

## INVESTMENT OPPORTUNITY

### Sale of the business establishment of the debtor AMATI – Denak, s.r.o.

As part of the insolvency proceedings of the company AMATI – Denak, s.r.o., the insolvency trustee KONREO, v.o.s., administering the rights of disposal to the debtor's assets, has decided to sell the business establishment of the debtor, which is part of the debtor's insolvent estate. PROKONZULTA, a.s. has been entrusted with the sale.



*V. F. Červený*  
& SYNOVÉ



#### Details of the investment opportunity

- AMATI is a traditional Czech brand.
- The company previously ranked among the three largest manufacturers of its kind in Europe and exported products to more than 50 countries around the world. Founded in 1945, its registered office is situated in Kraslice in the Karlovy Vary region.
- In spite of its debts (financial obligations that arose prior to the sale of the debtor's business establishment are being settled in insolvency proceedings for the debtor's assets), the company, a manufacturer of woodwind musical instruments, has a healthy core in the shape of a unique product range and the company employees themselves.

Its product range can be divided into two basic groups of instruments. The first group contains woodwind instruments (e.g. clarinet, bassoon, contrabassoon and saxophone), while the second group consists of brass instruments (such as cornet, trumpet, flugelhorn, baritone horn, sousaphone and tuba).

The products are protected under the trademarks V. F. Červený & synové, AMATI and ak Amati Kraslice.

- Top musicians and ensembles choose the company's products, which are exported and sold all over the world.

Czech musicians who choose Amati instruments include jazz trumpeter Laco Deczi, trumpeters of the Czech Philharmonic, the wind section of the band Chinaski, the band Kryštof, the popular brass band Mistřiňanka, and others.

The company is currently under the management of an insolvency trustee together with an experienced crisis manager and a team of key co-workers from the company staff; production is provided by loyal and qualified employees.

Kraslice  
factory



Manufacturing centre  
Hradec Králové

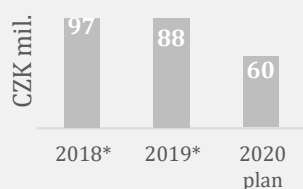
Sales organiser:  
PROKONZULTA, a.s.  
Křenová 299/26, 602 00 Brno  
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PROKONZULTA, a.s. has carefully prepared these materials based on information and data provided by the debtor, but takes no responsibility for the content or interpretation of the information provided in this document. This document is purely informative in nature. It is not intended as an investment recommendation. The document has been prepared to help readers to decide whether they wish to further research this investment opportunity or not.

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#### Total revenue



\* between 2018 and 2019 a large part of the revenue comprised receivables of the majority owner from Great Britain

#### Description of the transaction

- The transaction will be carried out by selling the debtor's business establishment without an auction and with a single contract, in the form of and under the conditions of a tender procedure.
- The property will be sold to the bidder with the highest bid.
- Upon selling the debtor's business establishment under a single contract, all rights and obligations related to the sale, including rights and obligations arising from labour-law relations with the debtor's employees, shall be transferred to the buyer, except for liabilities of the debtor arising before the contract enters into force.

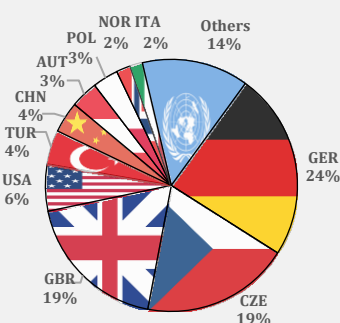
#### Organisational structure of the company

head office, accounts department	main office, accounting, HR and payroll
sales department	sales, shipping, road haulage
production of woodwind instruments	woodwind instruments, saxophones, wood workshop, cases, casting, purchasing
production of metal instruments	metal instruments, hydraulics, body production, electroplating, turret lathes, CNC machining
operations department	maintenance, energy, OSH, fire protection, ecology, waste, security

- The production plant in Kraslice employs 92 staff members.
- The production centre in Hradec Králové is currently leased to a different legal entity. Production is provided by this entity's own employees.



#### Share of revenue



#### Key balance sheet items\*

<b>Cash flow balance</b>	<b>+46</b>
Total revenue	32,667
Total expenses	32,621
- Wages and wage levies	23,455
- Services	2,833
- Energy	2,281
- Materials	2,093
- Subcontractors	465
- Haulage charges	299
- Insurance	177

\*at the time of insolvency proceedings in thousands of CZK (from February 2020)

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