

WE ARE SCIENTISTS, MANUFACTURERS
& VISIONARIES

ANNUAL REPORT

2025



FOREWORD

Dear friends,

2025 marked another important step for the MEGA Group in delivering our 2024–2028 Strategy. Despite continued uncertainty in international markets and increasing pressure on efficiency across industry sectors, we succeeded in maintaining stable performance, developing our key competencies, and strengthening our position in the fields on which our future has long been built.

Our priority remains electromembrane processes and solutions for water treatment and purification. At the same time, we are capable of designing and delivering complete technological chains, including conventional processes. This is where we see the greatest opportunity for growth as well as the greatest benefit for both our customers and the environment. In electrodeionization and electrodialysis, we have long ranked among the technological leaders in Europe. In cooperation with Fumatech, we continue to expand application possibilities in the field of homogeneous membranes, further strengthening our stability and competitiveness in international markets.

Another strong area of focus is surface treatment, particularly electrophoretic coating and related technologies developed in cooperation with PPG. Customers in this sector place high demands on consistent quality, production line efficiency, and process control. We respond by emphasizing technical excellence, process discipline, and the ability to deliver solutions that perform reliably and sustainably over the long term.

We also remain committed to environmental services and remediation. We see this area as a natural extension of our mission. Wherever there is a need to protect water resources, reduce environmental burdens, and restore value to affected areas, our work delivers tangible benefits and measurable results.

We approach responsibility in a practical rather than formal way. For us, ESG means safe working conditions, fair management practices, transparency, and technologies that help conserve resources. Throughout 2025, we continued to integrate these principles into our daily decision-making, from quality management to the solutions we deliver to our customers.

To ensure our long-term stability in the current geopolitical environment, we must also focus on expanding our market potential. Our new target region is Central Asia, where we currently see significant opportunities for future growth.

I would like to thank all our employees, partners, and customers for their cooperation and trust. The MEGA Group is built on expertise, honest work, and the ability to work together across companies and disciplines. These qualities provide us with stability while giving us the confidence to continue growing. We are implementing the 2024–2028 Strategy step by step, and 2025 was one of the years that further strengthened both our position and our reputation.

Stráž pod Ralskem, 23 April 2026

Luboš Novák

VISION AND MISSION

MISSION OF THE MEGA GROUP OF COMPANIES

Our technology saves resources and protects the environment.

VISION FOR MEMBRANE PROGRAMME

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 for surface treatment 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 (electromembrane or hybrid) based on its own know-how. In this field, MEGA is among the 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-term cooperation 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

Our company has implemented and certified management systems in accordance with ČSN EN ISO 9001:2016, ČSN EN ISO 14001:2016 and ČSN EN ISO 45001:2018, which we continuously improve. We have also initiated the implementation of the requirements of the Cybersecurity Act, a process that will culminate in the coming years with full compliance with both the legislation and the ČSN EN ISO/IEC 27001:2022 standard.

For several years, we have maintained a joint compliance agreement 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, decarbonisation, and increasing the proportion of waste directed to recycling. That is why we built a photovoltaic power plant with an installed capacity of 99.9 kWp on the roof of our production facility and completed an energy audit, which identified further opportunities for energy savings.

Since 2024, we have voluntarily prepared a Sustainability Report in accordance with the European ESRS/VSME standard. In an independent assessment of both quantitative and qualitative aspects of sustainability and ESG implementation, experts from the Faculty of Business Administration at the Prague University of Economics and Business ranked MEGA among the TOP 5 best small and medium-sized enterprises in the ESG Rating. In 2025, we were awarded the ESG Excellence title.

MEGA's sustainability performance is also positively evaluated within customer audits conducted by companies such as ŠKODA Auto and SGS Czech Republic. In 2025, the international rating platform EcoVadis, which assesses sustainability and corporate social responsibility, awarded us a Bronze Medal. Our solutions help customers conserve water resources and reduce the consumption of raw materials. Together, we contribute to the restoration of green spaces and support the development of new parks and tree-lined avenues.

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 s.r.o., Bystřice nad Pernštejnem	delivery of technologies in the field of water treatment and electrophoresis	51	100 000 CZK
MemBrain s.r.o., Stráž pod Ralskem	solving research and development projects and efficient transfer research results into industrial practice	100	1 000 000 CZK
TOV MEGA-UKRAJINA, Kiev, Ukraine	supply of technological units based on membrane processes especially for food (dairy)	100	249 999,95 UAH
OOO MEGA ProfiLine, Podolsk, Russia	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 2025 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	Multi-purpose credit line, Treasury line
Československá obchodní banka	Multi-purpose credit line, Treasury line
Česká spořitelna	Multi-purpose credit line

The year 2025 was again a year in which there were no changes in cooperation with our banking partners. MEGA maintains agreements with banking institutions covering operational financing, commitment limits, the issuance of bank guarantees, and financing for investments in machinery and equipment. Operational financing facilities are intended to cover short-term fluctuations in cash flow. During the reporting period, MEGA utilized investment loans in connection with the expansion of its vehicle fleet and selected minor investments in production equipment. In accordance with the approved strategy, investments in R&D activities were financed from the company's own resources.

In the future, we expect to use long-term loans only for strategic investments, particularly in the development of new production capacities, in-house research and development, and planned growth initiatives. MEGA complies with all conditions associated with the financing facilities provided. For 2026, we do not anticipate any significant changes in cooperation with our banking partners, given our satisfaction with the services provided and the long-term nature of these relationships.

Due to the ongoing development of the geopolitical situation worldwide, we expect to place increased emphasis on the verification of new customers and on securing receivables through customer creditworthiness assessments. As a cost-effective alternative, combinations of bank guarantees and commercial credit insurance against non-payment will continue to be used, including products provided by insurers such as EGAP, Allianz, and Lloyd's. In addition, a monitoring system supplied by Dun & Bradstreet was implemented to assess customer creditworthiness.

Our primary objective is to optimize banking service fees while ensuring simplicity and flexibility in the provision of banking services.

The aim of cooperation with our banking partners is to ensure that any future changes in the financing structure contribute to increasing the value of the company. The principal banks with which MEGA cooperated in 2025 were Československá obchodní banka and UniCredit Bank Czech Republic and Slovakia.

We will continue to maintain credit lines for commitment limits to support the issuance of bank guarantees (advance payment guarantees, performance guarantees, etc.), particularly in connection with secured contracts in the Membrane Programme and the Division of Water Management, as well as for the issuance of counter-guarantees on behalf of our subsidiaries.

