

ANNUAL REPORT 2023

GEVORKYAN, a.s.



GEVORKYAN, a.s., Továrenská 504, Vlkanová

Table of Contents

1. Introduction of the company	3
2. Structure of shareholders and organs of the company.....	14
3. Organisational structure and employment	15
4. Activities, visions and plans of GEVORKYAN, a.s.....	18
5. Strategy of GEVORKYAN, a. s.	21
6. Impact of the company's activities on the environment	22
7. Economic indicators and financial situation	23
8. Risks of further development of the company	24
9. Governance Statement.....	24
10. Important events and information	25
11. Attachments (Certificates of the company and sample articles about the company in the media in Slovakia and the Czech Republic)	28
IATF 16949 certificate	
ISO 9001:2015 certificate	
ISO 14001:2016 Certificate	
ISO 45001:2018 certificate	
U. S. Food and Drug Administration	
ICR	
Financial statements	
Independent auditor's report	

1. Company introduction

GEVORKYAN, a.s. was founded as a family company in Banská Bystrica in 1996. Its founder and current majority shareholder is an aeronautical engineer Dipl. Ing. Artur Gevorkyan, originally Armenian, who built the company "on a green field". GEVORKYAN, Inc. builds on the experience of two generations of the family in the field of powder metallurgy.



1977 - Robert Gevorkyan starts a powder metallurgy plant in the Urals

Today, it is a leader in powder metallurgy within Europe and one of the most innovative companies in this sector worldwide. The company is a manufacturer of various types of components using powder metallurgy (PM) and metal *injection moulding* (MIM) technologies for the automotive, petroleum, cosmetics and agricultural industries, hand tools, locks and security systems, healthcare, air-conditioning and defence industries. The company does not have a branch abroad.



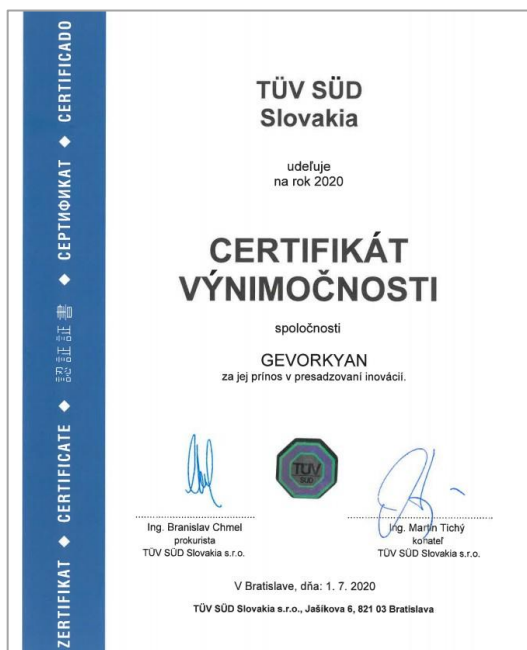
Metal parts, manufactured in GEVORKYAN, a.s.

GEVORKYAN, a.s. is the holder of many prestigious Slovak and international awards, such as:

"Diamonds of Slovak Business" in the category of the most dynamically growing company in 2012, 2013, 2020 and 2021.



"Exceptional Company 2020" TÜV SÜD awarded GEVORKYAN, a.s. **Certificate of Excellence** for its contribution in promoting innovation.



The company was awarded a special prize from the Industrial Property Office for the development of its unique Covid-19 masks.



In 2018, GEVORKYAN, a.s. received the highest award from the European Powder Metallurgy Association (EPMA) during the international trade fair in the Netherlands: the absolute victory in the "EPMA Component Awards 2018 - Structural Parts Category", which focuses on the most innovative solutions in the field of powder metallurgy with a significant contribution to cost savings, quality improvement, encouragement to further use of PM, uniqueness, originality and new ideas.



Ranking among the "TOP 10 companies of the Banská Bystrica region" for 2016 and 2018. The ranking is announced annually by Hospodársky noviny, in cooperation with UniCredit Bank and sponsor Deloitte.

The company continues to focus on development. In 2023, approximately 10% of the total workforce was working on the development of new technologies and products for customers around the world. The work of the development department results in unique solutions for which the company regularly receives international awards.

Among other things, GEVORKYAN, a.s. distinguishes itself from other manufacturing companies by a higher proportion of employees with higher education - up to one third of employees have achieved an engineering or master's degree, while 8 of them have achieved a doctorate degree (PhD.)

"Fachmetall QM Context Award", which the company received during the trade fair of the specialized powder metallurgy in the Swiss city of Basel, where it was the winner of the competition in the



"Quality" category. GEVORKYAN, a.s. was the only company from the EU and the first company in the history of powder metallurgy to be awarded this prize.

"National Champion, National Public Champion" and "Ruban'd Honneur" in the **European Business Awards 2016/2017**, which for ten years has focused on the most innovative companies on the old continent by promoting their success, innovation and ethics. The main sponsor is RSM International, the sixth largest network of independent audit, tax and advisory firms in the world.

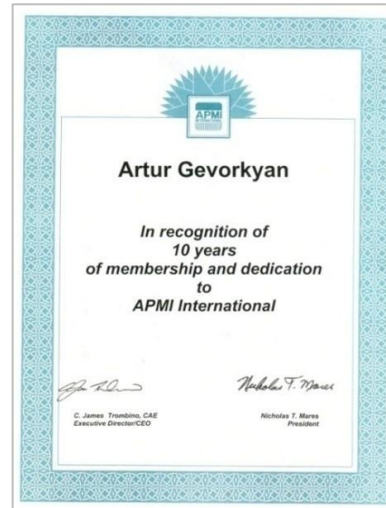


"Factory of the Year" by the Fraunhofer Institute and EXIM Bank Slovakia for a progressive business model.

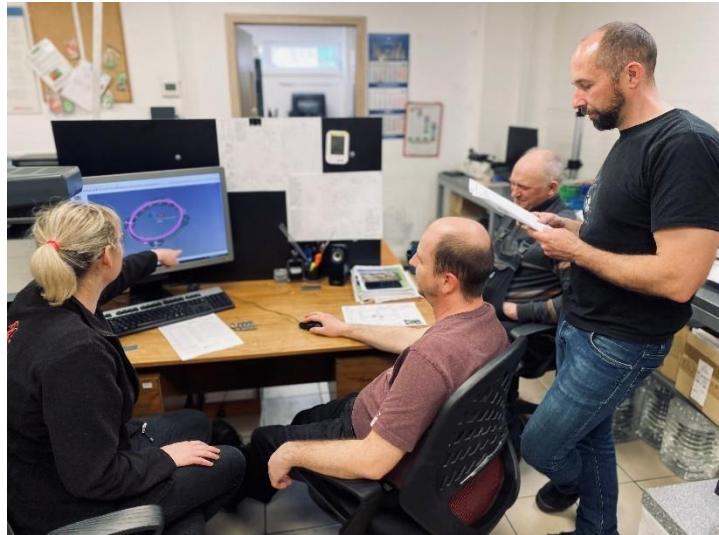


The activities of GEVORKYAN, a.s. and its activities are available on the website www.gevorkyan.sk, section *About us - Awards*.

The company is a member of the European (EPMA) and International (APMI) Powder Metallurgy Associations. It has a state-of-the-art **laboratory** and **development centre**.



Laboratory - automatic hardness tester



Part of the R&D department in the analysis of new projects

In recent years, the company has successfully passed several customer **audits** and has become a global supplier to large multinational companies operating manufacturing plants around the world.

In 2020, the company successfully passed the IATF 16949 re-qualification audit, which is considered the most stringent audit within the automotive industry. The standard that governs the

company is issued by TÜV SÜD and focuses on the development of a quality management system with an emphasis on continuous improvement, as well as on the prevention of defects in the supply chain.

In order to secure long-term growth in 2016, a decision was taken to accept funding from the investor companies Jeremie Co-Investment Fund, represented by Limerock Fund Manager, and BHS Fund II - Private Equity, in the form of mezzanine financing with a six-year maturity. Each of these companies acquired a 3.5% interest in GEVORKYAN, Inc. in 2016

GEVORKYAN, a.s. is the **first Slovak SME company** to issue public bonds on the Bratislava Stock Exchange. Securities issued by the company do not have limited transferability.

The financial statements for the year 2023 were audited by Ernst & Young Slovakia, spol. s r.o., license SKAU No. 257.

In March 2019, GEVORKYAN, a.s. successfully issued bonds worth € 10 million. The bonds were publicly traded on the Prague Stock Exchange. Their purpose was to repay an expensive mezzanine loan and at the same time to finance the approved Euro Funds. By repaying the expensive mezzanine loan, the company was able to save €1,000 per day in interest costs, which amounts to **€388,600** per year. The bond funds were also used to expand additive manufacturing (3D printing).

On 16.11.2021 the related company GEVORKYAN CZ, s.r.o. successfully issued bonds worth € 30 million, which are publicly traded on the Prague Stock Exchange and the funds were provided to GEVORKYAN, a.s. in the form of a loan.

In 2014, the company employed 190 employees and generated sales of approximately EUR 17 million. Over the next 8 years, thanks mainly to the aforementioned automation, the company has managed to streamline production and reduce jobs, especially those with lower added value. In 2023, the company achieved sales of almost 74 million euros with an even **lower number of employees: 168**.

In addition, the company has completed a several-year-long land purchase necessary for the construction and approval of its own substation, with a connection to a remote high-voltage line and a separate connection to a high-pressure natural gas distribution system. Such energy isolation from the rest of the industrial park brings annual savings of about 240 000 €. In addition, the possibility of direct consumption (*without intermediaries*) of electricity and gas allowed the company to conclude long-term contracts for the years 2022-2023, which eliminated the risk of rapid price increases in connection with the energy crisis. In 2020, the company started a project to build its own **nitrogen generator**. Upon successful completion of the project in the second half of 2022, the company expects savings of €100,000 per year.



Own nitrogen generator

In 2021, a project for the construction of a new production hall was developed and approved by the relevant authorities. The production hall was approved in November 2022. At the same time, the unloading and subsequent installation of the Gasbarre calibration presses (220t CNC calibration presses), which are currently installed and fully operational in the extension of the production hall, took place during this period. Officially, the production hall extension is called the "calibration section".



GEVORKYAN, a.s. team after successful installation Addition to the production hall - approval 11/2022

Gasbarre calibration presses

In the second half of 2022, the company received the largest press (300 tonnes), which took a whole day to unload and required the roof of the production hall to be opened and a special crane to be used to position it. The press was then successfully installed in the production hall and is now fully operational.



SACMI 300t press unloader (left), press after successful installation (right)

As the value added in the powder metallurgy sector is relatively high, the company plans to use it primarily to reduce the debt-to-earnings ratio (NLD/EBITDA). Two successful refinancing operations have already been carried out in the previous years in order to reduce financing costs:

- in 2018 - BHS bond of 220 million CZK CZK 220 and a cost of 13.5% p.a., with a saving on financing costs of more than **€1,500/day** (approx. **€537,500/year**);
- in 2019 - a mezzanine loan of €6.7 million at a cost of 10.5% p.a., saving almost **€1,000/day** (approx. **€388,600/year**) in financing costs.

In total, savings in financial costs of approximately **€ 926 100/year** were achieved. Due to the large one-off fees for new issues and early repayment penalties on the original more expensive debt, the savings only started to show up in 2020.

A few years ago, the company created its own automation and digitalisation centre to ensure long-term competitiveness regardless of the expected rise in labour costs in Slovakia. The crisis in 2020 has kick-started new investments in the company in a very similar style and strategy to the previous crisis in 2008. Investments were made in machinery to make production more efficient, to expand the portfolio, to absorb new orders that **came in thanks to the crisis**. Powder metallurgy is an

economically efficient production and in combination with the location of production in a technically advanced and affordable country such as Slovakia, it ensures the long-term stability of the company.

In 2020-2022, special investments have been directed towards **robotization** to avoid the impact of a sharp increase in incapacitated (Covid-infected) operators. Robotic workstations, completely developed by our company, replace entire teams of operators and allow continuous operation to continue. A significant part of the investment goes into simulation software, information system, online communication, digitalization of all processes in the company so that the company can operate flexibly.



In 2020, the company invested in the development and production of unique respirators/masks that have received several international awards. In addition, due to the lack of capacity in Slovakia, the company invested in a unique laboratory that allows testing of all types of respirators, masks, filters, drapes, etc. Currently, it has expanded the range of protective masks produced with special applications for the forces, medical personnel, even masks as a fashion accessory. Thanks to the professional approach, the masks have been certified and registered with the ŠUKL (State Institute for Drug Control). These unique masks are also registered with the U.S. Food and Drug Administration for the American market and with the ICR of Poland



GEVORKYAN, a.s. has donated thousands of these unique masks to the Slovak Police Force, hospitals, nursing homes and the underprivileged. Especially at the beginning of the pandemic, when there was a shortage of OPP in Slovakia, GEVORKYAN, a.s. was able to provide this protection not only to its employees and their families, but also to thousands of people in Slovakia and abroad who desperately needed this protection.

