 days of vacation beyond the Labor Code, 2 free days, afternoon shift allowances, training support and career plans, Edenred cafeteria or MultiSport card, work and life anniversary rewards, meal allowances, pension and life insurance contributions, refer-a-friend program, recruitment bonuses, tutor rewards, provision of discounted banking products at cooperating banking institutions, Vodafone employee programme for family members. Other benefits include support in coping with challenging life situations, support for leisure activities, rewards for improvement suggestions, work-life balance, home office, company events, competitions, surveys, and more.

The company financially rewards improvement proposals and initiatives in the field of prevention within the framework of OSH. We have a dedicated program focused on supporting employee health and well-being. In 2024, we organized Health Days for employees, focused on healthy workplace meals, disease prevention, consultations with health specialists, expert lectures and training, mental well-being, and body care. Activities included ergonomics, massages, breathing techniques, spirometry, eye examinations, nutritional counselling, blood pressure measurement, hand hygiene checks, foot diagnostics, BMI and fat measurement, blood type identification, and blood donation awareness. As part of Health Days, we also participated in the Bike to Work and Move to Help competitions.

We invest in occupational health and safety in the long term, whether it is PPE, prevention of infectious diseases, regular medical check-ups with contracted company doctors, modifications to the working environment or equipment for easier handling or reduction of workloads. We regularly assess work risks and take appropriate measures.

In 2024, the company recorded a very low injury rate. There were only two work-related injuries that resulted in sick leave, totalling 18 days of absence. Additionally, five minor injuries were reported that did not require any time off. No occupational diseases or fatal accidents were recorded.

The company organizes various employee events and regularly rewards its staff – whether through gifts for International Women’s Day, vitamins and fruit at the workplace during Health Days, improvements to company catering, semi-annual gatherings for employee anniversaries, a Christmas tree lighting ceremony, or the annual holiday party.

COMMUNICATION AND COOPERATION

Communication with employees is very important to us, as is the feedback they give us. We regularly inform employees about what is happening in the company through regular departmental meetings, the company magazine, or MS Teams, where we have a very well-developed information system. Employees can communicate anonymously with their employer through satisfaction surveys or trust boxes. All submitted suggestions are reviewed, and conclusions are always shared by the management.

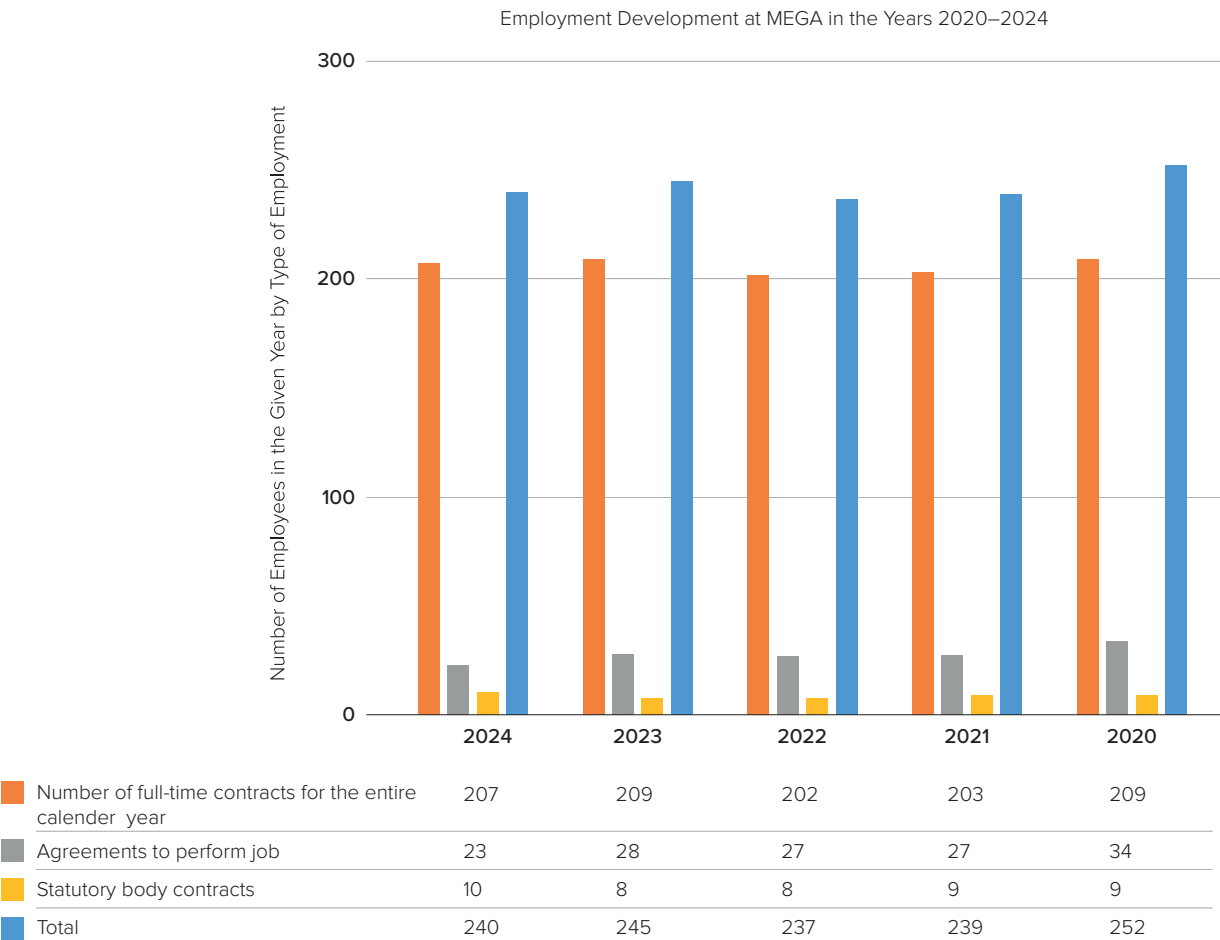
We have implemented a whistleblower protection system in accordance with Act No. 171/2023.