In 2025, discussions were held with additional banking institutions, particularly Česká spořitelna and Raiffeisenbank, to identify optimal financing conditions for projects abroad, not only within Europe but also in more challenging territories such as Ukraine, South Africa, India, Argentina, and the United Arab Emirates. In these markets, the availability of financing can provide a competitive advantage for customers and support the export activities of companies within the MEGA Group.

In 2025 and the subsequent period, business activity in Belarus and Russia continued to decline due to EU-imposed sanctions and the broader geopolitical situation, which the company fully respects.

At the same time, negotiations with other commercial banks remain ongoing in order to verify the conditions offered by our principal banking partners and to identify the most suitable financing solutions for companies within the Group. In 2025, research and development projects focused on validating the transfer of R&D results into practice continued to be financed exclusively from internal resources, primarily to limit competition and prevent its entry into these market segments.

Within the Group, a clearly defined credit and financial policy is strictly observed. This policy forms the foundation for maintaining the financial stability of both MEGA and the entire Group. Under the approved long-term strategy, MEGA is authorized to provide financing to its subsidiaries when necessary, both through long-term investment loans and short-term financing facilities. For companies within the Group, we implement automated financing through banking instruments such as cash pooling, primarily to support research and development activities carried out by our subsidiary MemBrain. In 2025, this strategy was reviewed and assessed in connection with the implementation of the new Strategy 2024+.

The pricing conditions applied within the Group are competitive while remaining fully commercial. It is the responsibility of all companies within the MEGA Group to maintain strong relationships with the above-mentioned banking institutions and to comply with the terms of credit agreements and other contractual obligations in a timely and proper manner so that future financing needs are not jeopardized. MEGA seeks to establish an optimal financing structure that preserves stability while enhancing business performance and efficiency. For these reasons, we continue to gradually centralize financial management within the parent company. In the coming period, we will place greater emphasis on foreign-currency financing due to the wider interest rate differentials between CZK, EUR, and USD.

FINANCIAL INDICATORS

Year	2024	2025
Total sales	984 017	987 465
Sales of goods	473 353	483 310
Sales of own products and services	510 664	504 155
ROA	8,74 %	7,01 %
ROE	8,99 %	6,44 %
EBITDA	94 557	84 492
EBIT	72 833	64 178
Liquidity common	3,07	3,40
Indebtedness	17,84 %	19,97 %
Number of employees	187	193

The year-on-year comparison of financial indicators shows stable revenue performance compared to 2024. The main reasons include the prolonged and highly turbulent geopolitical situation worldwide, related to Russia's continuing invasion of Ukraine, existing sanctions, newly introduced sanctions by the United States, persistently high energy prices in Europe, and, last but not least, the strengthening of the Czech koruna against the euro by more than 4%. More than 85% of revenue from the sale of goods and services is generated in EUR. Maintaining overall revenue under these conditions is considered a success. If the impact of the EUR/CZK exchange rate movement were excluded, year-on-year revenue growth would have exceeded 4–5%.

Revenue from own products and services decreased slightly by 1% compared to 2024. This decline was primarily driven by the appreciation of the Czech koruna against the euro. It is important to note that these revenues remained above CZK 500 million. This category includes projects with significantly higher added value than revenue generated from the sale of goods. The project pipeline supporting these revenues was developed in previous periods, particularly within the Division of Membrane Processes. In the newest division, the Division of Water Management, efforts continue to build a new portfolio of projects aimed not only at generating revenues primarily in CZK but also at expanding the portfolio of complete technological solutions.

Revenue from the sale of goods increased moderately by 2% year-on-year. When adjusted for exchange-rate effects, this would represent an increase of more than 6%. Faster growth in this category continues to be limited by the sanctions imposed and subsequently tightened as a result of Russia's invasion of Ukraine, as well as by uncertainty arising from changes in U.S. policy and their indirect impact on the markets in the Czech Republic and Slovakia, where a significant portion of these revenues is generated.

The reporting period also reflected the successful transfer of research and development results into commercial practice. Strategic adjustments and reassessments made in previous years are now proving successful, and innovation continues to be a key driver of future growth, with a significant impact expected in the next strategic period. This shift has been incorporated into the new Strategy 2024+. In addition, during 2025, we established and further developed cooperation with a strong strategic partner.

There was a year-on-year decline in performance indicators (ROA and ROE). The main reasons were higher input costs associated with project execution, reflecting the lingering effects of inflation from previous periods, as well as increased personnel expenses resulting from workforce growth and partial wage adjustments made in response to inflation. A significant factor negatively affecting profitability was the appreciation of the Czech koruna against the euro, which reduced profit compared to the previous year. In 2025, the company again made targeted investments in research and development financed from internal resources. These investments are gradually enabling entry into new market segments and are expected to contribute to renewed strengthening of these indicators in 2026 and the years ahead.

Factors expected to improve profitability indicators in the future include the implementation of key projects involving the supply of MEGA's own products (revenue from products and services), increasing the share of revenues generated in the membranes, aftersales, and spare parts segments, as well as deliveries to specialized sectors such as pharmaceuticals and gas separation. These developments are supported by the company's own innovation activities, the acquisition of new products, and the continuous optimization of existing technologies. For these reasons, the company remains committed to investing significant resources in research and development and maintaining its competitiveness in line with the objectives of the new Strategy 2024+.

The company's financial stability is reflected in its current liquidity and debt ratio indicators. In year-on-year comparison, these values remained stable at acceptable levels despite dividend payments made in previous periods. Current liquidity remains well above the recommended threshold of 1.5 and has increased over the evaluated periods to the current level of 3.4. However, we expect liquidity to gradually decline in connection with the anticipated future distribution of retained dividends to the company's owner. At the same time, we intentionally maintain a low level of indebtedness in order to reduce risks associated with a potential further downturn in the economic cycle, despite the impact on economic efficiency. This approach has proven to be the correct long-term strategy and contributes to the company's stability. Within the Group, we also finance our subsidiary MemBrain through a cash-pooling arrangement. Looking ahead, we expect an increasing share of long-term investments and projects to be financed through long-term funding sources in order to enhance economic value creation.