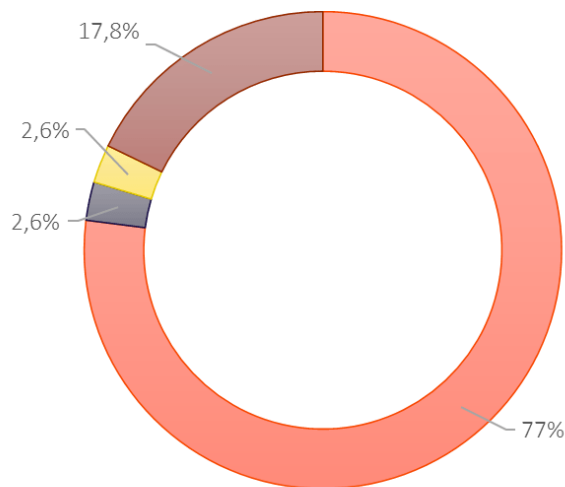


In the near future, the company plans to expand production as well as invest in the expansion of additive manufacturing (3D printing), which is already used in the three-shift operation in the development department.

In May 2022, the **legal form** was changed to a joint stock company. In June 2022 GEVORKYAN, a.s., as the first foreign company, **entered the START market of the Prague Stock Exchange**. It received approximately €27.5 million from investors, which is being invested to expand production and increase capacity so that the company can serve more clients more quickly. This is the **largest issue** on the START market to date.



2. Structure of the shareholders and organs of the company



■ Artur Gevorkyan ■ Jeremie (fond) ■ BHS Fond ■ Free Float

The company has the following bodies - General Assembly, Board of Directors and Supervisory Board. The sole member of the Board of Directors and its Chairman is Artur Gevorkyan. The members of the Supervisory Board are: Andrej Bátovský, Robert Gevorkyan and Denisa Kvasnová.

The General Meeting of the Company was held on 30.12.2022 at the registered office of the Company at 504 Továrenská Street in Vlkanová. All information and documents related to the General Meeting are available on the Company's website in the Important Links - For Investors section.

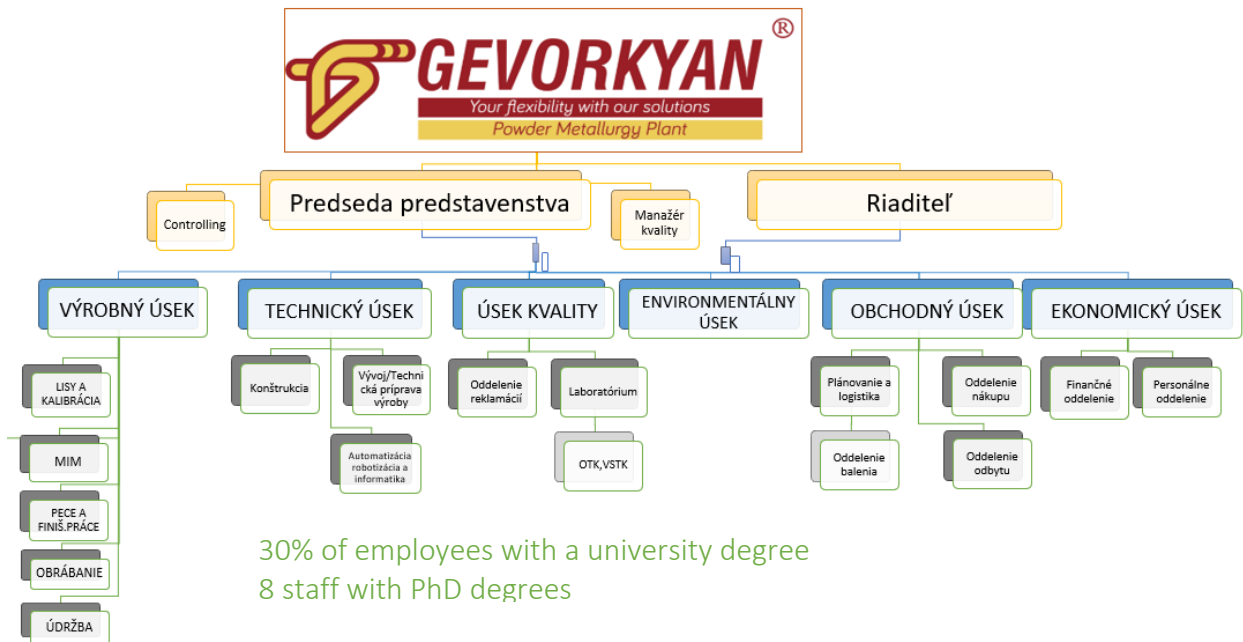
The company's strategy is determined and implemented by the company's majority shareholder Artur Gevorkyan, an aerospace engineer who has worked on the development of composite materials for military aviation.

He is the owner of several patents and the holder of the know-how on which the company's development is based. His years of hard work to achieve his goal and his unusual entrepreneurial story have been rewarded in the finals of the "Entrepreneur of the Year" competitions 2011, 2012 and 2019.

GEVORKYAN, a.s. is also a related party of GPM Tools, s.r.o. (*Gevorkyan Powder Metallurgy Tools*), which specializes in the production of moulds for powder metallurgy and is the **only toolmaker** in Central Europe in this field at all



3. Organisational structure and employment



At the end of 2023, the company employed a total of 168 employees, 11% of whom worked in the development department. It provides attractive and stable jobs for skilled workers with relevant education. The company has a multinational team. The key managers have experience in different industries.

Our main objective in the field of human resources management is the development and stabilisation of human capital. Through employee development and career growth opportunities, we increase employee motivation. Applying the principle of fair remuneration, preventing and avoiding discrimination is extremely important to us.

As of December 31, 2023, the company had 168 employees, of which 104 were women and 64 were men. Their average age was 36 years.

The company guarantees every employee the rights arising from the employment relationship without any restrictions, in accordance with legal standards, including in the area of personal data protection. GEVORKYAN, a.s. creates equal conditions for self-realization of different groups of employees also in terms of gender and age, taking into account education, qualification and work experience.

The exceptionally broad spectrum of the company's social programme covers the real needs of employees, from material assistance during long-term sick leave, maternity leave, to refinancing of accommodation costs, transport, contributions for recovery procedures, stays, etc.

In 2023, a special programme continued to support young and talented employees, for whom the company reimburses university studies, education and various professional training and courses (foreign language training), and the provision of long-term loans (up to 30 years) for the purchase of an apartment, house or the overhaul of an existing property.

Great emphasis is placed on continuous training of employees. All engineers and designers attend international trade fairs, and in addition they attend annual training courses and technical training in powder metallurgy in various countries around the world. Experts from supplier companies are also invited to regularly organised in-house training sessions to present new developments in materials, production technology and machinery.

Regular meetings with interesting personalities from the business environment, such as Ján Košturiak (INOVATO) or Ivo Toman, are an integral part of the company's operation. At the same time, the company's original principles are presented at trainings, conferences, meetings, seminars and international scientific conferences (e.g. **Ministry of Foreign Affairs**, **IPA Slovakia**, **Happy Company**, **Management Live**, **ZMPS**, **TUZVO**, etc.).

The company cooperates with **the Slovak Chamber of Commerce and Industry** (SOPK) and the **Austrian-Slovak Chamber of Commerce** (DSIHK - Deutsch Slowakische Industrie-und Handelskammer) especially in organizing conferences and excursions focused on the company's technologies, whose guests are both foreign and Slovak entrepreneurs. Of course, the cooperation with the **Technical University in Zvolen**, University of Žilina and **Matej Bel University** is a matter of course, with which GEVORKYAN, a.s. plans to expand from excursions and lectures of Slovak and foreign students to supervising the final theses of students of the last years, who will solve real problems of production and development.

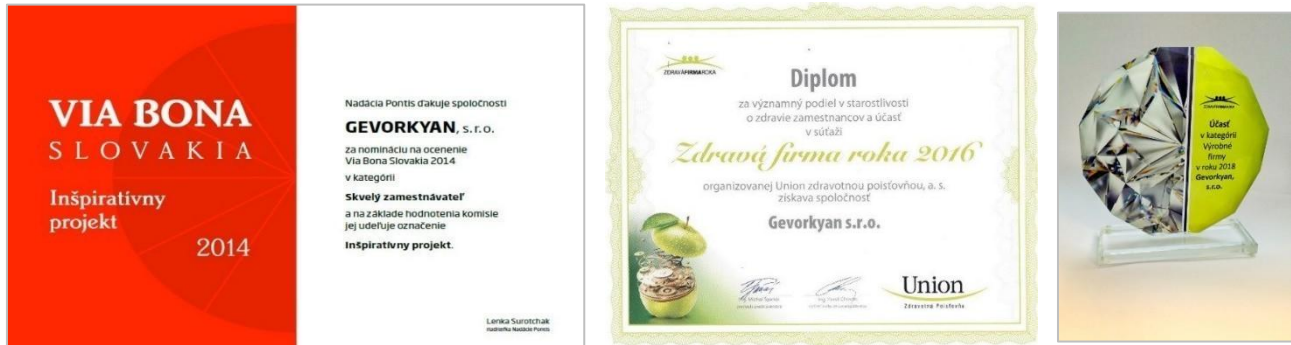
Professional training and, above all, the practical application of acquired knowledge is crucial in society. The promotion of dual training is a natural part of the company's policy. On the basis of cooperation with **the Technical University in Zvolen**, students go through all departments, from development to production, where they verify their knowledge in practice.



Members of the INOVATO association at a workshop and a tour of the company's production hall

The company was awarded the Inspirational Project label in the **Via Bona Slovakia 2014** competition, category **"Great Employer"**.

In 2016 it was awarded as **"Healthy Company of the Year"** by the health insurance company for its significant contribution to the health care of its employees, and 2018 marked its 4th place in the **Manufacturing Companies** category in the next edition of this competition.

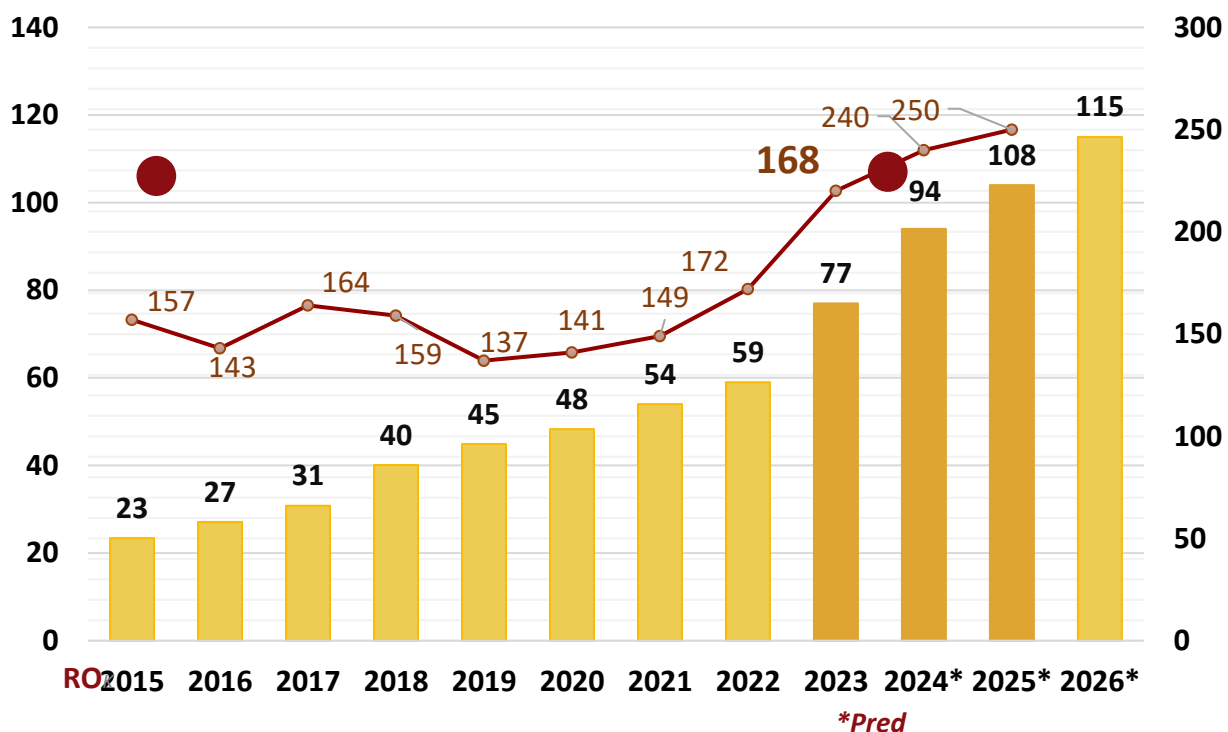


The company also provides its employees with opportunities for leisure activities that are important in building a positive working environment and team, e.g. sports days for employees and their families, Christmas cabbage soup, traditional Hron River rafting, visits to shelters, orphanages and many others.



Employees of the company and traditional Hron River





Comparison of the development of the number of employees and sales over the last almost 10 years, including forecasts for the next period

4. Activities, visions and plans of GEVORKYAN, a.s.

GEVORKYAN, a.s. has been operating on the market for 27 years and has been successfully meeting the expectations of its customers using its long experience in the field. The company is the owner of the know-how. The development department employs 18 engineers who develop about 150 new products per year. It cooperates with **the Slovak Academy of Sciences**. It works on the development of new materials with **research institutes in Sweden and Canada**. Thanks to strong development, the company is expanding its customer portfolio by about 10 new customers per year.