As part of our strategy for working with local communities, we mainly support local sports clubs, youth leisure activities, cultural social events, student science conferences and charity projects. We are regular partners of the social vehicle program for the Assisted Living Facility in Mimoň. In 2024, we supported a total of 10 projects. At the same time, we actively contribute to improving the environment in towns in ways that benefit the general public (e.g. planting and maintaining greenery, building playgrounds). The company also hosted a booth at a children’s event organized by the town of Stráž pod Ralskem. As part of charitable collections, our employees supported the Czech League Against Cancer, contributed to flood-affected areas through a fundraiser organized by People in Need and our platform on Darujme.cz, and we recognized regular blood donors in cooperation with the hospital in Česká Lípa.

In the area of sustainability, we inform the public via our company website and through the preparation of a Sustainability Report.

EMPLOYMENT AT THE MEGA COMPANY

The company is stable in human resources with moderate progress.



NUMBER OF EMPLOYEES AS OF 31.12.2024

- Full-time employment: 192 (125 men, 67 women)
- Agreements outside employment contracts: 10 (8 men, 2 women)
- Statutory body contracts: 9 (6 men, 3 women) - Board of Directors: 6 (4 men, 2 women), Supervisory Board: 3 (2 men, 1 woman)

By Employee Category

- 118 Administrative and Technical Staff (THP): 44 women, 74 men, including 12 top managers (7 men, 5 women)
- 74 Manual Workers (D): 23 women, 51 men

Protected Groups Overview

Working pensioners 16 in total of whom:

- 5 disability pensioners employed full-time (3 women, 2 men)
- 11 old-age pensioners (8 men, 3 women): 5 employed full-time, 4 under agreements, 2 in statutory positions
- Maternity and parental leave: 5 women
- Foreign nationals: 5 (4 women, 1 man), Nationalities: 3 from Ukraine, 1 from Poland, 1 from Croatia

Flexibility

- Employees with full-time contracts (37.5 hours/week): 189
- Employees with part-time contracts: 3
 - 1 woman working 18.75 hours/week
 - 1 woman working 7.5 hours/week
 - 1 man working 10 hours/week
- Employees with flexible working hours: 100
- Employees with the option to work from home: 98

We regularly monitor employee turnover and attrition rates, and we analyze the reasons for employment termination on an ongoing basis. In 2024, the annual employee turnover rate was 6.3%, and the attrition rate was 9.5%.

The total number of hours worked by employees in 2024 amounted to 296,202 hours.



HUMAN RIGHTS

The MEGA Group is fully aware of its responsibility to uphold and respect the laws and legal frameworks within which we operate. At the core of our social responsibility is proper care for human rights, as enshrined in both Czech legislation and international conventions. Every employee contributes to the protection of human rights by setting a personal example - refusing to ignore any violations of rights occurring around them. They are aware of the right to freedom and equality without any form of discrimination.