A further element of risk management is maintaining a low debt ratio at approximately 20%. The company does not face any significant difficulties in collecting its receivables. In some cases, however, maturity dates have been extended, or instalment plans have been agreed upon with customers. All receivables are actively managed, continuously monitored, and regularly evaluated. The company meets all of its obligations on time, and its debt ratio has remained stable over the long term. In 2026, we do not expect a significant impact of financial costs arising from interest rate increases. We anticipate only a moderate increase in financing costs related to the funding of production and the execution of projects planned at higher volumes.

We also expect to make greater use of long-term and operational external financing in connection with anticipated strategic investments and large-scale projects both in the Czech Republic and abroad. To support these investments, we continue to seek grant funding opportunities in order to reduce reliance on both internal and external financial resources. The company is also actively focused on identifying acquisition opportunities.

One of the reasons for utilizing external credit resources in 2025 and in the coming period, particularly for operational financing, is the optimization of exchange-rate movements balanced through natural hedging. Partial foreign-exchange hedging was also arranged, covering up to 20% of the company's annual revenues through 2026. The hedging strategy provided only limited protection, as the products used included barrier mechanisms and the lower threshold deactivated the hedge due to the rapid appreciation of the Czech koruna.

In 2026, the hedging structure was restructured and selected hedging positions were unwound in order to avoid significant foreign-exchange losses. Any further hedging arrangements aimed at limiting exchange-rate losses in 2026 and subsequent years will be implemented in accordance with the company's financial models and exchange-rate forecasts.

We continuously monitor global developments related to ongoing military conflicts, changes in U.S. trade policy, including the introduction of tariffs, and other geopolitical developments. We take appropriate measures to mitigate potential adverse impacts, including cost-saving initiatives, adjustments to the structure of operations, and the expansion of cooperation with strategic partners and companies.



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. of Act No. 90/2012 Coll., Act on Business Corporations. The company's statutory body is the Board of Directors. The Board of Directors consists of six members. On 18 February 2025, an amendment to the company's Articles of Association established the position of Vice-Chairwoman of the Board of Directors, to which Marie Nováková, an existing member of the Board, was appointed. Luboš Novák remains Chairman of the Board of Directors. The other members are Světlana Adamová, 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 is a three-member Supervisory Board. The members of this supervisory body are Monika Brychová, Chairwoman of the Supervisory Board, Petr Vanský, and Michal Hejral.

CAPITAL STRUCTURE OF THE MEGA GROUP

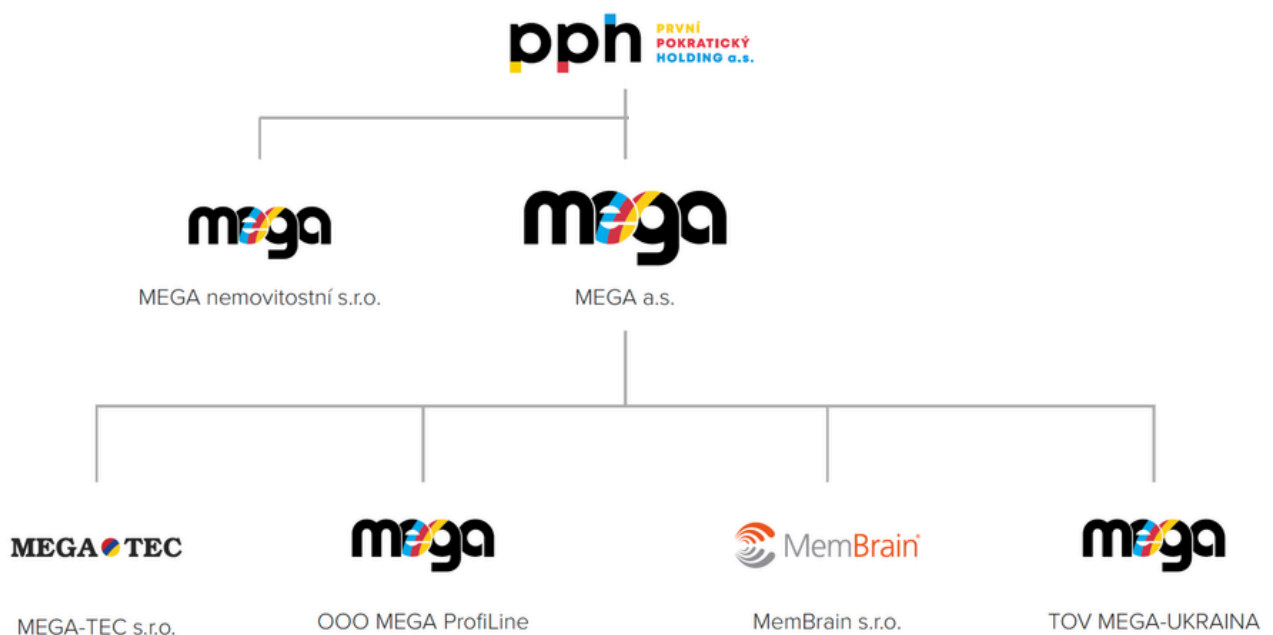
There was no significant change in the capital structure of the MEGA Group during 2025. The shares of MEGA were already transferred in 2019 to the newly established company První pokratický holding, which is currently the sole shareholder of MEGA. The shares of První pokratický holding are fully allocated 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, singlepurpose 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 Membrane Processes MEGA• Division of Water Management MEGA• MemBrain• Memspin• OOO MEGA ProfiLine• TOV MEGA-UKRAINA• MEGA-TEC | <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 company is organizationally divided into the Corporate Administration Department and four divisions: the Division of Surface Treatment, the Division of Ecological Services and Remediation, the Division of Water Management, and the Division of Membrane Processes.

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, in accordance with legal and ethical standards. An effective 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 Promoter 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 may, in agreement with their managers, take advantage of a wide range of training and development activities, including tailor-made programmes, professional training, language courses, and soft skills development. We actively support further qualification and professional growth by offering qualification agreements and individual career development plans.

In 2025, a total of CZK 450,226 was invested in employee training, of which CZK 142,470 was allocated to mandatory professional qualification training and CZK 307,756 to soft skills development and other courses. A total of 133 training courses were delivered. Employees completed 2,132.5 training person-hours in total, of which 1,369 hours were completed by men and 763.5 hours by women.

In 2025, we also utilized the European Union-funded programme Innovating Through Education 2 under the Operational Programme Employment Plus. The programme enabled employee training in soft and managerial skills and offered courses in economics, law, technical disciplines, and other professional areas. It is primarily targeted at employees aged 55 and over. A total of 15 training courses were delivered to 27 employees, representing 238 training person-hours.