It is a development supplier for most of its customers. The vast majority of products are developed in-house. **It is the sole supplier** for almost **100% of its customers**. It is regularly approached by customers interested in developing products that are not available on the market. In this way, it has achieved world uniqueness in products that no one else in the world has yet produced by powder metallurgy.

Due to the uniqueness of the production processes and products offered, the company has established strong business contacts both on the material supply and sales side. Currently the company provides products to its customers in more than 30 countries around the world from Brazil, Mexico, USA, all over Europe to Israel, China and India. The company's products can be found in a variety of automobiles from Dacia to Mercedes, as well as in exclusive brands such as Porsche, Bentley; in branded cosmetics such as Versace, Hugo Boss; in hand tools for the general public and professionals such as Black & Decker, Bosch and Dewalt; in agricultural equipment such as John Deere, Deutz, Komatsu; in the oil and medical industry. The expansion into new markets and the significant diversification of production are evidenced by the contracts recently concluded with companies from various sectors

In 2019, a separate 3D printing department was created. A new industry called Additive Manufacturing (AM), which is part of powder metallurgy, is currently in the spotlight. GEVORKYAN, Inc. believes that the time of intensive use of Additive Manufacturing (AM) technology is yet to come and will be used not only in the aerospace industry, medicine, but also in robotics. The company plans to develop this technology gradually. Currently GEVORKYAN, Inc. uses this technology mainly for the production of spare parts for very expensive machines, in order to eliminate the long waiting time for spare parts from the production of the machine, which normally takes several weeks.

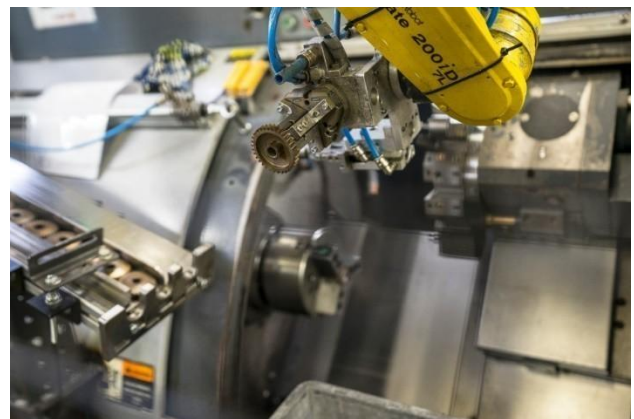


In 2020, the company launched a new high-speed quenching line for mass production, which is specific in that it can quench special powder metallurgy composite materials. It is also unique that GEVORKYAN, a.s. cooperated on the development and production together with a German

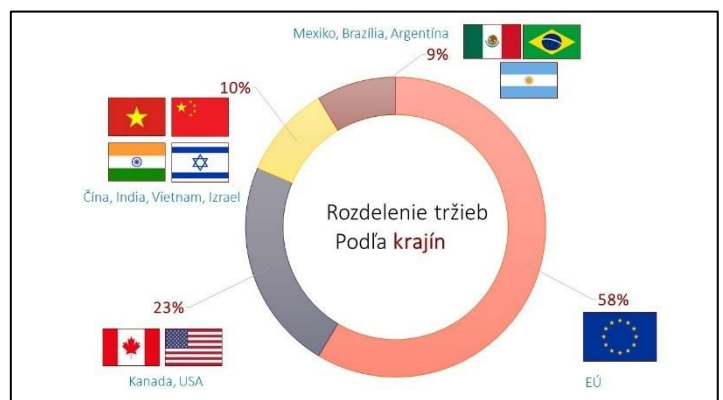
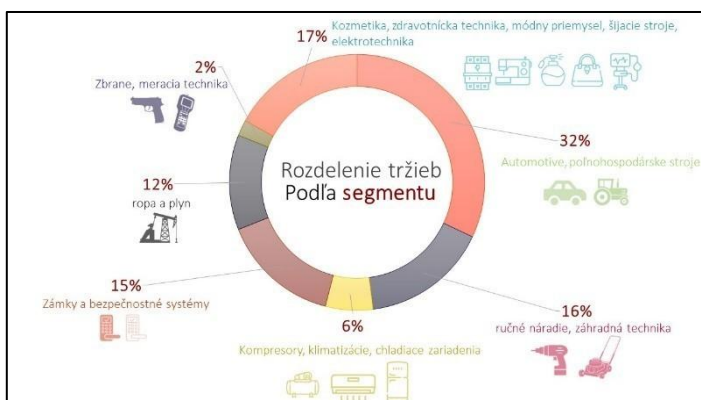
manufacturer. The result of the cooperation is a **unique line for high-temperature hardening (up to 1050 °C)** in the whole territory of the Czech Republic and Slovakia.



In 2022, the implementation of 27 robotic workstations in production was successfully completed. All of them are universal workstations that the company can move from machine to machine, even from one department to another, if necessary, which, in addition to significant savings in labor costs, also allows for greater flexibility in production.



Over the past period, the company has successfully passed customer audits from new automotive customers based in Europe and the USA, as well as from hand tool manufacturers in Japan and Germany. Cooperation with the Oil & Gas segment as well as with companies producing weapons and ammunition has been significantly expanded. This and much more helps to plan the company's strategy for the coming years and brings several years of concrete projects in the short term.



5. Strategy of GEVORKYAN, a. s.

The company's strategy is based on ensuring the long-term growth and development of the company. It is formed where one technology is ending and another is not yet beginning - at the interface of different technologies. The company's uniqueness lies in the combination of powder metallurgy (PM), injection molding of metal composites MIM, high-temperature isostatic pressing HIP and additive manufacturing of 3D prints AM. These 4 technologies under one roof make GEVORKYAN, Inc. a **European unique**.

The company's products are not strictly linked to one industry sector. Parts are supplied to the automotive, hand tools, locks and protection systems, cosmetic, medical, agricultural and petroleum industries.

It is a flexible company that does not sell products, but solutions for customers. 50% of the company's products have never before been produced by powder metallurgy technology anywhere in the world.

The company passed a rigorous certification process in 2020 and is officially certified as a manufacturer of medical devices and HSE according to ISO 45001:2018.

The total volume of **priced projects** for 2023 was nearly **94 million€** (annual revenue per project). Of this, orders from customers were confirmed and contracts were started at the same time, amounting to €3.45m, or **3.69%**

YEAR 2023	annual turnover in €	
TOTAL	93 612 923 €	
Retrieved from	3 450 515 €	3,69%
We communicate	60 754 626 €	65,41%
Unsuccessful	28 756 254 €	30,96%
Objective of the implemented projects	6 000 000 €	

Company's revenue forecast for 2023

In early 2023, the company recorded a higher order volume, which was mainly due to an increase in demand for products manufactured using PM technology. The increased demand is primarily

due to customers' desire for cost savings and thus their focus on new technologies, which allow them to reduce costs as is the case with PM technology. The increase in orders due to a similar reason was experienced by the company in connection with the crisis in 2008-2009. As a consequence of this trend, the company expects an increase in revenue compared to 2022

Moreover, during this crisis a new global trend has emerged - the European industry is trying to cut itself off from Asian suppliers, which opens the door to new business opportunities for GEVORKYAN, a.s. within the European and American market.

6. Impact of the company's activities on the environment

Health and safety at work, together with the environment, are among society's most important values. Respect for the environment and the will to continue this development is demonstrated by the fact that the company employs highly qualified professionals responsible for health, safety at work and the environment. More than 90% of the company's waste is recycled or reused, reducing the negative impact on the environment.

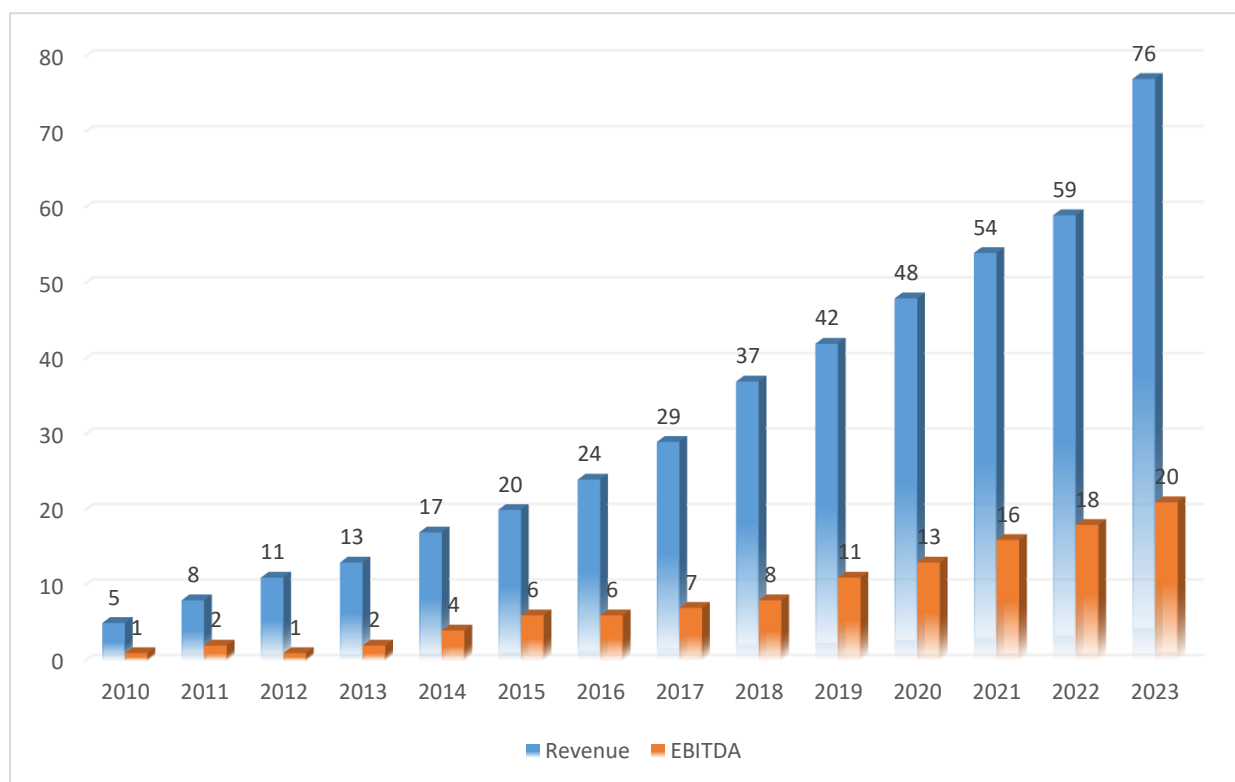
The company's experts are constantly working to make the use of natural resources more efficient. Heat from production processes is also used to heat the company's premises in winter. Another project for the coming year is the installation of heat recuperators to use waste heat from the compressor station to heat the domestic water and office space

The company is certified for the environmental management system according to STN EN ISO 14001:2016. In 2020 the company successfully passed the recertification audit, the next one is scheduled for 2023.

The Company does not provide other non-financial information on the development, actions, position and impact of the entity's activities on environmental, social and employment issues, information on respect for human rights and information on the fight against corruption and bribery as it does not meet the requirement on the number of employees specified in section 20(9) of the Accounting Act.

7. Economic indicators and financial situation

Business name of the company	GEVORKYAN, a.s.
Headquarters	Factory 504 Vlkanová 976 31
Day of registration in the commercial register	20.1.1997
Legal form	Joint stock
Subject of activity	Activities in the field of powder metallurgy



8. Risks to the company's future development

To date, there are no significant risks that could materially jeopardise the Company's operations.

Threats are managed by risk analysis. One of the most effective tools is FMEA (Failure Mode and Effects Analysis) to uncover risks. In addition, the company has a regular risk analysis of each process, which is broken down in process cards, along with risk assessment, corrective actions and analysis of the effectiveness of corrective actions.

The financing of the operation was spread over 2 main financing banks. Each of them financed its own group of customers/projects.

In order to increase the elimination of the risk of a shortfall in the supply of basic materials for production, a programme of diversification of suppliers of metal powders was implemented.

Backup power supplies were also installed for the CNC machine control units.

To reduce the risk of non-payment of invoices by customers, GEVORKYAN, a.s. extended its cooperation with the Atradius insurance company to the insurance of receivables and analysis of business partners.

Contracts for product liability insurance have also been extended.

There have been no events of particular significance subsequent to the end of the 2023 financial year that require disclosure in the annual report.

9. Governance Statement

The Code of Corporate Governance is part of the Code of Ethics, the Quality Policy as well as the Quality Manual. The Code of Ethics and the Quality Policy are publicly available for viewing on the Company's website.

All information on management methods is contained in the Quality Manual, which is an important internal document of GEVORKYAN, a.s. A description of the main internal control and risk management systems in relation to the financial statements is presented in section 8 of this Annual Report.

The General Assembly is the supreme body of GEVORKYAN, a.s. It is held at least once a year and is convened by the company's Board of Directors. The Board of Directors of the Company is composed of one member, namely the Chairman of the Board of Directors, who is Artur Gevorkyan. The General Meeting of Shareholders at the Ordinary Meeting approves the financial statements, profit distribution, decides on the issue of shares or share buy-back and approves the auditor or an extraordinary meeting may be approved.

Another body of the company is the Supervisory Board, which is composed of the Chairman and two other members. This body is elected and appointed by the general meeting of shareholders. It elects the company's board of directors, supervises the company's operations and its management, checks the annual accounts and business results.