We particularly adhere to the following principles:

- Ensuring occupational health and safety.
- Prohibition of child and forced labour.
- Equal treatment of all employees and zero tolerance for discrimination.
- Providing wages above the legally mandated minimum for working hours, in accordance with applicable Czech legislation.
- Protection of personal data.
- Recognition of the right of all employees to establish employee representative bodies and engage in collective bargaining to improve working conditions.

These principles are embedded in the relevant internal directives and form an integral part of our contractual agreements with business partners.

The company does not tolerate any form of discrimination based on gender, race, skin colour, religious belief, ethnic origin, age, nationality, sexual orientation, social status, position, or political affiliation in any area of our operations - whether in cooperation with customers, business partners, employee recruitment, employment, remuneration, task assignment, or performance evaluation.

PREVENTION AND DETECTION OF CORRUPTION AND BRIBERY

Preventing conflicts of interest and corruption serves to protect both the company and its employees. MEGA has established clear rules in internal documents such as the Directive on Criminal Law Prevention and Whistleblower Protection and the Code of Ethics.

In 2024, MEGA did not record any cases of corruption and was not involved in any legal proceedings related to such matters.

INFORMATION PROTECTION

We use and store personal data in accordance with current applicable legislation. Our information systems and access to stored data are managed with a strong focus on cybersecurity requirements.

Number of cybersecurity incidents in 2024: 0.

COMPANY OBJECTIVES AND STRATEGY

Objectives of individual fields of activity are described in the following chapters.

The basic and long-term goal is to increase the efficiency of the business in all areas, further expand activities abroad, broaden the product portfolio, improve individual financial indicators through comparative analyzes with similar domestic and foreign companies and reduce financial dependence on banking institutions.

In the approved Strategy 24+ for the period 2024-2028, we plan to grow our business activities sustainably.

Great emphasis, as in the previous period, is dedicated towards our innovations, HR policy and social program to stabilize employees. Efforts to supplement the motivational components for employees and gain the position of a sought-after employer in the region.



DIVISION OF MEMBRANE PROCESSES (DMP)

The division's business activities are focused mainly on deliveries outside the Czech Republic. The Division of Membrane Processes provides customers with sophisticated solutions based on electromembrane processes, especially in the water and dairy segments and special applications. In recent years, the aftersales segment has also contributed significantly to the division's total sales.

The division operates globally through its own branch offices and an expanding network of agents. It also cooperates with strategic business partners to deliver combined technological solutions. The year 2024 was generally influenced by geopolitical events.

Presentation of MEGA products and technologies continued in the online environment, however, acquisition routes and active participation in major global exhibitions related to the division's activities continued as usual.

WATER TREATMENT

Within the segment, several projects with high potential are elaborated.

Implementation and acquisition of new projects in 2024

A total of 27 projects were obtained:

- » 26 projects for the production of ultrapure water using EDI,
- » 1 project for water treatment using membrane and electromembrane processes.

Territorial distribution of acquired projects:

- » 13 projects in Europe
- » 14 projects outside Europe

DAIRY INDUSTRY

Throughout 2024, the dairy segment showed higher prices compared to 2023 for commodities whose production significantly benefits from MEGA technologies. This had a positive impact on the investment activity of producers.

Implementation and acquisition of new projects in 2024

A total of 5 projects were obtained for the processing of various dairy streams using electromembrane processes.

Territorial distribution of acquired projects:

- » 3 projects in Europe
- » 2 projects outside Europe

SPECIAL APPLICATIONS

The business activities in this segment were mainly focused on using the knowledge acquired from the pilot and laboratory tests to offer specific products. In 2024, a total of 7 projects were acquired within this segment. Except for one, all were intended for European customers.

AFTERSALES

Business activity in the aftersales segment was stable throughout 2024, with sales in this segment gradually increasing.



DIVISION OF SURFACE TREATMENT (DST)

Our activities in the field of surface treatment have been evaluated very positively over the past year. Most of our customers, including suppliers to the automotive sector, manufacturers of construction and agricultural machinery, as well as producers of various industrial and consumer goods, met their targets and achieved solid turnover. This stood in stark contrast to the situation in several Southern European EU countries, where industrial sectors have long been facing significant decline, with all the associated negative effects, including limitations in production and supply chains. As a result, many of our clients, and eventually our company as well, had to address issues related to the extraordinary procurement of essential components. Unfortunately, similar issues also affected Germany, the strongest economy in Europe, which - due to its close ties to the Czech economy - does not paint a very optimistic picture for the future. Nevertheless, the impact in the evaluated year was minimal, and Škoda Auto remained an exception within the VW Group.