In 2025, we also focused on enhancing and expanding employees' digital and IT-related skills. A total of 36 training courses were delivered under the Innovating Through Education DIGI programme, funded by the National Recovery Plan. The programme was attended by 35 employees and represented a total of 572 training person-hours.

Employees also had the opportunity to attend trade fairs and conferences both in the Czech Republic and abroad. In total, 30 such events took place, with a combined value of CZK 3,094,280.

Our strategy involves working not only with our employees but also with students. We actively and regularly participate in career days at universities with a focus on chemistry and related disciplines, such as the University of Chemistry and Technology Prague and the University of Pardubice. We also actively cooperate with foreign universities, including the Slovak University of Technology in Bratislava and universities participating in the ERASMUS programme. We have incorporated the field of electromembrane processes into academic curricula and are the authors of several professional publications. Through contractual partnerships, we help secondary school and university students secure professional internships and practical training opportunities.

We offer educational visits to both our parent company and our subsidiary research centre for secondary school and university students, combined with expert presentations and guided tours.

For university students, we have long operated a dedicated student programme and organize an annual workshop focused on student projects and theses. We regularly host professional conferences and lectures on electromembrane processes and occasionally publish the results of our activities in professional journals. In 2025, we published three articles in professional journals and delivered several conference presentations on the topics of Technologies for Remote Monitoring and Electromembrane Processes in Industrial Applications.

Our Memorandum of Cooperation with Junior Achievement expresses our commitment to joint activities focused on developing the talents and skills of young Ukrainian refugees aged 15–24, supporting their preparation for the labour market, employment opportunities, and further education.

Thanks to our cooperation with students and our participation in university career days, the company continues to successfully recruit specialists for positions that are otherwise difficult to fill within the region.

In 2025, MEGA provided a professional internship for one student from a secondary technical school and cooperated with one university student on the preparation of a bachelor's thesis.

EMPLOYEE BENEFITS

The company's benefits program includes both financial and non-financial benefits, including: 5 days of vacation beyond the Labor Code, 3 additional days off, 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 suggestions and initiatives in the field of occupational health and safety (OHS). We have a dedicated programme focused on promoting employee health and well-being. In 2025, we organized Health Days for employees, focusing on healthy workplace nutrition, disease prevention, consultations with healthcare professionals, expert lectures and training sessions, mental well-being, and physical health. Activities included consultations with a dermatologist and physiotherapist, workplace massages and taping, a lecture on balancing sleep and stress, individual consultations on mental well-being, exercise sessions aimed at preventing back pain associated with sedentary work, a smoking cessation programme, preventive health screenings, vitamin packages, and a month-long sports initiative with free access to the MultiSport programme.

The Health Days programme also includes the Move to Help challenge, which encourages physical activity while supporting charitable causes. We invest in occupational health and safety (OHS) on a long-term basis, whether through personal protective equipment (PPE), prevention of infectious diseases, regular medical examinations provided by contracted occupational health physicians, improvements to the working environment, or equipment designed to facilitate handling and reduce physical strain. We regularly monitor sickness absence and workplace accidents, assess occupational risks, and implement appropriate preventive measures. In 2025, we recorded three occupational accidents resulting in sick leave exceeding three days, accounting for a total of 622.5 lost working hours due to temporary incapacity for work.

The company organizes a variety of employee events and regularly rewards its employees, whether through gifts for International Women's Day, vitamins and fruit provided in the workplace during Health Days, improvements to company catering, semi-annual celebrations for employee anniversaries, the annual Christmas tree lighting ceremony, or the company Christmas party.

COMMUNICATION AND COOPERATION

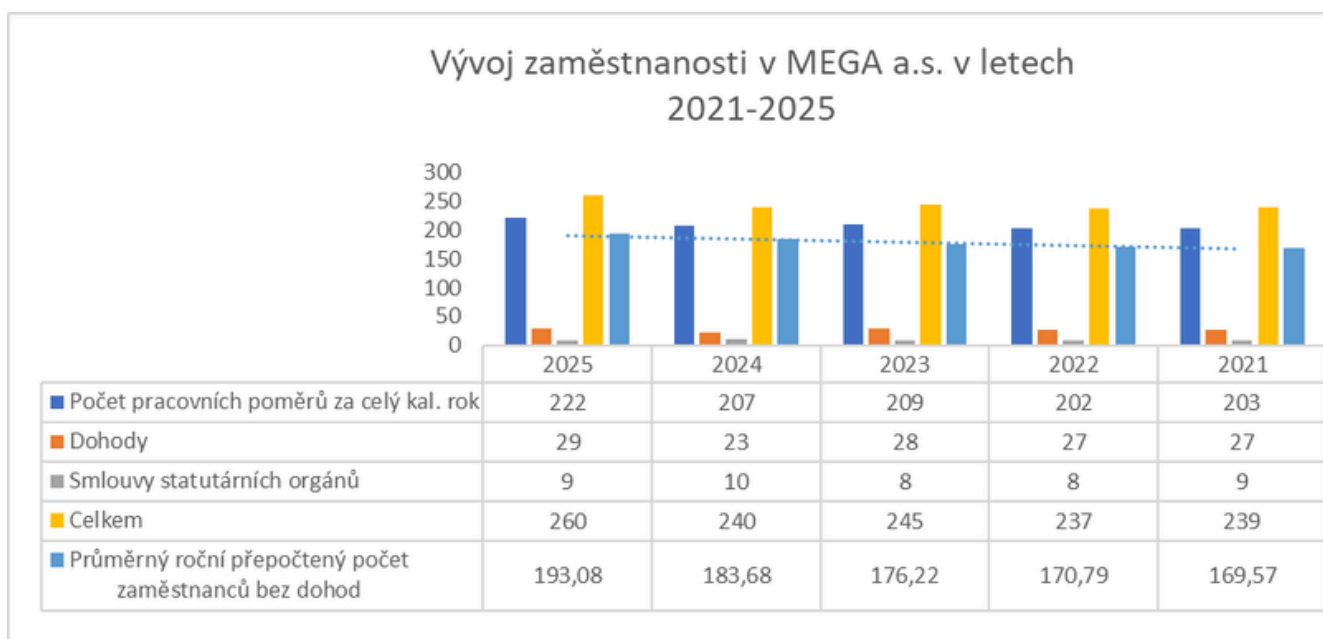
Communication with employees is very important to us, as is the feedback they give us. We regularly inform employees about what is happening in the company through regular departmental meetings, the company magazine, or MS Teams, where we have a very well-developed information system. Employees can communicate 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 cooperation with local communities, we primarily support local sports clubs, youth leisure activities, cultural and social events, schools, students, and charitable projects. We are a regular partner of the Social Car initiative supporting the Assisted Living Facility in Mimoň. In 2025, we supported a total of 15 such projects. At the same time, we actively contribute to improving the urban environment with a positive impact on the wider public, including the planting and maintenance of green spaces and the construction of children's playgrounds. The company also organized an activity station at a children's event hosted by the town of Stráž pod Ralskem. Through charitable fundraising activities, our employees supported the Czech League Against Cancer and participated in the Light Up Czechia campaign organized by the Via Foundation. The company also supported the Emil Votoček Foundation Fund and the Masaryk Memorial Cancer Institute.