10.Important events and information

A description of significant events that have occurred and their impact on the financial statements and a description of the principal risks and uncertainties

In February 2022, a military conflict broke out in Ukraine, which is still ongoing at the time of the preparation of these financial statements. In connection with this, there have been, among other things, impacts on business in Ukraine and Russia due to the war and economic sanctions, increases in market prices for raw materials, fuels and energy, and increased volatility in currency exchange rates. Although the quantification of the potential impact on the Company cannot be estimated with reasonable reliability at this time, the Company has analyzed the potential impact of changing micro and macroeconomic conditions on the Company's performance, financial position and operations and has not identified any uncertainty in relation to the Company's continued operations

In addition, the company has seen an increase in demand from companies operating in the EU and US defence industries.

The complete financial report will be available on the website www.gevorkyan.sk and in printed form at the registered office of GEVORKYAN, a.s. at Továrenská street no. 504, 976 31 Vlkanová.

The Company does not include in the annual report, in accordance with point 13, §20 of Act No. 431/2002 Coll. on Accounting, non-financial information on the development, actions, position and impact of the entity's activities on the environmental, social and employment spheres, information on the observance of human rights and on the fight against corruption and bribery, as the average number of employees of the Company for the accounting period did not exceed 500 employees.

Information on the composition of the company's bodies and their committees

The Supervisory Board of GEVORKYAN Inc. acted as the Audit Committee during the year. During the year 2023, it was composed of Ing. Andrej Bátovský (Chairman of the Committee), Robert Gevorkyan (member) and Denisa Kvasová (member). During the year, the Supervisory Board was presented with reports on the preparation of the financial statements, the audit process and the internal control system. Meetings were also held with all members of the Supervisory Board during the year. The Chairman of the Management Board of GEVORKYAN a.s. is: Dipl. Ing. Artur Gevorkyan. The shareholders of Gevorkyan are. Artur Gevorkyan (77 % shareholding), JEREMIE Co-

Investment Fund s.r.o. (2.6 %) and BHS Fund II - Private Equity (2.6 %), other shareholders (free float shares) 17.8 %

Description of the main internal control and risk management systems in relation to the financial statements

The financial statements of GEVORKYAN, a.s. for the year 2023 have been prepared in accordance with Act No. 431/2002 Coll. on Accounting, as amended, assuming the going concern basis and have been prepared as regular financial statements.

The Company has also prepared interim financial statements as at 31.03.2023, 30.06.2023 and 30.09.2023 during the year 2023.

The internal control system is carried out in accordance with the basic internal directive and other internal directives which are subordinate to the basic accounting directive and in accordance with the applicable accounting legislation. These directives govern the various areas and methods of accounting for: tangible fixed assets, intangible fixed assets, financial assets, inventories, receivables, payables, provisions, accruals, equity, foreign currency transactions, revenue, finance leases, income tax, subsidies and corrections of prior period errors. These guidelines have been submitted to the audit firm and are also available to all members of the Audit Committee. Mr. Artur Gevorkyan is responsible for the accuracy of the financial statements.

The interim accounts are checked on a monthly basis, by taking stock of the balances of the individual accounts. Other control processes were carried out in accordance with the internal accounting directive. In addition to these regular controls, the company is audited annually by Ernst & Young Slovakia, spol. s r.o. GEVORKYAN, a.s. takes care to educate its employees by regular external training in the areas of accounting, reporting, taxes and accounting laws. We also regularly subscribe to the latest literature with changes in legislation.

Information on the activities of the General Assembly for the year 2023

During 2023, one meeting of the General Assembly of GEVORKYAN, Inc. was held

On 23.6.2023, a meeting of the General Assembly was held, the subject of which was the approval of the written report of the Board of Directors of the company, the decision on the amendment of the Articles of Association of the company,

To consider and approve the Company's 2022 annual separate financial statements and 2022 annual report, to consider and approve the distribution of the Company's 2022 profits and to consider and approve the Company's auditor for 2023.

The General Meeting decided that the auditing services for the year 2023 will be performed by Ernst & Young Slovakia, spol. s r.o.

The General Meeting of Shareholders, on the proposal of the Company's Board of Directors, at its Ordinary Session, approved the distribution of the profit after tax for the year 2022 in the amount of EUR 3 535 066 as follows:

- an allocation to the legal reserve of EUR 353 506,60,
- transfer to retained earnings of previous years in the amount of EUR 3 181 559,40.

Information on the development, conduct, position and impact of the entity's activities on environmental, social and employment issues, information on respect for human rights and on the fight against corruption and bribery

The Company does not include in the annual report, in accordance with point 13, §20 of Act No. 431/2002 Coll. on Accounting, non-financial information on the development, actions, position and impact of the entity's activities on the environmental, social and employment spheres, information on the observance of human rights and on the fight against corruption and bribery, as the average number of employees of the Company for the accounting period did not exceed 500 employees.

Other additional data

Securities issued by the Company are not restricted as to transferability.

The company does not have a qualified participation in the share capital according to a special regulation.

The voting rights attached to the Company's shares are not restricted. Holders of securities issued by the Company do not have special control rights.

As of December 31, 2023, the Company is not aware of any agreements among the holders of securities issued by it that may result in restrictions on the transferability of securities and restrictions on voting rights.

The Company has not entered into any agreements that become effective, are modified or terminated as a result of a change in control in connection with the Takeover Offer.

The Company has not entered into any agreements with directors or employees to compensate them if their office or employment is terminated by resignation, resignation by the employee, dismissal, termination by the employer without cause or termination of office or employment as a result of a takeover bid.

11. Attachments (Certificates of the company and sample articles about the company in the media in Slovakia and the Czech Republic)



Management Service

CERTIFIKÁT

Certifikačné miesto
TÜV SÜD Management Service GmbH
potvrďuje, že spoločnosť

GEVORKYAN, s.r.o.
Továrenská 504
976 31 Vlkanová
Slovenská republika

zaviedla a používa
systém manažérstva kvality v oblasti

Výroba výrobkov práškovej metalurgie.
Tepelné spracovanie kovov
(bez vývoja produktu podľa odseku 8.3).

Na základe vykonaného auditu bolo preukázané,
že sú splnené požiadavky normy

IATF 16949

Prvé vydanie 2016-10-01.

Dátum vyhotovenia: **2020-09-29**

Platnosť do: **2023-09-28**

Registračné číslo certifikátu: **12 111 52698 TMS**

Číslo certifikátu IATF: **0372749**

Product Compliance Management
Mníchov, 2020-10-05

Strana 1 z 1



Management Service

CERTIFIKÁT

Certifikačné miesto
TÜV SÜD Management Service GmbH

potvrďuje, že spoločnosť

GEVORKYAN, s.r.o.

Továrenská 504
976 31 Vlkanová
Slovenská republika

zaviedla a používa
systém manažérstva kvality v oblasti

Výroba a predaj výrobkov práškovej metalurgie.
Tepelné spracovanie kovov.

Auditor, zákazka číslo **707054083**
bolo preukázané,
že sú splnené požiadavky normy

ISO 9001:2015.

Certifikát je platný od **2020-09-29** do **2023-09-28**.

Registračné číslo certifikátu: **12 100 52698 TMS**.

E. Koller

Product Compliance Management
Mnichov, 2020-10-05



42301-01/2019

CERTIFICAT

CERTIFICADO

CERTИФИКАТ

認證證書

CERTIFICATE

ZERTIFIKAT



CERTIFIKÁT

TÜV SÜD Slovakia s.r.o.
Certifikačný orgán systémov manažérstva
 akreditovaný SNAS
 osvedčenie o akreditácii č. R-006
 potvrdzuje, že organizácia



GEVORKYAN, s.r.o.
 Zvolenská cesta 14
 SK – 974 03 Banská Bystrica
 IČO: 36 017 205

zaviedla a používa
 systém environmentálneho manažérstva v oblasti

Vývoj, výroba a predaj výrobkov práškovej metalurgie.
Tepelné spracovanie kovov.

Auditom, správa č. **0181/20/19/E/AS/R2**

bolo preukázané, že sú splnené
 požiadavky normy

STN EN ISO 14001:2016

Certifikát je platný od **2019-06-13** do **2022-06-12**

Registračné číslo certifikátu **E 0181-3**

Bratislava, 2019-06-13



TÜV SÜD Slovakia s.r.o.
 Certifikačný orgán systémov manažérstva
 člen skupiny TÜV SÜD
 Jašíkova 6, 821 03 Bratislava



Certifikát

Tento certifikát bol udelený

GEVORKYAN, s.r.o.

Továrenská 504, 976 31 Vlkanová, Slovakia

ako osvedčenie o managemente systému BOZP v organizácii v súlade s

ISO 45001:2018

Oblasť činností, na ktoré sa tento certifikát vzťahuje, je definovaný nižšie

Vývoj, výroba a predaj výrobkov práškovej metalurgie. Tepelné spracovanie kovov.

Číslo certifikátu:

205770/B/0001/UK/SK

Dátum vystavenia:(pôvodného)

10 november 2020

Dátum vystavenia:

10 november 2020

Vydanie č.:

1

Platnosť do:

9 november 2023

Vydaný:

Za certifikačný orgán



AK sa vyskytnú Akékoľvek pochybnosti o pravosti tohto certifikátu, neváhajte sa, prečísť, spojiť a riadiť v rámci skupiny na adrese info@urs-group.com.
URS je členom spoločnosti Registrar of Standards (Holdings) Limited, Washington House, 3 Dursley Road, Bournemouth, BH2 5JQ, UK



2021

CERTIFICATE OF REGISTRATION

This certifies that:

GEVORKYAN S. R. O.
Tovarenska 504
Vlkanova Banskobystricky Kraj, SK 97631

is registered with the U.S. Food and Drug Administration for FY 2021 pursuant to Title 21, 807 et seq. of the United States Code of Federal Regulations:

Establishment Registration:	3017412524
Device Classification Name:	FACE MASK (EXCEPT N95 RESPIRATOR) FOR GENERAL PUBLIC/HEALTHCARE PERSONNEL PER HIE GUIDANCE QKR
Product Code:	Registrar Corp
Official Correspondent and U.S. Agent:	144 Research Drive, Hampton, Virginia, 23666, USA Telephone: +1-757-224-0177 • Fax: +1-757-224-0179

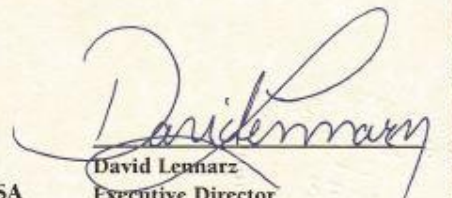
Registrar Corp will confirm that such registration remains effective upon request and presentation of this certificate until the end of the year stated above, unless said registration is terminated after issuance of this certificate. Registrar Corp makes no other representations or warranties, nor does this certificate make any representations or warranties to any person or entity other than the named certificate holder, for whose sole benefit it is issued. This certificate does not denote endorsement or approval of the certificate-holder's device or establishment by the U.S. Food and Drug Administration. Registrar Corp assumes no liability to any person or entity in connection with the foregoing.

Pursuant to 21 CFR 807.39, "Registration of a device establishment or assignment of a registration number does not in any way denote approval of the establishment or its products. Any representation that creates an impression of official approval because of registration or possession of a registration number is misleading and constitutes misbranding."

The U.S. Food and Drug Administration does not issue a certificate of registration, nor does the U.S. Food and Drug Administration recognize a certificate of registration. Registrar Corp is not affiliated with the U.S. Food and Drug Administration.

Registrar Corp

144 Research Drive, Hampton, Virginia, 23666, USA
Telephone: +1-757-224-0177 • Fax: +1-757-224-0179
info@registrarcorp.com • www.registrarcorp.com


David Lennarz
Executive Director
Registrar Corp
Dated: December 14, 2020



VERIFICATION OF CONFORMITY

S/N: 001065

No.: **ICR Polska/VC/C201001/A1**

replaces **ICR Polska/VC/C201001**

Name and address of Applicant

GEVORKYAN, s.r.o.
Továrenská 504, 976 31 Vlkanová, Slovakia

Name and address of manufacturer:

GEVORKYAN, s.r.o.
Továrenská 504, 976 31 Vlkanová, Slovakia

Product name:

Reusable mask /
Maska medyczna wielokrotnego użytku z wymiennymi wkładami filtrującymi

Product types:

SMART KOMFORT, INDUSTRY, ULTRA

Product trademark:



This document confirms that the product sample meets the requirements of the following standards:

- Related with Directive 93/42/EEC:
 - EN 14683:2019+AC:2019 (medical mask type II) - for mask with white filters
 - for mask with blue filters

The assessment process has been carried out in accordance with individual rules and conditions agreed with the applicant. Evaluation has been carried out in accordance with:

Test reports:

- 84/2020
- 005/2020
- B24046II

Tests conducted by:

- VÚTCH-CHEMITEST spol. s r.o.
- STU Bratislava, FCHPT
- HygCen Austria GmbH

- for mask with white filters
- for mask with blue filters

Issue date:

18.02.2021

Expiration date:

11.10.2025

Remarks

This Verification of conformity refers to the above mentioned product and its conformity in regards of above mentioned standard(s) was proven on test sample.

This Verification of conformity was issued on voluntary basis and does not imply meeting all essential requirements, assessment of the series-production or any other restricted Notified Bodies conformity assessment procedure appropriate for the product.