In addition to the challenges related to the limited availability of certain materials, chemicals, and components, the Czech labour market continues to face long-standing issues. Unemployment remains very low, while the level of expertise and willingness to work in partially chemical operations is notably limited. Real inflation and, to some extent, incoming legislation are putting pressure on employers, driving up both wage and overhead costs. The ongoing war between Russia and Ukraine, with all its consequences and uncertainties, together with the EU's push toward environmental goals—particularly the electrification of the automotive industry—are simultaneously reducing the competitiveness of established strong European brands. New social regulations and broader shifts in policy certainly do not support a swift return to economic growth.

Fortunately, our business is not limited to the production of passenger cars. Among our major customers are also manufacturers of buses, agricultural equipment, wagons, and radiators—sectors where project stability tends to be higher. Our long-standing experience and know-how in the industry, providing a true „full package service“ not only for PPG paints and chemistry but in effective combination with the supply and service of cataphoresis equipment by our subsidiary MEGA-TEC and with the excellent chemical-analytical background and services of our second subsidiary MemBrain, gives us still room to maintain the status quo and the potential for development in selected segments or sub-projects.

The foundation of our successful operations in the field of surface treatment lies in our long-standing and strong partnership with PPG Industries. Despite rather complex structural changes, negotiation processes, and frequent pricing demands, we have maintained a highly professional and mutually beneficial relationship.

The year 2024 can be evaluated positively not only in terms of economic indicators but also in securing new customers, agreements, and activities related to potential new projects.

PLAN FOR 2024 AND ITS IMPLEMENTATION

Thanks to more stable prices of raw materials, and consequently of final products, as well as a slowdown in the rising costs of basic human necessities and energy, the year 2024 was relatively calmer in our

environment. Naturally, there were some individual requests for price reductions, while on the other hand, certain PPG products saw price increases. However, in most cases, it was possible to reach a reasonable compromise acceptable to all parties involved.

One of our key customers, not only in terms of turnover but also due to the complexity of services and the wide range of products we supply, is IVECO CR Vysoké Mýto, a major bus manufacturer serving not only the European market. Our on-site team provides comprehensive logistical and technical support for the entire set of paint shops and accompanying surface treatment operations through an outsourcing model. The bus manufacturing sector, which is significantly subsidized, particularly for school and commuter transport, has so far been only minimally affected by the broader negative economic trends. While production did not reach the peak levels of previous record-breaking years, the difference was marginal. Moreover, plans for the coming period include stabilizing annual production and, over the next few years, the potential for further growth, provided that major investments in manufacturing technologies are approved and implemented. Our team from the paint shop operations is actively involved in preparing these developments.

Our most important area of focus is the supply and comprehensive service of cataphoresis coating paints and technologies. Several of our key customers increased their orders, and most maintained a similar turnover or only a slightly lower one compared to previous successful periods. One major success was acquiring a strong new client: the Brno production plant DAIKIN, a leading Japanese manufacturer of compressors. A positive aspect is that this client operates outside the automotive segment, where the outlook for the coming years is not particularly favourable. This was also another joint project with our subsidiary MEGA-TEC, which supplied the technological equipment. Our division then filled the coating bath and assumed full responsibility for the quality of the compressor surface treatment. It was a textbook example of a comprehensive full package service, where we took complete responsibility, and the customer enjoyed maximum convenience.

Our most complex customer in 2024 was F.X. Meiller in Slaný, with its production of truck tippers and its intention to significantly change the surface treatment processes while opening supply to multiple partners. In addition to reduced purchase volumes, this brought increased costs and additional complications on our side. However, our position with this customer remains solid for the time being.

In addition to our very good and productive collaboration with MEGA-TEC, we further strengthened our already well-established cooperation with our R&D base at the subsidiary company MemBrain. Their chemical-analytical laboratories and testing facilities provide us with a significant competitive advantage by enabling flexible and rapid analytical control of cataphoresis baths, the ability to carry out specialized tests, effective troubleshooting, and more.

The essential condition for success in the industry is maintaining high quality, conscious responsibility, corporate loyalty, and high expertise of all employees of the division. Achieving this goal is becoming increasingly challenging year by year. Fortunately, the environment and streamlined systems of a family-owned company enable us to respond flexibly and quickly to objective challenges such as inflation. They also allow us to support internal professional growth by renewing and filling positions with higher qualification requirements through the promotion of employees from lower positions, where suitable replacements are easier to find.