We communicate our sustainability activities to the public through the company [website](#) and by preparing a Sustainability Report. We also seek to educate our employees to adopt sustainable practices in their everyday lives and therefore organized a training programme on the topic of an environmentally responsible household.

EMPLOYMENT AT THE MEGA COMPANY

The company is stable in human resources with moderate progress



NUMBER OF EMPLOYEES AS OF 31. 12. 2025

- Employment contracts: 200 employees (129 men, 71 women), of which 100% are employed in the Czech Republic.
- Average full-time equivalent headcount: 193.08.
- Agreements outside standard employment contracts: 16 (12 men, 4 women).
- Statutory body contracts: 9 (6 men, 3 women), comprising 6 members of the Board of Directors (4 men, 2 women) and 3 members of the Supervisory Board (2 men, 1 woman).

By Employee Category

- 125 Administrative and Technical Staff (THP) - (77 men and 48 women), including 14 senior managers (9 men and 5 women)
- 75 production employees (52 men and 23 women)

Protected Groups

- The company employed a total of 20 pensioners, including:
 - 5 employees with disability status under standard employment contracts (3 women and 2 men),
 - 15 old-age pensioners (12 men and 3 women), of whom 6 were employed under standard employment contracts, 7 under work agreements, and 2 served as members of statutory bodies.
- Employees on maternity or parental leave: 8 women.
- Foreign nationals: 7 employees (5 women and 2 men), comprising 4 citizens of Ukraine, 1 citizen of Poland, 1 citizen of Croatia, and 1 citizen of Slovakia.

Flexibility

- Employees with a full-time weekly working schedule of 37.5 hours: 196.
- Employees working part-time: 4 (3 women and 1 man).

- Employees using flexible working hours: 98.
- Employees eligible for home office arrangements: 95.

We regularly monitor employee turnover and retention rates and systematically analyse the reasons for employment termination. The annual employee turnover rate for 2025 was 8.6%, while the employee departure rate reached 11.7%.

Working hours

In 2025, employees worked a total of 303,549 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 2025, 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 2025: 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 focuses primarily on deliveries outside the Czech Republic. The division provides customers with sophisticated solutions based on electromembrane processes, particularly in the water, dairy, and specialty application segments. In recent years, the aftersales segment has also represented a significant share of the division's total revenue. The division operates globally through its own branch offices and an agent network that continues to be progressively expanded. In addition, the division cooperates with strategic business partners in the delivery of integrated technological solutions. Once again, 2025 was significantly influenced by geopolitical developments.

The presentation of MEGA's products and technologies continued in the online environment. At the same time, business development activities and active participation in the world's leading trade fairs and exhibitions related to the division's activities returned to their standard level throughout 2025.

WATER TREATMENT

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

Implementation and acquisition of new projects in 2025

A total of 31 projects were obtained.

Territorial distribution of acquired projects::

- 27 projects in Europe
- 4 projects outside Europe

DAIRY INDUSTRY

Throughout 2025, the dairy segment showed higher prices compared to 2024 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 2025

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

A total of 6 projects were obtained

Territorial distribution of acquired projects:

- 2 projects in Europe
- 4 projects outside Europe

AFTERSALES

Business activity in the aftersales segment was stable throughout 2025, with sales in this segment gradually increasing.



DIVISION OF SURFACE TREATMENT (DST)

Despite the objective challenges facing the eurozone economy and the crisis affecting the automotive industry, which is a key market for us, we successfully built on the achievements of previous years in our long-established and stable business sector. We managed to maintain stable revenues and achieve our planned operating results, even with a modest reserve.

This was supported by the still relatively favourable level of industrial production and the overall economic situation in the Czech Republic compared with many other major EU countries. Unfortunately, this was not the case in Germany, Europe's strongest economy, where economic growth slowed significantly, accompanied by negative effects such as production cutbacks and difficulties in securing essential materials.

As a result, many manufacturers and suppliers, including our company, faced challenges related to securing critical products, coatings, and auxiliary materials. Fortunately, Škoda Auto, together with the majority of its suppliers, remained an exception within the VW Group. Other domestic manufacturers operating in related industries, such as transportation, construction, industrial machinery, and agricultural equipment, all of which place high demands on surface protection and comprehensive service support, were also able to maintain production at planned levels.

A positive factor for our business continues to be the broad product portfolio of the global coatings manufacturer PPG, as well as the industry diversification of our customer base. Equally important are our long-standing experience and know-how, complemented by our ability to provide key customers with a comprehensive "full package service."

This is made possible through close cooperation with our subsidiary MEGA-TEC, a manufacturer of proprietary cataphoresis coating equipment, and in particular with the MIC I development centre of MemBrain, which provides advanced chemical and analytical services, including the analysis and testing of cataphoretic coating baths and finished products.

Despite the economic challenges affecting the eurozone and the emerging instability of a long-established global political order, we continue to see strong prospects for the industry in the years ahead.

PLAN FOR 2025 AND ITS IMPLEMENTATION

Similarly to the previous year, the reporting period was not marked by any significant turbulence on the cost side. Prices of raw materials, finished products, and energy remained at expected levels and were in line with planned assumptions.

Even labour costs, which represent a key cost item for our business, did not increase as sharply as in previous years. Nevertheless, they continued to have a negative impact on the overall performance of the division. In our industry, we are neither able nor willing to rely on low-cost or agency labour. To retain our core workforce, we must ensure not only the stability of our teams but also wages that adequately reflect employees' actual living costs.