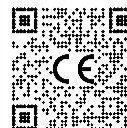
marking remarks:
mark is not sanctioned by the following verification of conformity
mark given here as reference, can be only use by the manufacturer after
applying all essential requirements from relevant directives

document status can be checked: <https://cert.icrpolska.com/>



ICR Polska Co. Ltd.
www.icrpolska.com
icrpolska@icrqa.com

Director: Rafał Kalinowski
Warsaw, 18.02.2021



Edition: 4.1.1.C of 18.01.2021

Gevorkyan bol úspešný na pražskej burze. Od investorov získal vyše 29 miliónov eur

Niekoľko prvenstiev na pražskej burze získala spoločnosť Gevorkyan, ktorá vyvíja a vyrába vo Vlkanovej pri Banskej Bystrici súčiastky technológiou práškovej metalurgie.

Stala sa prvou zahraničnou firmou pri upisovaní akcií na trhu Start pražskej burzy určenom pre inovatívne a menšie firmy a zároveň ide o doposiaľ najväčšiu emisiu vo výške 727 334 400 Kč (vyše 29 miliónov eur).

Získaný finančný kapitál plánujú použiť na rozšírenie výroby na dvojnásobok súčasného výkonu. „Máme projekty, ktoré predstavujú prácu na ďalších päť až sedem rokov. Jediné, čo nás brzdí v tom, aby sme dokázali rýchlejšie obslúžiť viac klientov, je nedostatok kapacít.“ **vyseveroval Artur Gevorkyan** začiatkom mesiaca pre Forbes.

Čerstvý kapitál chce Gevorkyan využiť na financovanie nových strojov, refinancovanie najdrahších úverov a výstavbu ďalšej výrobnéj haly v priemyselnom parku Vlkanová pri Banskej Bystrici.

Ako uviedla agentúra ČTK, obchodovanie s akciami slovenskej spoločnosti na trhu Start spustia 1. júla za upisovaciu cenu 248 českých korún.

Prvenstvá z Vlkanovej

„Teší ma, že na trh Start prichádza prvá zahraničná emisia. Je tiež vidieť, že kvalitný eminent nájde svojich investorov. Navyše ide o najväčšiu emisiu na trhu Start. Je takmer dvaapólkrát väčšia, než dosiaľ najväčšia emisia Pilulky,“ uviedol Petr Koblic, generálny riaditeľ Burzy cenných papierov Praha, pre portál Kurzy.cz.

Ide o historicky prvú slovenskú spoločnosť, ktorá financuje rozširovanie výroby úpisom akcií cez tento kapitálový trh. Firma cez pražskú burzu pred šiestimi rokmi úspešne vydala firemné dlhopisy.



Foto: Artur Gevorkyan je zakladateľ a CEO high-tech spoločnosti Gevorkyan. Foto: Ondřej Pýcha



6.6.2022

dnes 12:00

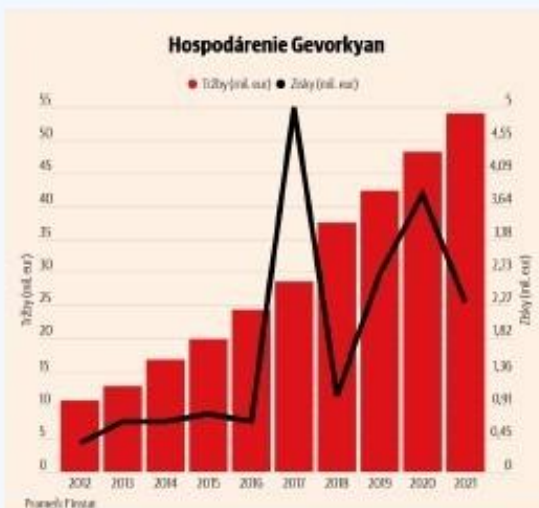
Úpis slovenskej spoločnosti v segmente menších podnikov na pražskej burze bude zrejme najväčšou emisiou v histórii



Najväčší emitent

Nové akcie sa budú upisovať v rozmedzí 248 až 302 českých korún, čo je približne 10 až 12 eur za jednu akciu. Spoločnosť avizuje, že do ponuky uvedie celkovo viac ako tri milióny novovydávaných akcií. V rámci verejného úpisu ponúkne okrem nových akcií aj 438-tisíc kusov akcií súčasných akcionárov firmy.

Spoločnosť Gevorkyan sa zároveň stáva na trhu Start prvým emitentom so sídlom v Slovenskej republike. Zároveň pôjde o potenciálne najväčšiu emisiu na tomto trhu.



Americký podnikateľ Artur Gevorkyan s rovnomenou spoločnosťou je na Slovensku už etablovaný výrobca, ktorý sa špecializuje na produkciu súčiastok na mieru zo zmesi kovových práškov. Tie sa lisujú alebo vstreknú do foriem a následne zapiekajú pri vysokých teplotách. Výhoda je, že pri výrobe nevzniká takmer žiadny odpad na rozdiel od klasického obrábania.

S touto technológiou sa A. Gevorkyan stal takmer priekopníkom na slovenskom a východoeurópskom trhu. V súčasnosti plánuje ďalší rozvoj, s čím podnikateľovi majú pomôcť aj peniaze od súkromných investorov prostredníctvom úpisu na burze.

V spoločnosti, ktorá vstupuje na burzu, pôvodom Armén vlastní 93 percent, zvyšný podiel vlastní fondy spoločnosti BHS Private Equity Fund a Európsky investičný fond. Práve spoločnosť BHS, ktorá na Slovensku spolufinancuje napríklad novú priemyselnú zónu Panattoni Park Bratislava North a ktorej BHS Securities je dlhoročným obchodníkom s cennými papiermi v Prahe, spolupracuje s podnikateľom na úvodnej emisii.

Úspešný slovenský metalurg Gevorkyan zamieril na českú burzu, kde číli príležitosť nájsť financie na ďalší rozvoj. Spoločnosť spúšťa primárny úpis akcií, ktorý sa udeje od 1. do 15. júna tohto roka. V prípade úspešného úpisu bude prvým obchodným dňom začiatok júla.

Firma Gevorkyan, ktorá patrí viacnásobnému finalistovi ankety EY Podnikateľ roka Artura Gevorkyana, plánuje využiť na obchodovanie najväčšiu burzu v regióne a na rozvoj získať aspoň 30 či 35 miliónov eur, pričom priestor na výnosnú investíciu vidí aj napriek súčasnej situácii a faktu, že výrobky dodáva primárne pre automobilový trh.

Zostanú mu tri štvrtiny

Firma plánuje na začiatok uviesť na burzu desať až 15 percent akcií, čo by ju ocenilo na viac ako 236 miliónov eur. Minimálna objednávka (lot) je stanovená na sto akcií a minimálny počet akcií, takzvaný free float, teda podiel investorov z trhu Start, bude až 20,33 percenta.

„Keď dostávame ponuky od veľkých hráčov z našej branže, pretože firma je zaujímavá, hovoríme o valácii, ktorá je až 12-násobkom našej EBITDA,“ uvedol už pred časom pre české médiá podnikateľ A. Gevorkyan.

Ten úpisom zníži svoj podiel vo firme z 93 percent na 76. Predtým mala firma hrubý prevádzkový zisk (EBITDA) 12,5 milióna eur, pričom minulý pandemický rok prial rastu firmy. Za vlaňajšok spoločnosť odhaduje tržby na úrovni 16 miliónov eur.



Dopyt je enormný

Slovenský metalurgický podnik založil A. Gevorkyan ako rodinnú firmu v roku 1996 v Banskej Bystrici. Ako bývalý vojenský letecký inžinier využil všetky znalosti na rozvoj dovtedy málo používanej technológie práškovaní.

Na Slovensku našiel dobré zázemie aj vďaka rastúcemu automobilovému priemyslu. V súčasnosti ho tvorí viac ako 360 firiem v dodávateľskom reťazci a štyri veľké automobilky.

Začiatky firmy sa však spájali viac so zákazkami pre zahraničných odberateľov, medzi ktorými sa objavila aj automobilka Daimler so značkou Mercedes-Benz a niekdajšími dodávateľmi Sprinter či britská pycha Bentley.

Ako spomína zakladateľ spoločnosti, ktorý študoval letecké inžinierstvo v ukrajinskom Charkove, keď začal s dodávkami pre automobilku Bentley, dostali napríklad špecifickú záležitosť v rámci kompletného odovzdania auta pre Jennifer Lopez.

Súčasný dopyt po produkcii práškovaním je enormný a zákazky musia prioritizovať. Údajne to trvá už roky, a preto spoločnosť Gevorkyan potrebuje väčšie výrobné kapacity. Práve s tým by jej mohol pomôcť vstup na burzu a záujem investorov participovať na etablovanej strojárnej spoločnosti.

Firma z Vlkánovej urobila krok vpred, ako prvá slovenská spoločnosť vstúpila na Pražskú burzu cenných papierov

18. 6. 2022 19:06 Ekonomika Regióny

<https://www.ta3.com/clanok/237971/firma-z-vlkanovej-urobila-krok-vpred-ako-prva-slovenska-spolocnost-vstupila-na-prazsku-burzu-cennych-papierov>

GEVORKYAN, a.s., je považovaná za globálneho dodávateľa a technologického lídra v odbore práškovej metalurgie. Táto spoločnosť začala 1. júna 2022 primárnu verejnú ponuku akcií prostredníctvom trhu PX START Burzy cenných papierov Praha s cieľom získať finančné prostriedky z tejto ponuky vo výške 35 miliónov EUR.

Spoločnosť GEVORKYAN sa stane na Českej burze na trhu ŠTART prvým emitentom so sídlom v Slovenskej republike a zároveň sa bude jednať o potenciálne najväčšiu emisiu na tomto trhu.





Pomáhame ľuďom, ktorí si sami pomôcť nedokážu

Povinnosťou každej firmy je generovať zisk. Aspoň tak sa to hovorí na porádach vedení firiem, píše v knihách o biznise, učí na ekonomických školách. Manažéri to podriadeným opakujú stále dokola ako modlitebnú mantru: Zisk sa rovná úspech. A kto by nechcel úspech, však? **Artur Gevorkyan**, majiteľ a šéf slovenskej firmy z Vlkánovej pri Banskej Bystrici však tvrdí, že biznis má aj sekundárny cieľ a tým je: Pomáhať ľuďom.

OUR MEDIA - AD TEAM

Gevorkyan nie je hocijaká firma. Patrí do svetovej špičky v odbore. Je európskym lídrom v oblasti práčkovej metalurgie, zjednodušene povedané, lisovania kovových súčiastok zo špeciálnych práčkových zmesí pri vysokých tlakoch. Metóda je niekoľkonásobne rýchlejšia a lacnejšia ako klasické frézovanie a sústruženie. Navyše, inak ako lisovaním sa niektoré súčiastky ani vyrobiť nedajú.

Gevorkyan patrí k najinovatívnejším spoločnostiam v odbore. Na jednom mieste pomocou špičkových technológií navrhne a vyvíja vyše 150 úplne nových výrobkov ročne a vyrobí viac ako päť miliónov súčiastok mesačne. Produkty, ktoré prešli rukami jeho bezmála 250 zamestnancov, nájdete v nových autách, bežných i tých najluxusnejších, najmodernejších čerpadlách, klimatizáciách, ručnom náradí i robotoch, zbraňoch, dokonca v kozmetike a medicíne. Pre takmer všetky svetoznáme a veľké nadnárodné spoločnosti sú jediným výrobcom komponentov na zariadenia. A tak Gevorkyan ide na plné obrátky deň-noc, korona-nekorona.

Ľudia, ľudia, ľudia

„Všetci rozprávajú a pľú o investíciách, nových halách, ale často sa zabúda na to podstatné, a tým sú ľudia, nie majetok,“ hovorí Artur Gevorkyan, majiteľ a šéf firmy, ktorá nesie jeho meno. Slovenský podnikateľ s arménskymi koreňmi, vyštudovaný uznávaný letecký inžinier, špecialista na mate-



riály a držiteľ niekoľkých patentov sa usadil v Banskej Bystrici pred vyše 25 rokmi. Firmu vybudoval vlastnými rukami a z ničoho. Presnejšie, začal sám so strojmi, ktoré si postavil zo všetkých vyradených zariadení a súčiastok, ktoré pozbieral na šrotovisku.

Atmosféra v jeho podniku nie je bežná. Heslá na stenách ako u Baťa. Verejné hodnotenia zamestnancov a návrhy riešení, nie preto, aby ľudia dostávali polstu, ale aby sa podieľali o skúsenosti, ich chyby neopakovali ostatní, naopak, spoločne na nich rástli a zlepšovali sa. Gevorkyanove metódy majú nepodobybné výsledky a jeho firmu možno bez zveličenia označiť za svetový unikát a výnimočný príbeh.