We have recently launched targeted business activities in the field of powder coatings, where we see potential for revenue growth. As with all other operations and projects, our aim is to maximize synergy across the division and within the MEGA Group.

OUTLOOK FOR 2025

Unless there are dramatic negative changes in the economic and social situation in the Czech Republic or in the broader context and interconnections within the EU, a similar industry development can be expected as in the evaluated year, which we hope for. This expectation is not merely wishful thinking. It is based on a well-structured customer and industry portfolio.

A key source of stability for us is the production plan of our largest customer, IVECO CR, which anticipates similar production volumes to those in 2024. The terms of cooperation between PPG/MEGA and IVECO have been agreed upon and will remain in effect for at least the next two years.

In the automotive sector for passenger cars, future developments will heavily depend on how the situation within the VW Group unfolds, the completion of current projects, and the launch of new contracts focused on electromobility. So far, European manufacturers have been lagging behind in this area, or there may be a partial return to combustion engine production. Agricultural machinery has been experiencing a downturn for some time, with a slight recovery expected in the second half of the year, most likely toward its end.

We believe in the positive impact of our targeted business activities in powder coatings and in delivering tailored system solutions for selected high-potential projects. In the field of cataphoresis coating, we are exploring opportunities to expand into specialized areas of mass coating and, more recently, into the decorative finishing segment, where additional opportunities exist. Given the current economic and social conditions in the Czech Republic and the EU, our plans and expectations are relatively optimistic, though not unrealistic. It remains true that the industries and products of our current customers cannot do without surface treatment, which continues to provide us with a solid outlook.

The personnel situation in the DST is stable and at a solid level. Nevertheless, this year will be challenging in terms of meeting set goals and financial indicators. However, we do not anticipate a significant drop in turnover or any major deterioration in the department's financial performance.



NEW AND IMPORTANT REFERENCES

DAIKIN DEVICE Czech Republic Brno, CZ – compressor manufacturing

ECOS Vysoké Mýto, CZ – production of bus subassemblies

KV Final Kuřívody, CZ – automotive

HITACHI Žatec, CZ – shock absorbers

TATRAVAGONKA Poprad, SK – freight wagons

AGROSTROJ Pelhřimov, CZ – agricultural machinery, parts of trucks and special machinery

KEREX, Michalovce, SK – an important manufacturer of transport containers

MATADOR Vráble, SK – automotive parts

TATRA TRUCK a. s. Kopřivnice, CZ – heavy trucks

BENTELER I, II, III, Stráž n. Nisou, Chrastava, Rumburk, CZ – specialised drivetrain parts

KARSIT Jaroměř, CZ – car seat frames and other parts for the automotive industry

BRANO Group Hradec nad Moravicí, CZ – automotive parts VW GROUP, TOYOTA...

FRITZMEIER Vyškov, CZ – agriculture and construction machinery production

THERMAL-TREND Starovičky, CZ – Europe's fourth-largest bathroom radiator manufacturer

OUTSOURCING – FULL SERVICE

IVECO Czech Republic, Vysoké Mýto – production of buses

F. X. MEILLER Slaný, CZ – truck bodies, tippers

KYB Manufacturing Pardubice, CZ – shock absorbers for cars

FUTABA CZ Havlíčkův Brod, CZ – car parts TPCA, SUZUKI

KORADO Česká Třebová, CZ – radiators



DIVISION OF ECOLOGICAL SERVICES (DES)

The Division of Ecological Services has long been involved in several segments, particularly in the exploration of contaminated sites, remediation of environmental burdens, supervision of remediation work, research and development projects, groundwater monitoring, and ecological projects focused on landscape revitalization and reclamation. In 2024, the division's activities were primarily focused on remediation work, scientific research projects, and landscape revitalization.

In the segment of Ecological Services, the implementation of the contract for the remediation of a historical environmental burden at the Kortan site was started in 2024, as well as smaller contracts in the form of project documentation, expert assessments, environmental audits and groundwater monitoring. All these projects were technically demanding and required a high level of expert work.

In the Science and Research segment, we completed two technically demanding projects in 2024, both supported by the Technology Agency of the Czech Republic. We collaborated on both projects with the Technical University of Liberec and the company Dekonta. At the conclusion, both projects were evaluated by expert reviewers as being of high quality, demonstrating strong technical expertise and delivering innovative results in their respective fields. In 2024, we also submitted two new scientific project proposals. Unfortunately, neither of them will proceed to implementation due to a lack of available funding from the grant provider.