In 2025, we were required to adjust commercial terms for several key customers that are still recovering from the effects of the COVID-19 pandemic and, in particular, the energy crisis of recent years. On the other hand, we succeeded in retaining these customers and expect their business volumes to grow, which remains a key parameter for us. A positive factor was the continued price stability maintained by PPG, which may continue into the coming year.

The performance of the DST, based on our internal segmentation according to the nature of supplied materials and the type of services provided, can be summarized as follows.

One of our most important segments, characterized by high added value and requiring unique expertise in technology, business relationships, and quality-related processes, remains the supply and comprehensive servicing of cathaphoretic coatings and paint shops. Most customers in this segment maintained similar or slightly higher turnover than in the previous year. Although some exceptions occurred, particularly in the automotive sector, the decline was not dramatic.

We also started supplying a new customer acquired in the second half of 2024 – the Brno production plant of DAIKIN, the global Japanese compressor manufacturer. During the spring, we also succeeded in entering Galvanika Duchoň as a service provider. For the time being, cooperation is limited to a smaller paint shop and is affected by significant payment issues. Nevertheless, we see substantial and commercially attractive potential in the company's new paint shop in Písek.

Alongside our traditional industrial sales and technical activities, we made significant progress in the field of decorative cathaphoretic coatings. We currently have a prospective customer in this segment whom we expect to begin supplying and servicing during the current year. Although this is not a high-volume market, it represents another promising direction for future development.

Our most important customer continues to be IVECO CR in Vysoké Mýto, a major manufacturer of buses for both European and international markets. The comprehensive range of services we provide – from the supply of virtually all coating products and related materials for surface treatment, through the operation of selected equipment, to participation in the technical optimization of production processes – has created a strong foundation for long-term cooperation. Given the nature of the industry, this relationship offers both stability and long-term prospects.

The team providing extensive logistics and technical outsourcing services has become an integral part of the customer's production and organizational structure and is difficult to replace. In the bus manufacturing sector, which benefits from significant public funding and primarily serves the transportation of children to schools and people to work, the negative economic factors mentioned above have had only a limited impact.

In the wet coatings segment, our dominant customer remains F.X. Meiller Slaný. During the past year, a number of complications arose, particularly in the area of supply continuity and in connection with less successful and somewhat inconsistent efforts to identify alternative coating systems. However, intervention by the corporate headquarters ultimately led to a clear definition of supplier requirements and strengthened the position of both PPG and our company.

After testing competing materials, the customer returned fully to our products. At the same time, it increased the utilization of its new cathaphoretic paint shop and maintained a solid production volume, generating corresponding business volumes for our company.

Deliveries and mixing of topcoats for other key customers, particularly COMPOSITE Components Choceň and ŠKODA Electric Plzeň, remained similarly stable. From this perspective, the past year can be evaluated positively. Unfortunately, previous issues with raw materials and competitive pressure led to a reduction in margins, although they remained at an acceptable level.

In our search for further growth opportunities and higher financial returns—achieved primarily through business expansion—we invested considerable effort and resources in developing the powder coatings segment. Although we have supplied these products for many years, this has largely been limited to selected major industrial manufacturers. Our current objective is to expand into the medium-sized customer segment, ideally with clearly defined long-term production projects.

The powder coatings market remains heavily oversupplied. Nevertheless, we continue to see opportunities and are actively working to acquire new customers.

We work closely with our subsidiaries. Cooperation with MEGA-TEC is particularly important in providing “full package service” for cathaphoretic paint shops. MemBrain serves as our exclusive partner for chemical analyses of cathaphoretic baths and laboratory testing of corrosion protection quality. This cooperation significantly enhances flexibility, quality control, and effective troubleshooting.

The success of our business depends largely on our ability to maintain a high standard of products and services. Equally important are the technical expertise of our employees and the flexibility that a family-owned company can provide when properly managed.

The labour market situation in the Czech Republic continues to deteriorate. The number of technically qualified workers at all levels who are willing to work in multi-shift operations and handle industrial chemicals is steadily declining. Not all activities can be replaced by machinery or automation, which creates additional limitations and challenges.

A significant negative impact on our financial results also came from the strengthening of the Czech koruna against the euro. While coatings are purchased and sold in euros, all related operating costs are incurred in Czech koruna.

OUTLOOK FOR 2026

The political and economic situation, both in Europe and globally, remains far from stable and predictable. Even the long-standing and once unquestioned partnership between the United States and Europe is showing visible signs of strain. Nevertheless, provided there are no significant adverse changes in the economic and social environment in the Czech Republic or in the external relations within the European Union, we expect the industry to develop similarly to the year under review. This expectation is not based solely on optimism, but also on the outlook and business plans of our key customers and strategic partners.

As in previous years, our greatest stability should continue to come from customers operating cathaphoretic coating technologies and from our largest partner, IVECO CR, which expects production volumes similar to those of 2025, with the potential for modest growth.

An important objective for this year is the update of the long-term service agreement between IVECO CR and PPG/MEGA. This is expected to take place during the first half of the year, although no major changes are anticipated. We expect the current arrangements to be formally confirmed.

Developments in the wet coatings segment, particularly at F.X. Meiller Slaný, should also contribute to the stability we require. One or two promising projects involving liquid coating supplies are currently under discussion. Further activities in powder coatings and decorative cathaphoretic coatings may generate additional revenue and create opportunities for future growth.

At the same time, we will face a number of challenges. These will mainly involve maintaining personnel stability within the division and managing increasingly complex negotiations with PPG and a number of customers that have become part of relatively inflexible global structures.

In summary, we expect a demanding year from both a supply and service perspective, while maintaining turnover at approximately the level defined in the 2024–2028 strategic plan, thus making an important contribution to the continued development and stability of MEGA.

NEW AND IMPORTANT REFERENCES

AGROSTROJ Pelhřimov, CZ – truck parts and parts for agricultural and special-purpose machinery

BRANO Group Hradec nad Moravicí, CZ – automotive components for VW Group, Toyota,...

ECOS Vysoké Mýto, CZ – production of bus subassemblies

KEREX, Michalovce, SK – major manufacturer of transport containers

KV Final Kuřívody, CZ – automotive

ASTEMO Czech (HITACHI) Žatec, CZ – shock absorbers

TATRAVAGONKA Poprad, SK – freight wagons

DAIKIN DEVICE Czech Republic, Brno, CZ – compressor manufacturing

MATADOR Vráble, SK – automotive components

TATRA TRUCKS 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

FRITZMEIER Vyškov, CZ – production of tractor and construction machinery cabs

THERMAL-TREND Starovičky, CZ – 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

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 construction projects focused on landscape and public space revitalization. In 2025, the division's activities were primarily focused on remediation work, research and development activities, and public space revitalization.