„Pracujeme na štyri zmeny. Aj tak často nestihneme a to napätie a neriešenie stresových situácií vytvorilo dobrý tím ľudí a takú úroveň spolupráce, že dokonca vzniklo 20 manželstiev,“ hovorí majiteľ. „Keď chceme, aby boli k dispozícii vtedy, keď ich potrebujeme, musíme sa k nim aj tak správať. Ľuďom, ktorí potrebujú, prispievame na bývanie, zdravotnú starostlivosť, dopravu, pomáhame im v ťažkých situáciách. Ale - nemám rád pijavice, ktoré sa na vás nalepia a chciú vás zneužiť.“

Zrušil zbierku pre utečencov z Ukrajiny

Keď sa začala vojna na Ukrajine, bol som na služobke. Z firmy mi volali, že zamestnanci robia zbierku. Zastavil som ju. Okamžite vráťte peniaze späť ľuďom, hovorím personálke. Viem, že chcete pomôcť, ale nerobte to. Prečo? Viem, čo môže nasledovať. Problémy. Už som to zažil v Arménsku, tam sa to vymklo spod kontroly: a nakoniec, tí, čo pomáhali, nemali na benzín, energiu, ani čo jesť.

Ľudia šéfovi nerozumeli, ale verili mu. Mali skúsenosti z minulosti, že jeho riešenia síce bývajú iné, ale práve vďaka nim je úspešný. Čo vymyslel? Dal jediný pokyn: „Martinka, spojte sa s primátorkou Šlačka, čítal som, že prijali veľa utečencov. Zistite, čo by im najviac pomohlo.“ A tak nakúpili pre Ukrajincov práčky, sušičky a chladničky. Nie za eurá zamestnancov, ale za peniaze firmy. Ľudia z fabriky však chceli prispieť aj sami, a tak vyzbierali oblečenie a ďalšie užitočné veci zo svojich domácností. O pár týždňov firma dokúpila trvanlivé potraviny, prácke prášky a ďalší tovar, ktorého bolo za plné nákladné auto.

„Všetci boli spokojní. Moji zamestnanci, utečenci i vedenie Šlačka. Osobne sa nám do firmy prišli poďakovať,“ spomína majiteľ a dodáva, že jeho pracovníci boli najmä radi, že sa vyhli sklamaniu a hnevovi z toho, že by ich dobrota bola zneužitá.

Komu a ako teda pomáhať?

„Viete, v čom bol hlavný rozdiel?“ pýta sa Gevorkyan. „Pomáhali sme Slovincovi! Pretože chcem čosi vracať tejto krajine za to, že pomohla kedysi mne, keď som sem prišiel a usadil sa tu.“

Preto firma ponúka ľuďom z Ukrajiny najmä prácu. „Prišlo viacero rodín. S každým som sa rozprával osobne. Presvedčil som ich, aby ostali len tí, ktorí chcú na Slovensku naozaj žiť. Žiť tak ako žili doma. Pretože tu je to iné, ja tú skúsenosť mám. Poznáam problémy, ktoré ich tu čakajú, tie, čo som mal na začiatku i tie, ktoré tu mám ako cudziniec doteraz,“ spomína a dodáva, že po rozhovore s ním mnohí odišli do Nemecka, Kanady a niektorí sa vrátili späť na Ukrajinu.

Artur Gevorkyan tvrdí, že keď začal budovať firmu, chcel meniť svet. Nemal ilúziu, že zmení celú planétu. „Moje okolie, miesto, kde žijem je a moja rodina, však áno. Veď čo je v živote najdôležitejšie? Rodina a práca, zvyšok času prespieme! Svet okolo nás preto musí fungovať podľa pravidiel, ktoré majú logiku a sú férové,“ myslí si.

Lenže komu pomôcť a komu už nie? Túto otázku Gevorkyanovi nedávno položil jeho priateľ. „Vtedy som si uvedomil, že pomáhame bezmocným. Tým, ktorí si nevedia pomôcť sami. Ostatné je špekulácia, zneužívanie, vydieranie.“ Toto rozhodnutie prichádza aj cez vlastnú príšľu bolesť.

Komu teda Gevorkyan pomáha? Zamestnancovi, ktorého dieťa sa nevie postaviť na nohy a potrebuje špeciálnu rehabilitáciu či kolegyňu, ktorej umrel manžel a sama vychovávala dve deti. Jemu samotnému sa predčasne narodila vnúčka a rodina žila dva mesiace v móze zúfalstva a nádeji. Pamätá aj na to, ako roky žil sám s mamou vo finančnej tieňi, nosil zdedené oblečenie od známych. Seniorom v domove dôchodcov Gevorkyan zakúpil evakuačné podkošky pár dní po tom, čo jeho otca evakuovali v zbombardovanom Charkove, bohužiaľ, už mŕtveho. Policajtom, hasičom, lekárom a ľuďom, pre ktorých vyvinul, vyrobil a daroval desiatky tisíc špeciálnych masiek proti koronavírusu.

Priďadov je oveľa viac. Nebreba ich vymenovať všetky. Najdôležitejšie je totiž pomáhať ľuďom, ktorí si sami pomôcť nedokážu. A to by mal byť aj jeden z cieľov biznisu.

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Nové lisy financovali z úspešnej emisie na pražskej burze.



Kamenný reliéf s krížom (chačkar) ručne vyrobili v Arménsku. V areáli firmy vo Vikanovej ho odhalil Artur Gevorkyan a najvyšší duchovný arménsky kresťanov na Slovensku, v Česku a Maďarsku, otec Barssegh Pilavchyan. Pamätník nesie posolstvo „Žehnaj a ochraňuj nás“ v arménčine a slovenčine.



Rastieme a modernizujeme.

Aj vďaka tomu, že hoci sme každý iný, spolu sme silnejší

Slovenská firma GEVORKYAN je unikát. Patrí do svetovej extratriedy. Prítom pred 25 rokmi vznikla na Slovensku z ničoho. Prvé stroje si jej majiteľ **Artur Gevorkyan** postavil vlastnoručne – z vyhodnených zariadení a dielcov, ktoré našiel v zberných šrotu. Dnes jeho fabrika zamestnáva vyše 200 ľudí a hneď by zobral ďalších sto. Opäť sa rozširuje, nakupuje špičkové stroje. Investuje do rozvoja a inovácií – a to nevidaných 15 miliónov eur.

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„V tejto neistej dobe?“ pýtajú sa mnohí. „Práve preto!“ reaguje slovenský podnikateľ s arménskymi koreňmi. Kto ho pozná, nebudú sa. Artur Gevorkyan nie je bežný majiteľ a šéf podniku. Jeho netradičné metódy riadenia a nápady mu získali nielen mnoho profesijných ocenení, ale aj silné renomé v brandži. Firma, ktorú vyštudovaly letecký inžinier, špecialista na materiály a držiteľ niekoľkých patentov vybudoval v srdci Slovenska, je európskym lídrom v oblasti praškovvej metalurgie.

O čo ide? Zjednodušene povedané, o lisovanie kovových súčiastok zo špeciálnych praškových zmesí pri vysokých tlakoch. Metóda je násobne rýchlejšia a lacnejšia ako klasické frézovanie a sústruženie. Navyše inak ako lisovaním sa mnohé súčiastky vyrobiť ani nedajú.

Tajomstvo úspechu?

GEVORKYAN patrí k najinovatívnejším hráčom v odvetvi. Navyše je vývojovým dodávateľom pre väčšinu svojich zákazníkov. „Táto pozícia nám garantuje dnešné tržby zo sériových výrobkov, ktoré sme vyvinuli pred rokmi, a zároveň máme istotu v odozve na ďalších 7 až 10 rokov z projektov, na vývoji ktorých pracujeme dnes,“ vysvetľuje majiteľ.

Medzi zákazníkov patria popredné automobilky, strojárské, letecké či ťažárske firmy, ale napríklad aj najznámejší tvorcovia luxusnej módy a kozmetiky. Pre mnohé svetoznáme a nadnárodné spoločnosti sú jedným výrobcom kompo-



nentov na zemeguli. Firma vo Vikanovej pri Banskej Bystrici preto ide na štyri zmeny, ale ani to často nestačí.

Rekord na burze

V júni sa firma GEVORKYAN stala prvou slovenskou spoločnosťou, ktorá verejne ponúkla akcie na burze v Prahe. Trhy boli nízko, nálada na nich mizerná a majitelia všetci vystríhali, aby dlho plánovaný krok odložili. „Kedy, ak nie teraz? Treba sa rozvíjať, investovať, rásť... Kde na to vzdať, ak nie na burze? Kríza je predsa príležitosť!“ oponoval.

Výšlo to. Spoločnosť od investorov získala takmer 30 miliónov eur. Zároveň išlo o najväčšiu emisiu roku 2022 na trhu START pražskej burzy!

„Nepochybne to bol najlepší ťah,“ hodnotí majiteľ späťne. „Banky nám úvery dať nechceli, vraj do jám investovať nebudú.“ Naráža tým na fakt, že základová jama pre osadenie nového veľkorozmerného CNC lisu vyjde na viac ako 100-tisíc eur. A oni takých lisov teraz kupujú osem. Niektoré z nich vyjdú aj na 1,5 milióna. Sú vysoké ako trojposchodová bytovka, vo výrobné hale kvôli nim museli otvoriť strechu a volať špeciálne žeravky.

„Nové lisy majú mnoho benefitov. Budú robiť veľké či extrémne zložené súčiastky najmä pre odberateľov v Nemecku a USA. Predpokladáme, že v týchto krajinách bude úžit ekonomik najmenší. Najmodernejšie lisy nám zároveň ušetria dve tretiny nákladov za energiu a naša produkcia sa prinajmenšom zdvojnásobí,“ objasňuje Gevorkyan.

Padnes? Zodvihne sa

Špičkové stroje a technológie však nie sú všetko. „Hnevá ma, ak niekto tvrdí, že sa mi darí, lebo som šikovný. Vždy opakujem: Nikdy by som nič nedokázal sám. Naši zamestnanci sú to najcennejšie, čo mám,“ približuje filozofiu Gevorkyan.

Idete ešte ďalej. „Správame sa ako rodina, bojujeme ako armáda.“ To je jeden z mnohých sloganov, ktoré nájdete na stenách firmy. Vnútri i vonku. Ako kedysi vo fabrikách legendárneho Tomáša Batu. Tento majú nad hlavným vstupom.

Ľuďom, ktorí to potrebujú, preto firma prispieva na bývanie, zdravotnú starostlivosť, dopravu, pomáha im v ťažkých

situáciách. Vždy, keď si nedokážu pomôcť sami. Keď padnú, pomôže im vstať.

„Pochádzam z chudobnej rodiny, doviek nesmie zabúdať na utrpenia, ktoré zažil. A keď môže, mal by to vracať iným. Navyše vždy som mal pocit, akoby mi pomáhala nejaká vyššia sila,“ uvažuje Gevorkyan.

Premýšľal preto dlho na tým, ako spojiť tieto hodnoty do nejakého symbolu. Rozhodnutie v ňom zrelo dlho, no napokon bolo jasné ako slnko: tradičný arménsky kamenný reliéf s krížom – chačkar!

Symbol nezniteľnosti, vytrvalosti a tolerance

Kedysi mal chačkar rôzne funkcie. Označoval sa ním hrob, založenie chrámu, kláštora, mesta, ale zvykol pripomínať aj dôležité udalosti. Napríklad narodenie či smrť panovníka alebo víťaznú bitku. Reliéf bol populárny od starobylých čias a neustále iba s kresťanstvom. Kultom bohato zdobeného kamenného monolitu, ktorý je večný a nezniteľný, sa už za dávnych čias v Arménsku inšpirovali aj židia či moslimovia, samozrejme, bez kríža. Tradícia chačkarov spája, zvykli sa pri nich stretávať susedia, známi, rodiny. Nečudo, že duch pamätníka prežil do dnešných čias.

„Nie som prehnane nábožný, neviem sa ani správne prežehnať, nechodím do kostola,“ tvrdí Gevorkyan. „Keď cítim vnútornú potrebu, vtedy tam zájdem, a najlepšie s manželkou.“ Pokora a sila pokračovať, a to najmä vtedy, keď sa zdá, že sa vám zrúti svet, sú dôležité. Rovnako ako symboly. „Z Arménska máme takú skúsenosť: mesto sa dá zničiť, kostol vypáliť, ale chačkar väčšinou len zvalil na zem. A vždy prišiel čas, keď ho niekto znova postavil.“

Dodnes sa v krajine pod vyše 4 000 metrov vysokou vyhasnutou sopkou Aragac zachovali tisíce chačkarov rôznych veľkostí, typov i významu. Jedinečné umenie výroby reliéfov z kameňa sa stále vysoko cíti. V roku 2010 ho dokonca UNESCO zapísalo na zoznam nehmotného kultúrneho dedičstva ľudstva.

„Nechcem povyšovať jedno náboženstvo nad iné. Chačkar v Arménsku cítil všetci – ako symbol pevnosti a nezniteľnosti, lebo je vytesaný do skaly. Osadením tohto pamätníka by som rád vyjadril poďakovanie Slovákom. Za to, že nielen nás Arménov, ale aj ďalších cudzincov tak vtrúcnie prijali na svojom území a že nám dovolili na krásnom Slovensku vytvoriť si druhý domov,“ povedal pri odhalení pamätníka Gevorkyan.

Aj vďaka tomu, že hoci sme každý iný, spolu sme silnejší.

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Artur Gevorkyan: Díky IPO jsme zefektivnili výrobu a fungujeme více strategicky, náš byznys je výjimečně dlouhodobý a zajištěný



Slovenská společnost Gevorkyan, lídr ve výrobě kovových součástek procesem práškové metalurgie, loni úspěšně vstoupila na trh START pražské burzy a povedlo se jí navýšit čistý zisk o 64,9 %. Jak firmě pomohly peníze získané v rámci IPO? A proč jsou akcie společnosti pro investory nadále zajímavé? Nejen o tom jsme hovořili s Arturem Gevorkyanem, zakladatelem a předsedou představenstva firmy.