In the segment of Ecological Projects – Revitalization and Reclamation segment, the year 2024 was exceptionally productive. In the first half of the year, work was completed on the tree-lined avenue between Václavice and Uhelná in Hrádek nad Nisou. As part of this project, a total of 58 ageing trees were felled, 80 trees were professionally treated, and 123 new trees were planted. Another completed project involved the restoration of a municipal orchard in Dobrovice. The aim was to restore a historic fruit orchard in the Sýčina area, which included the removal of invasive woody vegetation over an area of 2,100 m², felling of 46 trees, arboricultural treatment of 19 trees, planting of 50 new trees, and establishment of 4,500 m² of lawn. The intention was to make the area accessible to both residents and visitors, thereby increasing its recreational and community value. The implementation also included the installation of urban furniture and the construction of a site-specific feature — a compass rose with a wooden directional marker. The completed work was handed over to the client in May 2024, free of defects or unfinished elements. In June, construction work was successfully completed on the renovation of the school garden at K. H. Mácha Elementary School in Doksy. This included the construction of a multi-purpose sports field with an artificial grass surface. In addition, new playground and educational elements were installed on the school grounds, along with street furniture and paved areas.

However, the main focus of the Ecological Services centre in 2024 was the implementation of a flagship project: the construction of a football field in the village of Dřevčice near Prague. Construction work began in May 2024 and involved the largest sports field ever built by the centre 520.

The project included the development of a 6,300 m² natural grass playing surface, the installation of drainage systems and protective fencing, as well as the setup of game equipment and an irrigation system.

Although the project was accompanied by numerous changes compared to the original design documentation, the implementation team managed to handle them successfully. The completed work was officially handed over in accordance with the contract in October 2024. Following the handover, the centre's activities shifted focus toward post-planting care for greenery, which it has been carrying out since 2018 in selected avenues and park areas across the Liberec, Česká Lípa, and Mladá Boleslav regions. The centre also engaged in intensive bidding activities, which led to the acquisition of new contracts for 2025 for the revitalization of public spaces in Poděbrady and the village of Čachovice.



DIVISION OF WATER MANAGEMENT (DVH)

The Division of Water Management has been a part of MEGA since 2020. Over the course of just a few years, it has established a strong position both within the company and on the Czech market. The division focuses on delivering modern ecological solutions for the efficient use of water resources for municipalities, cities, and industry. As an engineering and supply division, DVH represents a comprehensive range of services and equipment in the field of water treatment. Choosing the appropriate technology reduces the costs of water treatment and at the same time the costs of waste disposal, while meeting strict environmental standards.

Using knowledge, experience, and the right technology, DVH treats boiler water (including condensate), process water, ultrapure water, drinking water, wastewater, cooling water, and water for pharmaceutical applications. The division is also involved in water recycling and the design and implementation of ZLD (Zero Liquid Discharge) systems. Its solutions cover the entire process - from technology design and engineering to full implementation, including construction, electrical systems, and process control and automation. The Division of Water Management focuses on two main activities: water treatment across all segments and wastewater treatment, including industrial and municipal applications.

WATER TREATMENT SEGMENT

In this segment, four new projects were implemented in 2024, both in the form of implementation, feasibility studies and facility designs.

Another several projects are in the preparatory phase for implementation or in the phase of participation in tenders. Two of these projects are outside the Czech Republic. International projects are being processed in the form of cooperation with the Division of Membrane Processes.

WASTEWATER TREATMENT SEGMENT

In this segment, a pilot technology for decentralized removal of micropollutants from infectious hospital wastewater was delivered in 2024 as the first of its kind in the Czech Republic.

REPORT ON RELATIONS

REPORT ON RELATIONS BETWEEN THE CONTROLLING PERSON AND THE CONTROLLED PERSON AND BETWEEN THE CONTROLLED PERSON AND PERSONS CONTROLLED BY THE SAME CONTROLLING PERSON.

SECTION I –STRUCTURE RELATIONS

Controlled Person

MEGA

ID 44567146

Registered office: Drahobejlova 1452/54, 19000 Praha

Registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Entry 9113.

(Hereinafter referred to as the controlled person)

Each member of the Board of Directors is authorized to represent the company independently, unless it is a legal act, the subject of which is a performance exceeding the value of CZK 15 million, or the conclusion of a loan agreement of any amount.

In legal negotiations involving transactions above CZK 15 million, the company shall be represented by the Chairman of the Board of Directors. In concluding credit and loan agreements, the company is represented by the Chairman of the Board of Directors.