In the segment of Ecological Services, work continued on the key project Remediation of the Historical Environmental Burden at the Kortan Site, together with smaller contracts involving project documentation, expert assessments, environmental audits, and groundwater monitoring. The first phase of the Kortan remediation focused on the gradual cleaning of the remaining above-ground storage tanks and underground sumps. Following the issuance of demolition and waterworks permits, construction and demolition works commenced in mid-2025. Construction activities included the establishment of a temporary stockpile for inert demolition waste and excavated soil, as well as drilling works related to a reactive barrier for zero-valent iron injection. Demolition works involved the removal of steel above-ground storage tanks, dismantling of a sheet-metal warehouse structure, and excavation of contaminated soil, including backfilling and site grading.

In the segment of Research and Development, funding was approved in 2025 for the innovative project SanAI: Advanced AI Tools for site investigation, smart monitoring and efficient management of geological environment remediation. DES acts as the lead partner in cooperation with the Technical University of Liberec and DEKONTA. The project focuses on applying artificial intelligence to the evaluation of monitoring data, enabling data integration and more comprehensive use during site investigation and remediation than has previously been possible.

The year 2025 was again highly successful for the segment of Revitalization and Construction Activities. The key project completed in the first half of the year was the revitalization of parts of Tyrš Gardens and S. K. Neumann Gardens in Poděbrady. The objective was the comprehensive restoration of the central tree avenues in both locations. The project included the removal of unsuitable vegetation, stabilization of retained trees, and planting of 72 new trees. More than 600 m² of granite-paved walkways were constructed, new public lighting was installed, and basic site furniture, including benches and waste bins, was added. At the same time, work continued on the revitalization of green spaces in the municipality of Čachovice. Activities included tree removal and arboricultural works, demolition works, landscaping, construction of paved areas, and installation of benches and picnic sets. Landscape planting works were completed in autumn 2025 in accordance with agrotechnical requirements, and the project was successfully handed over in December.

The segment of Revitalization and Construction Activities also remained active in the development of sports and playground facilities. During the year, the division successfully completed a multifunctional sports ground in Volfartice, enhanced the outdoor recreational facilities of the Crisis Housing Centre in Děčín, and revitalized the garden of the kindergarten in Skalice u České Lípy.

While projects were being completed at the end of 2025, preparatory work was already underway for newly contracted projects scheduled for 2026. These included the construction of a leisure complex in Snědovice, the revitalization of a public park in Semice, the second phase of landscape restoration in Sýčina, and above all, the key project for 2026 – the revitalization of the park area adjacent to the cemetery in Prague-Vinoř. This is the largest and most comprehensive project undertaken by the revitalization segment to date. It includes vegetation works such as tree removal and arboricultural works, lawn establishment, and planting of trees and perennials, as well as construction works including pathways and paved surfaces, reconstruction of the cemetery wall and main entrance gate made of weathering steel, installation of urban furniture and public lighting, and the construction of an irrigation system and a central fountain. Completion of the construction and landscaping works is expected during the second half of 2026.

In line with the DES Strategy 2024–2028, the division continued in 2025 to increase the value of newly acquired projects, with the objective of strengthening its position in the CZK 10–20 million market segment (excluding VAT). Given the secured workload for the first half of 2026, business development activities in the revitalization segment will focus on acquiring a sports ground project with an estimated value of CZK 5–10 million (excluding VAT) and, additionally, projects involving linear greenery planting, a segment in which the division has long-established expertise.



DIVISION OF WATER MANAGEMENT (DVH)

The Division of Water Management of MEGA focuses on technological solutions for water treatment and purification for industrial, power and municipal sectors. The strategic direction of the division is based on long-term trends in water protection and the modernization of water management infrastructure.

The division's strategic focus is on technically demanding projects with higher added value. It delivers comprehensive solutions covering process design, engineering, implementation and subsequent service support, while utilizing the expertise and technological know-how of MEGA.

MEDIUM-TERM STRATEGIC PRIORITIES

One of the division's main priorities is to capitalize on business opportunities arising from the modernization of energy and industrial facilities, particularly in connection with decarbonization and increasingly stringent water management regulations. These developments are driving demand for solutions in water treatment, purification, recycling, and overall water management optimization. The division's long-term strategic objective is to serve as a technology partner to customers in the preparation and implementation of such investments.

Another important priority is the systematic development and further enhancement of know-how in advanced wastewater treatment technologies, including quaternary treatment. Experience gained from completed projects provides a strong foundation for strengthening the division's competitive position in response to growing requirements for the removal of micropollutants and other specific contaminants. The division is focused on expanding its reference portfolio and increasing its success rate in both industrial and municipal projects.

A further strategic direction is the development of the division's own product portfolio and the implementation of innovative technological solutions that improve treatment efficiency, operational reliability, and the optimization of customers' operating costs. This approach supports the technological differentiation of the division's solutions and its long-term competitiveness.

BUSINESS APPROACH

The business approach of the Division of Water Management is based on independent market activity and direct customer relationships. The division focuses on the delivery of comprehensive technological solutions with full technical and implementation responsibility, placing emphasis on the integration of commercial, engineering, and technological expertise, the quality of technical solutions, and long-term customer partnerships.

REPORT ON RELATIONS

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

SECTION I – STRUCTURE OF RELATIONS

Controlled Person

Company: MEGA; Company ID No. 44567146, Pod Vinicí 87, 471 27 Stráž pod Ralskem (registered office until 31 December 2025: Drahobejlova 1452/54, 190 00 Prague 9), registered in the Commercial Register maintained by the Regional Court in Ústí nad Labem, Section B, File No. 199 (hereinafter referred to as the Controlled Person)

Controlling Person

Company: První pokratický holding; Company ID No. 07756895, Registered office: Ke Klíčovu 191/9, Vysočany, 190 00 Praha 9, Registered in the Commercial Register maintained by the Municipal Court in Prague under file No. B 24082 (hereinafter referred to as the Controlling Person)

All shares of the Controlling Person are held in the Pokratický Private Trust Fund, Company ID No. 08581461, registered in the Register of Trust Funds under File No. SF 2111, maintained by the Regional Court in Ústí nad Labem.