V roce 2022 jste vstoupili na trh START pražské burzy, kde jste v rámci IPO získali přes 727 milionů korun. Využili jste již všechny peníze z úpisu?

Stále je to v procesu. Dodací lhůta strojů či výrobních linek je v některých případech i delší než rok. Ještě čekáme na některé stroje. Kvůli dlouhým dodacím lhůtám jsme část z nich objednali ještě před IPO. Již jsme ale přistavěli jednu výrobní halu a na jaře začínáme podle schválených projektů stavět druhou velkou halu. Snažíme se o efektivnější tok, což vyžaduje více prostoru.

Úspěšný vstup na trh START máte za sebou. Jak zpětně hodnotíte celý proces? Udělal byste to znovu?

Určitě ano. Je to způsob, jak získat peníze v takovém objemu, v jakém jsou potřeba, a navíc jednorázově. Naše výroba je komplikovaná, linky na sebe navazují. V minulosti jsme byli nuceni stroje kupovat a uvádět do provozu postupně, díky IPO můžeme nakoupit vše podle potřeby tak, abychom mohli nastavit efektivně tok materiálu. Je to podobné, jako kdybyste si mohli vybrat karty, se kterými budete hrát.

Zistenie HN: Slovenská firma expanduje do USA aj Mexika. Potiahol ju americký obranný priemysel



- Rozšíriť sa chce na dva trhy v Severnej Amerike.
- Dôvodom je rastúci počet zákazníkov z oblasti aj upevňovanie vzťahov s tamojším obranným priemyslom.
- Ten vyžaduje, aby bol jeho dodávateľ nablízku

Efekt motýľích krídel dokáže často priniesť neuveriteľné osudy. Jedným z nich je rozhodne aj príbeh Artura Gevorkyana, arménskeho podnikateľa pôsobiaceho vo Vlkanovej pri Sliaci. Svojho času servisoval vrtuľníky hasiace Černobyl', neskôr sa rozhodol po vzore otca venovať práškovej metalurgii. To sa však vo vojnu zmietanej domovine o Náhorný Karabach nedalo, a tak emigroval na Ukrajinu, kde mu zas nevyhovovalo podnikateľské prostredie.

Tak sa začal písať jeho slovenský príbeh, ktorý odštartoval už pred 27 rokmi s jasným cieľom – vyrábať komponenty na mieru inovatívnym spôsobom. Aj preto vedenie fabriky do výroby neustále investovalo, prostriedky na expanziu sa rozhodlo zháňať aj na burze. Podľa informácií HN sa výrobca najnovšie rozhodol zamieriť za veľkú mláku. Konkrétne do USA a Mexika, kde má v pláne postaviť dve nové výrobné prevádzky.

„Zákazníkov z týchto regiónov máme už dlhé roky. Chceme byť lokálnym dodávateľom,“ potvrdil pre HN šéf fabriky Artur Gevorkyan s tým, že dôvodom expanzie je nárast zákazníkov z obranného priemyslu, ktorý si, pochopiteľne, prítomnosť svojich dodávateľov vyžaduje.

Za dnešní úspěch může 5000 let stará technologie



S trochou nadsázky by se Artur Gevorkyan dal připočítat k elitnímu šéfkuchaři, na jehož recepturu spočítá byznys ze všech koutů světa. Ze směsi prášku dokáže vytvořit během hodiny tisíce unikátních, a přesto na vlas stejných součástek. Ty pak putují ke známým značkám jako jsou BMW, Bosch, Mountfield, Versace, Lacoste a mnoho dalších, aby mohly být použity do populárních výrobků.

Artur Gevorkyan vyrábí tyto součástky pomocí metody práškové metalurgie. Ve své podstatě se jedná o velice starou technologii, kterou lidstvo zná již více než 5000 let. Například starověcí Egypťané ji využívali při výrobě šperků, které dodnes zdobí Tutanchamonovu hrobku. Tato starověká technologie však musela být inovativně modernizována, aby mohla být přenesena do sériové výroby.

Díky tomu mohla vzniknout společnost GEVORKYAN, která se stala lídrem v oblasti práškové metalurgie v rámci Evropy. Zároveň patří k nejinnovativnějším společnostem v tomto odvětví celosvětově. Je členem evropské a mezinárodní asociace pro práškovou metalurgii a disponuje špičkově vybavenou laboratoří a R&D vývojovým střediskem. V posledních letech úspěšně prošla řadou zákaznických auditů a stala se tak globálním dodavatelem pro velké nadnárodní společnosti, které provozují své závody po celém světě.

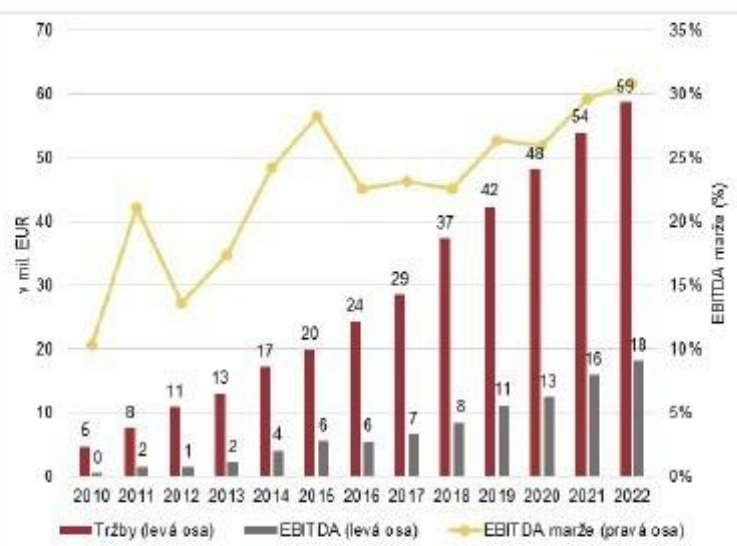
Společnost GEVORKYAN v zásadě musí řešit jeden jediný problém, který spočívá v nutnosti neustálého rozšiřování výrobních kapacit. Technologie práškové metalurgie je totiž násobně levnější než jiné metody pro výrobu kovových součástek. To zvláště v době krize, kdy se zvyšuje tlak na úsporu nákladů, vytváří zástupy nových klientů, kteří od společnosti GEVORKYAN chtějí odebrat produkty.

Navíc prášková metalurgie má další zásadní výhodu. Při výrobě nevzniká takřka žádný odpad, což je významný rozdíl oproti klasickému obrábění kovů. Celý výrobní proces je energeticky efektivní, nízkemisní a šetrný surovinami. Zvláště v době energetické krize se pak velice vyplatilo, že při výrobě ve společnosti GEVORKYAN je využívána energie z obnovitelných zdrojů.

GEVORKYAN pro investory

Rostoucí zájem o technologii práškové metalurgie nutí společnost GEVORKYAN, aby dále rozšiřovala svou výrobu. Dodatečný kapitál na investice získala společností vstupem na Burzu cenných papírů Praha v loňském roce, se kterým jí jako hlavní poradce pomáhala společnost Versute Investments a také BH Securities. Jednalo se o vstup první slovenské společnosti na pražskou burzu a rovnou šlo o historicky největší IPO (veřejnou nabídku akcií) na trhu PX START. Nyní tedy mohou investoři volně obchodovat s akcemi společnosti GEVORKYAN na burze a podílet se tak na jejích úspěších.

Společnost GEVORKYAN v roce 2022 dosáhla na tržby z prodeje výrobků a služeb na úrovni 58,77 milionu EUR a na zisk EBITDA 18,15 milionu EUR, což implikuje další zvýšení EBITDA marže na úroveň 30,88 procenta. U tržeb to znamená ve srovnání s předchozím rokem devítiprocentní růst a překonání jejich plánované hodnoty o téměř 300 tisíc EUR.



Zdroj: GEVORKYAN, a.s., Versute Investments s.r.o.

*Finanční výsledky za rok 2022 jsou předběžné a budou podléhat pravidelnému auditu.



V roce 2022 společnost GEVORKYAN dále vykazovala provozní zisk na úrovni 9,13 milionu EUR, což v porovnání s předchozím rokem představuje nárůst o 18,84 procenta. Výsledek hospodaření po zdanění pak činil 3,76 milionu EUR, což představuje růst o 64,87 procenta oproti předcházejícímu roku.

Společnost GEVORKYAN tak nadále pokračuje v dynamickém růstu, který od roku 2010 do roku 2022 zachycuje graf. Na něm je vidět, jak postupnými a promyšlenými kroky se tržby společnosti zvýšily z přibližně 5 na 59 milionů EUR.

V roce 2023 se společnost bude soustředit na pokračování realizace svých rozvojových plánů, které investorům představila v rámci úpisu svých akcií na trhu PX Start Burzy cenných papírů Praha. Díky investorským penězům se dají rozšiřovat výroby, což umožňuje uspokojovat stále více zákazníků. Lze proto předpokládat, že další růst tržeb a zisků půjde v souladu s vytčenými plány.

gevorkyan.sk

Společnost GEVORKYAN dnes vyrábí více než 6 milionů kusů součástek měsíčně a na trh uvádí více než 150 nových výrobků ročně pro klienty ve více než 30 zemích světa.

Mnohé firmy špekulovali s cenami energií a teraz za to musia zaplatiť (rozhovor)



Celá zelená politika EÚ je postavená na hlavu a je to vrchol politického populizmu. Tvrdí priemyselník Artur Gevorkyan v rozhovore pre Aktuality.sk.

„V tejto firme sme radi za chyby a verejne o nich hovoríme a ukazujeme ich. Sú nevyhnutné pre ďalší rozvoj, nesmú sa však opakovať tie isté,“ s týmito slovami nám ukazuje nástenku s fotkami zamestnancov majiteľ firmy Gevorkyan pri návšteve jeho podniku. Na nej si okrem fotiek a mien môže každý pozrieť, akú chybu daný pracovník urobil a ako ju opravil a čo treba robiť, aby sa už nezopakovala.

Tento netradičný prístup celkom dobre vystihuje, akým spôsobom sa **Arturovi Gevorkyanovi** podarilo vybudovať na Slovensku úspešný metalurgický závod a priviesť ho ako jediný výrobný podnik na českú burzu.

Redakcia Aktuality.sk sa rozprávala s týmto rodeným Arméncom o súčasnom vývoji nielen v slovenskom priemysle, ale aj o celkovej ekonomickej situácii v EÚ.

GEVORKYAN, a.s.

**Individual financial statements
for the period from 1.1.2023 to 31.12.2023**

**compiled by
International Financial Standards
Reporting Regulation ('IFRS') as adopted by the EU**

Translation Disclaimer

This document is a translation of the original Slovak version and is provided for informational purposes only. In the event of any discrepancies or differences between this translation and the original document, the original Slovak version shall prevail. This translation does not carry the same legal weight as the original document, which remains the authoritative source.

GEVORKYAN, a.s.

Individual Financial Position Statement

<i>EUR thousand</i>	Note	31. december 2023	31. december 2022	1 January 2022
Intangible assets	5	11 330	11 461	11 735
Property, plant and Equipment	6,7	104 006	90 411	73 488
Total non-current assets		115 336	101 872	85 223
Stocks	8	26 672	23 942	19 922
Trade receivables	9	29 907	23 508	21 013
Income tax payable	10	0	0	73
Other current assets	10	684	620	423
Cash and cash equivalents	11	2 676	2 725	1 237
Total Current Assets		59 939	50 795	42 668
Total assets		175 275	152 667	127 891
Capital	12	16 657	16 657	13 924
Share premium	12	24 695	24 695	0
Capital funds	12	12 731	12 378	12 149
Retained earnings / (loss) of previous periods	12	13 883	10 793	8 739
Profit / (loss) for the period	12	3 830	3 446	2 283
Total Equity		71 796	67 969	37 095
Bonds issued	14	8 063	9 888	18 565
Long-term loans and credits	13	35 959	36 035	38 100
Long-term lease liabilities	7	551	835	798
Deferred tax liability	25	4 748	3 859	3 058
Other long-term liabilities	16	2 219	2 332	2 446
Total long-term liabilities		51 540	52 949	62 967
Short-term bonds issued	14	10 466	8 771	160
Short-term loans and credits	13	18 684	8 337	13 679
Short-term reserves	17	183	166	157
Income tax payable	16	4	4	0
Short-term lease liabilities	7	365	472	628
Trade Payables	15	19 971	11 594	12 061
Other short-term liabilities	16	2 266	2 405	1 144
Total short-term liabilities		51 939	31 749	27 829
Total liabilities		103 479	84 698	90 796
Total equity and liabilities		175 275	152 667	127 891

The notes on pages 5 to 52 form an integral part of the individual financial statements.