Controlling Person

From 1 January 2024 to 31 December 2024

První pokratický holding

ID: 07756895, Registered office: Drahobejlova 1452/54, Libeň, 190 00 Praha 9

Registered in the Commercial Register maintained by the Municipal Court in Prague under file No. B 24082

The sole shareholder of the controlling person:

All shares of První pokratický holding are allocated to the Pokratický Private

Trust Fund, ID No.: 08581461, registered in the register of trusts under No. SF 2111, maintained by at the Regional Court in Ústí nad Labem.

(Hereinafter referred to as the controlling person)

Persons controlled by the same controlling person

MEGA-TEC, ID 255 38 276, Registered office: Průmyslová 1415, 593 01 Bystřice nad Pernštejnem, registered in the Commercial Register kept by the Regional Court in Brno, Section C, File 30723, on 3 March 1998.

NOSCO, ID 28328485, Registered office: Průmyslová 1415, 593 01 Bystřice nad Pernštejnem, registered in the Commercial Register maintained at the Regional Court in Brno, file number: C 61523.

MEGA nemovitostní, ID 07756933, Registered office: se sídlem Ke Klíčovu 191/9, Vysočany, 190 00 Praha 9, Registered in the Commercial Register kept by the Regional Court in Brno, Section C, File 307110.

MemBrain, ID 286 76 092, Registered office: Pod Vinicí 87, 471 27 Stráž pod Ralskem, Registered at the Registration Court in Ústí nad Labem, Section C, File 26344.

Memspin, ID 19682280, Registered office: Pod Vinicí 468, 471 27 Stráž pod Ralskem, Registered at the Registration Court in Ústí nad Labem, Section C, File 50990.

TOV MEGA-UKRAINA, Registered office: Mechanizatorov 2, 03035 Kyiv, Ukraine, ID 38419553.

OOO MEGA ProfiLine, Reg. number: 1072635016277, Registered office: Bolshaja Serpuhovskaja 202B, 142.181 Podolsk, Russian Federation.

TOO MEGA ProfiLine Kazakhstan, reg. number 220540048859, with registered office in Almaty, Kazakhstan, Kunayev Street 18/2.

STRUCTURE RELATIONS

The controlling person owns 100 % of the shares of the controlled person.

The controlled person owns a 51 % interest in MEGA-TEC which owns a 100% interest in NOSCO.

The controlled person owns a 100 % interest in MEGA nemovitostní.

Luboš Novák, PhD owns a 1% interest in OOO MEGA ProfiLine and the controlled person owns a 99 % interest in OOO MEGA ProfiLine. OOO MEGA ProfiLine owns a 100% interest in TOO MEGA ProfiLine Kazakhstan.

The controlled person owns a 100 % interest in MemBrain, which owns a 100% interest in Memspin.

The controlled person owns a 100 % interest in TOV MEGA-UKRAINA.

The controlling person owns a 5 % interest in Národní centrum využití vod company.

Control is carried out exclusively through decisions of general meetings or decisions of the sole shareholder/partner outside the general meeting in cases where it is the sole shareholder/partner. No shareholders' agreements or other ancillary agreements were concluded within the Group. The controlled person does not have a special role within the Group.

SECTION II. — THE REFERENCE PERIOD

This report covers the period from 1 January 2024 to 31 December 2024.

SECTION III. — OVERVIEW OF MEETINGS EXCEEDING 10 % OF THE OWN CAPITAL OF THE CONTROLLED PERSON

No legal transactions involving assets exceeding 10% of the equity capital of the controlled person, were made during the period at the instigation or in the interest of the controlling person or persons controlled by it.

SECTION IV. — OVERVIEW OF MUTUAL CONTRACTS

An overview of contracts concluded between the controlled person and entities controlled by the same controlling person in the reference period is in Annex 1 to this Report.

SECTION V. — ASSESSMENT OF RELATIONSHIP BETWEEN CONTROLLED AND CONTROLLING PERSONS

In the reference period, the controlling person did not conduct any legal acts towards the controlled person and no contracts were concluded between them that would cause harm to the controlled person. All legal relations between the companies shall be conducted in accordance with the principles of standard commercial relations. It is therefore not appropriate to settle the damage under § 71 and 72 of the Business Corporations Act.

No particular disadvantages or risks arise for the controlled person from the relationship between the controlling person and the controlled person or between the controlled person and persons controlled by the same controlling person. An advantage arising from the relationship between the controlled person and persons controlled by the same controlling person is the possibility of sharing resources and capacities in accordance with applicable legislation and the persons' constitutional legal acts.