Entities Controlled by the Same Controlling Person:

MEGA-TEC, ID 25538276, RO: Průmyslová 1415, 593 01 Bystřice nad Pernštejnem, registered in the Commercial Register maintained by the Regional Court in Brno, Section C, File No. 30723.

NOSCO, ID 28328485, RO: Průmyslová 1415, 593 01 Bystřice nad Pernštejnem, registered in the Commercial Register maintained by the Regional Court in Brno, Section C, File No. 61523.

MEGA nemovitostní, ID 07756933, RO: Ke Klíčovu 191/9, Vysočany, 190 00 Prague 9, registered in the Commercial Register maintained by the Municipal Court in Prague, Section C, File No. 307110.

MemBrain, ID 28676092, RO: Pod Vinicí 87, 471 27 Stráž pod Ralskem, registered in the Commercial Register maintained by the Regional Court in Ústí nad Labem, Section C, File No. 26344.

Memspin, ID 19682280, RO: Pod Vinicí 468, 471 27 Stráž pod Ralskem, registered in the Commercial Register maintained by the Regional Court in Ústí nad Labem, Section C, File No. 50990.

TOV MEGA-UKRAINA, Registration No. 38419553, RO: Mechanizatoriv 2, 03035 Kyiv, Ukraine.

OOO MEGA ProfiLine, Registration No. 1072635016277, RO: Bolshaya Serpukhovskaya 202B, 142181 Podolsk, Russian Federation.

TOO MEGA ProfiLine Kazakhstan, Registration No. 220540048859, RO: 18/2 Kunayev Street, Almaty, Kazakhstan.

STRUCTURE RELATIONS

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

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

The controlled person owns a 100% interest in MemBrain.

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

The controlled person owns a 99% interest in OOO MEGA ProfiLine.

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

MemBrain owns a 100% interest in Memspin.

OOO MEGA ProfiLine owns a 100% interest in TOO MEGA ProfiLine Kazakhstan.

MEGA-TEC owns a 100% interest in NOSCO.

ROLE OF THE CONTROLLED PERSON WITHIN THE GROUP STRUCTURE

The controlled person is a company engaged in the delivery of key products and services.

METHOD AND MEANS OF CONTROL

The controlling person exercises its influence over the controlled person through resolutions of the sole shareholder acting within the powers of the general meeting, in accordance with the articles of association of the controlled person. No shareholder agreements, partnership agreements, or other ancillary agreements were concluded within the group.

SECTION II. — THE REFERENCE PERIOD

This report covers the period from 1 January 2025 to 31 December 2025.

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

No actions were taken during the Decisive Period at the initiative of, or in the interest of, the controlling person or persons controlled by the controlling person concerning assets exceeding 10% of the equity of the controlled person as determined from the financial statements for the accounting period immediately preceding the accounting period for which the report on relations is prepared.

SECTION IV. — OVERVIEW OF MUTUAL CONTRACTS

The overview of contracts concluded during the Decisive Period with the controlling person is attached as Appendix No. 1 to this report.

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

Relations between the controlling person and the controlled person are assessed as neutral. The influence of the controlling person is exercised within the powers of the general meeting and in accordance with the rules stipulated by the articles of association of the controlled person. Contractual relations between the parties are concluded under standard commercial terms. No special disadvantages or non-standard risks arise from the relations between the controlling person and the controlled person.

During the Decisive Period, no detriment was incurred as a result of the influence of the controlling person on the conduct of the controlled person and therefore no compensation was required pursuant to Sections 71 or 72 of Act No. 90/2012 Coll., the Business Corporations Act, as amended.

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 3 February 2026.

Luboš Novák, PhD
Chairman of the Board of MEGA

CONTACTS

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 rep.	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 a.s., Na Příkopě 20, 111 21 Praha 1
Account number	318881-004/2700
ID databox	ui6cfzk
Website	www.mega.cz

Note: The overview does not include the change of the registered office effective as of 1 January 2026, nor the related change in the company's registration details in the Commercial Register.

DETACHED WORKPLACES, BRANCHES AND SUBSIDIARIES OF MEGA

Stráž pod Ralskem

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

Bystřice nad Pernštejnem

Průmyslová 1415, 593 01 Bystřice nad Pernštejnem
tel: +420 566 550 925, email: dpu@mega.cz

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

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

Hodonín

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

Pardubice

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

Trnava – Slovakia office

Pekárska 11, 917 01 Trnava, Slovakia
tel.: +421 910 913 298, email: lackovic@mega.cz

Praha

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

SUBSIDIARIES OF MEGA

MEGA-TEC s.r.o.

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

MemBrain s.r.o.

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

TOV MEGA-UKRAINA

Kyiv, ul. Mekhanizatorov 2, tel.: +38 099 452 52 52,

email: natalia.storozhilova@mega.cz

OOO MEGA ProfiLine

ul. Bolshaya Serpukhovskaya 202B, 142.181 Podolsk, Russian Federation,

tel.: +7 495 739 82 02, email: info@mpline.ru

ANNEX I. – OVERVIEW OF INTERCOMPANY AGREEMENTS

Number	Supplier Name	Date of Conclusion	Subject of the Agreement
SI23075/01	MEGA-TEC	30.05.2024	Service Agreement
SJ25003	MemBrain	19.01.2024	Tripartite Non-Disclosure Agreement
SJ25004	MemBrain	29.01.2024	Amendment No. 2 to the Administrative Services Agreement
SJ25030	MemBrain	27.02.2024	Tripartite Non-Disclosure Agreement
SJ25031	MemBrain	18.04.2024	Tripartite Non-Disclosure Agreement
SJ25033	MemBrain	22.04.2024	Tripartite Non-Disclosure Agreement
SJ25035	MemBrain	30.04.2024	Amendment No. 1 to the Project Participation Agreement
SJ25036	MemBrain	01.05.2024	Tripartite Non-Disclosure Agreement
SJ25037	MemBrain	06.05.2024	Joint Procurement Agreement
SJ25038	MemBrain	16.07.2024	Agreement on the Use of Research and Development Results
SJ25040	MemBrain	29.07.2024	Tripartite Non-Disclosure Agreement
SJ25055	MemBrain	01.08.2024	Tripartite Non-Disclosure Agreement
SJ25067	MemBrain	27.08.2024	Tripartite Non-Disclosure Agreement



www.mega.cz