SECTION VI. — CONCLUSION

This report was prepared by the statutory body of the controlled person.

Given that the controlled person is obliged by law to prepare an annual report, this report will be accompanied by an annual report as its integral part.

Stráž pod Ralskem on 13 February 2025

Luboš Novák, PhD

Chairman of the Board of MEGA

CONTACT INFORMATION

Company Name	MEGA
Registration	in the Commercial Register at the Municipal Court in Prague, Section B, Entry 9113
Headquarters	Drahobejlova 1452/54, 190 00 Praha 9 – Libeň
Statutory representative	Luboš Novák, PhD., Chairman of the Board
Phone	+420 487 888 111
Email	info@mega.cz
ID / VAT	44567146 / CZ699005394
Bankers	UniCredit Bank Czech Republic, Na Příkopě 20, 111 21 Praha 1
Account number	318881-004/2700
ID databox	ui6cfzk
Website	www.mega.cz

DETACHED WORKPLACES, BRANCHES AND SUBSIDIARIES OF MEGA

Stráž pod Ralskem

Pod Vinicí 87, 471 27 Stráž pod Ralskem
tel.: +420 487 888 111, 100, e-mail: info@mega.cz

Bystrice nad Pernštejnem

Průmyslová 1415, 593 01 Bystrice nad Pernštejnem
tel: +420 566 550 925, e-mail: dpu@mega.cz

IVECO Czech Republic, a.s., (KAROSA) Vysoké Mýto

Dobrovského 74/II., 566 03 Vysoké Mýto
tel.: +420 465 452 960, e-mail: karosa@mega.cz

Hodonín

Velkomoravská 87, průmyslový areál č.p. 3543, 695 01 Hodonín
e-mail: sklad.hodonin@mega.cz

Pardubice

Náměstí Čs. legií 565, 530 09 Pardubice, Zelené Předměstí

Trnava – office for Slovakia

Pekárska 11, 917 01 Trnava, Slovenská republika
tel.: +421 910 913 298, e-mail: lackovic@mega.cz

Prague

Drahobejlova 1452/54, Praha 9 – Vysočany – company headquarters
Ke Klíčovu 191/9, Praha 9 – Vysočany, 190 00

SUBSIDIARIES OF MEGA

MEGA-TEC s.r.o.

Průmyslová 1415, 593 01 Bystřice nad Pernštejnem, kral@megatec.cz

MemBrain s.r.o.

Pod Vinicí 87, 471 27 Stráž pod Ralskem, info.membrain@membrain.cz

TOV MEGA-UKRAINA

Kyjev, ul. Mekhanizatorov 2, tel.: +38 099 452 52 52,
e-mail: natalia.storozhilova@mega.cz

OOO MEGA ProfiLine

ul. Bolshaja Serpuhovskaja 202B, 142.181 Podolsk, Ruská federace,
tel.: +7 495 739 82 02, e-mail: info@mpline.ru

ANNEX – OVERVIEW OF INTERCOMPANY AGREEMENTS CONCLUDED IN 2024

Number	Supplier Name	Date of Conclusion	Subject of the Agreement
SI24043	MEGA-TEC	5/30/2024	Service Agreement
SJ24007	MemBrain	1/19/2024	Tripartite Non-Disclosure Agreement
SI21088/02	MemBrain	1/29/2024	Amendment No. 2 to the Administrative Services Agreement
SJ24020	MemBrain	2/27/2024	Tripartite Non-Disclosure Agreement
SJ24035	MemBrain	4/18/2024	Tripartite Non-Disclosure Agreement
SJ24033	MemBrain	4/22/2024	Tripartite Non-Disclosure Agreement
SJ23068/01	MemBrain	4/30/2024	Amendment No. 1 to the Project Participation Agreement
SJ2403	MemBrain	5/1/2024	Tripartite Non-Disclosure Agreement
SJ24041	MemBrain	5/6/2024	Joint Procurement Agreement
SJ24057	MemBrain	7/16/2024	Agreement on the Use of Research and Development Results
SJ24060	MemBrain	7/29/2024	Tripartite Non-Disclosure Agreement
SJ24058	MEMBRAIN	8/1/2024	Tripartite Non-Disclosure Agreement
SJ24065	MEMBRAIN	8/27/2024	Tripartite Non-Disclosure Agreement
SJ24090	MEMBRAIN	12/11/2024	Tripartite Non-Disclosure Agreement