GEVORKYAN, a.s.
Individual statement of profit and loss and other components of comprehensive income

<i>EUR thousand</i>	Note	2023	2022
Revenues from the sale of own products	18	49 382	35 210
Revenues from the sale of services	18	11 385	10 312
Revenues		60 767	45 522
Change in own production	19	2 294	5 543
Material and energy consumption	20	-23 846	-18 851
Services	21	-13 723	-9 336
Personnel costs	22	-4 990	-4 778
Other operating result	23	274	109
Operating profit		20 776	18 209
Depreciation and amortization	6,7	-11 873	-9 129
Profit / (loss) before interest, tax		8 903	9 080
Financial revenues	24	475	346
Financial costs	24	-4 369	-4 897
Profit/(loss) arising from financial operations, net		-3 894	-4 551
Profit/(loss) before tax		5 009	4 529
Income tax payable	25	-287	-284
Deferred income tax	25	-889	-801
Profit/(loss)		3 830	3 446
Other components of a comprehensive result		0	0
Overall Comprehensive Result		3 830	3 446
Earnings / (loss) per share (in euros)		0,23	0,21
Diluted earnings / (loss) per share (in euros)		0,23	0,22
Number of shares as at 31.12.		16 657 272	16 657 272
Average number of shares		16 657 272	15 746 339

The notes on pages 5 to 52 form an integral part of the individual financial statements.

GEVORKYAN, a.s.

Individual statement of changes in equity

EUR thousand

	Note	Capital	Share premium	Other Equity Funds	Statutory reserve fund	Retained earnings / (loss)	Total
Balance as of January 1, 2023	12	16 657	24 695	11 307	1 071	14 238	67 969
Transfer of retained earnings to the statutory reserve fund	12				354	(354)	-
Profit / (loss) for the period	12					3 830	3 830
Other components of comprehensive income, after tax							-
Total comprehensive result for the period	12	-	-	-	354	3 477	3 830
Transactions with owners, accounted for directly in the cost of equity							-
Total transactions during the year		-	-	-	-	-	-
Balance as of December 31, 2023	12	16 657	24 695	11 307	1 425	17 715	71 796

Individual statement of changes in equity (continued)

EUR thousand

	Note	Capital	Share premium	Other Equity Funds	Statutory reserve fund	Retained earnings / (loss)	Total
Balance as of 1 January 2022	12	13 924	-	11 307	842	11 021	37 095
Transfer of retained earnings to the statutory reserve fund	12				228	(228)	-
Profit / (loss) for the period	12					3 446	3 446
Subscription of shares	12	2 733	24 695				27 428
Other components of comprehensive income, after tax							-
Total comprehensive result for the period	12	2 733	24 695	-	228	3 217	30 874
Transactions with owners, accounted for directly in the cost of equity							-
Total transactions during the year		-	-	-	-	-	-
Balance as at 31 December 2022	12	16 657	24 695	11 307	1 071	14 238	67 969

The notes on pages 5 to 52 form an integral part of the individual financial statements.

Individual cash flow statement

EUR thousand

1.1.2023 - 1.1.2022 -
31.12.2023 31.12.2022

Profit (loss) before tax for the year	Note	5 009	4 529
<i>Adjustments for non-cash operations:</i>			
Profit from the sale of buildings, property and equipment and intangible assets		79	(33)
Depreciation of own property, plant and equipment and depreciation of intangible assets	5,6,7	11 873	9 129
Creation of a provision for receivables		(24)	16
Change in the status of the stock OP		(67)	5
Impairment of goodwill		-	-
Revaluation of fair value through the profit and loss account		-	-
Proceeds from the sale of parts of the business		-	-
Revaluation of fixed assets		-	-
Interest expense (net)	24	3 536	3 131
Change in reserves		17	9
Income tax	25	(287)	(284)
Decrease (increase) of trade receivables and accruals		(6 435)	(2 707)
Decrease (increase) of inventories		(2 663)	(4 024)
(Decrease) increase in liabilities and accruals		8 121	473
Other items of a non-monetary nature		(102)	1 155
Cash flow from operating activities		19 053	11 398
Income tax paid		(287)	73
Net cash flow from operating activities		18 766	11 471
<i>Cash flows from investment activities</i>			
Purchase of property, plant and equipment and intangible assets	5,6,7	(25 337)	(26 650)
Income from the sale of buildings, constructions, machinery and equipment	6	2 974	3 659
Transfer of fixed assets to property, plant and equipment		-	-
Transfer of property, plant and equipment to inventory		-	-
Purchase/investment in fixed assets		-	-
Income from the sale of fixed assets		-	-
Long-term loans granted		-	-
Long-term loan repayments		-	-
Procurement of financial investments		-	-
Income from the sale of financial investments		-	-
Net cash outstanding with a subsidiary		-	-
Proceeds from the sale of a Non-controlled interest in a subsidiary		-	-
Interest Received / (Paid)		(546)	(317)
Net cash flows used in investment activities		(22 909)	(23 308)
<i>Cash flows from financing activities</i>			
Credit and loan repayments	27	(2 592)	(8 242)
Income from loans and advances	27	12 358	-
Income from subscribed shares and shares		-	27 428
Expenses for the payment of liabilities arising from long-term securities	27	(1 285)	(1 514)
Expenditure on the repayment of lease liabilities	27	(2 994)	(2 897)
Interest paid	27	(1 391)	(1 448)
Dividend payment		-	-
Net cash flows used in financing activities		4 095	13 327
Net increase/(decrease) of money and cash equivalents		(49)	1 489
Cash and cash equivalents at the beginning of the financial year	11	2 725	1 237
Cash and cash equivalents at the end of the financial year	11	2 676	2 725

The notes on pages 5 to 52 form an integral part of the individual financial statements.

Content

1. Company Information.....	6
2. Significant accounting principles	7
3. Major accounting estimates and assumptions	18
4. First application of IFRS	19
5. Intangible assets	25
6. Real Estate, Machinery and Equipment	27
7. Lease	29
8. Inventory	30
9. Trade receivables	31
10. Other current assets	32
11. Cash and cash equivalents	32
12. Equity.....	33
13. Loans and credits	34
14. Bonds issued	35
15. Trade Payables.....	38
16. Other liabilities.....	38
17. Reserves	39
18. Revenues	39
19. Change in ownproduction.....	39
20. Material and energy consumption	40
21. Services	40
22. Personnel costs	41
23. Other operating result	41
24. Financial operations	42
25. Income tax and deferred tax	42
26. Fair value data	43
27. Changes in liabilities arising from financing activities	43
28. Information on financial risk management	44
29. Related parties	49
30. Events that occurred after the date on which the financial statements are prepared	50
31. Capital liabilities and capital management.....	50
32. Contingent assets and contingent liabilities.....	50

1. Company Information**(a) Basic information**

GEVORKYAN, a.s. (hereinafter referred to as the "Company") is a joint-stock company established on September 16, 1996. Until 20 January 1997, it was registered in the Commercial Register kept at the District Court of Banská Bystrica, Section Sa, File 1232/S. On 13 May 2022, the company changed its legal form from the original limited liability company to the current joint-stock company. The company is located at Továrenská 504, Vlkanová, Slovak Republic, identification number 36 017 205.

The main subject of activity is:

1. Research and development in the field of natural and technical sciences
2. Powder metallurgy activity
3. Research and development in the field of social sciences and humanities
4. The purchase of goods for the purpose of selling them to the end consumer within the scope of a free trade
5. Purchase of goods for the purpose of their sale to other trade operators within the scope of a free trade
6. Mediation of trade and services within the scope of a free trade
7. Toolmaking
8. Heat treatment of metals
9. Surface treatment of metals
10. Repair of mechanical parts of machinery and equipment
11. Welding work
12. Mechanical engineering engineering services
13. Medical Device Manufacturing
14. Manufacture of rubber and plastic products
15. Textile production
16. Manufacture of pulp, paper, paperboard and articles of these materials

(b) Legal reason for the preparation of financial statements

The individual financial statements for the period from 1 January 2023 to 31 December 2023 have been prepared in accordance with the International Financial Reporting Standards ("IFRS Accounting Standards") as adopted by the EU as voluntary financial statements.

(c) Date of approval of the accounts for the previous period

The financial statements for the previous accounting period were approved by the General Meeting of the Company on 23.06.2023.

(d) Number of employees

Item Name	31.12.2023	31. 12.2022	1.1.2022
Average recalculated number of employees	173	180	149
The number of employees as at the date on which the financial statements are prepared, of which:	168	172	156
Number of managers	4	4	4
Number of agency workers			

(e) Shareholder Structure of the Company

Shareholder structure of the Company as at 31.12.2023:

Companion	Amount of share capital [EUR]	Amount of share capital [%]	Share of voting rights [%]	Share of other items VI other than ZI [%]
Artur Gevorkyan	12 850	77%	77%	
JEREME	437	3%	3%	
BHS Fund PE	437	3%	3%	
Free float	2 933	17%	17%	
Total	16 657	100%	100%	

Structure of the Company's shareholders as at 31.12.2022:

Companion	Amount of share capital [EUR]	Amount of share capital [%]	Share of voting rights [%]	Share of other items VI other than ZI [%]
Artur Gevorkyan	12 850	77%	77%	
JEREME	437	3%	3%	
BHS Fund PE	437	3%	3%	
Free float	2 933	17%	17%	
Total	16 657	100%	100%	

(f) Members of the statutory bodies of the company as of 31.12.2023

Board of directors:

Dipl. Ing. Artur Gevorkyan – Chairman of the Board of Directors

Supervisory Board:

Ing. Andrej Bátorvský – Chairman

Robert Gevorkyan – Member

Denisa Riečanová – Member

2. Significant accounting principles

(a) Declaration of conformity

The attached financial statements of the company for the period from 1 January 2023 to 31 December 2023 have been prepared in accordance with the International Financial Reporting Standards (IFRS) approved by the European Union and the Interpretative Committee (IFRS IC) applicable to companies reporting under IFRS as voluntary financial statements. All standards and interpretations that are effective and approved by the European Union (EU) as of 31 December 2023 have been used.

(b) Starting points for the assembly

For all periods, including the year ending 31.12.2023, the Company prepares proper individual financial statements in accordance with local generally applicable accounting methods (SAS). These voluntary individual financial statements

are the first financial statements prepared by the Company in accordance with IFRSs. More information on how the Company has adopted IFRS is provided in paragraph 4.

Voluntary individual financial statements have been compiled on the basis of historical prices.

The Company's voluntary individual financial statements have been prepared under the assumption that the Company will continue to operate. Until the date of approval of these financial statements, there are no known circumstances that would indicate that the Company is unable to continue its activities.

The Company's management expects that the Company has sufficient funds to continue operations for at least the next 12 months and that the preparation of financial statements assuming continuity of its operations is reasonable.

The preparation of financial statements according to the International Financial Reporting Standards as adopted by the EU requires the use of various judgments, assumptions and estimates. These have an impact on the amounts of reported assets, liabilities, income and expenses. However, actual results are likely to differ from these estimates. Material accounting estimates and management judgments that carry a significant risk of causing a material adjustment in the future financial year are described in Section 3, Material Accounting Estimates and Assumptions.

Estimates and related assumptions are continuously reviewed. If the restatement relates to only one accounting period, it shall be recognised in that period, and if the reassessment affects both current and future financial years, it shall be recognised in the period in which the reassessment occurred and also in future periods.

Voluntary individual financial statements are prepared in thousands of euros, unless otherwise stated.

(c) Applying new standards and interpretations

These voluntary individual financial statements are the first financial statements prepared by the Company in accordance with IFRSs.

(d) International Financial Reporting Standards that have been issued but are not yet effective

Issued standards, interpretations and amendments to standards that are effective after December 31, 2023 and that were not prematurely applied by the Company

- IFRS 10, IAS 28: Amendments to IFRS 10 and IAS 28: Sale or Contribution of Non-Monetary Assets to an Associate or Joint Venture in Exchange for Equity Interest (these amendments have not yet been approved by the EU, the effectiveness of the amendments in the EU has been postponed indefinitely);
- IAS 1: Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities into Current and Non-Current, Classification of Liabilities into Current and Non-Current – Shift in Effectiveness and Non-Current Liabilities with Covenants (effective for financial years beginning on or after 1 January 2024, this Standard has not yet been approved by the EU);
- IFRS 16 Leases: Lease Liability on Sale and Leaseback (these amendments have not yet been approved by the EU, the effectiveness of the amendments in the EU has been postponed indefinitely)
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Financing Agreements (these amendments have not yet been approved by the EU, the effectiveness of the amendments in the EU has been postponed indefinitely)
- Amendments to IAS 12 Income Tax: International Tax Reform – Two-Pillar Model Rules (these amendments have not yet been approved by the EU, the effectiveness of the amendments in the EU has been postponed indefinitely)
- Amendments to IAS 21: Impact of Exchange Rate Changes: Lack of Convertibility (issued on 15 August 2023) - not yet approved by the EU - effective for annual financial years beginning on or after 1 January 2025;
- IFRS 18 "Presentation and Disclosure in Financial Statements" (issued on or after 9 April 2024) - not yet approved by the EU until the date of approval of these financial statements - effective for annual financial periods beginning on or after 1 January 2027;

- IFRS 19 "Non-Public Liability Subsidiaries: (issued on or after 9 May 2024) - as of the date of approval of these consolidated financial statements, not yet approved by the EU - effective for annual financial periods beginning on or after 1 January 2027;
- Amendments to IFRS 9 and IFRS 7 "Classification and Measurement of Financial Instruments" (issued on or after 30 May 2024) - not yet approved by the EU until the date of approval of these financial statements - effective for annual financial periods beginning on or after 1 January 2026;
- Amendments to IFRS 9 and IFRS 7 Contracts Relating to Nature-Dependent Electricity (issued on 18 December 2024) - not yet approved by the EU at the date of approval of these financial statements - effective for financial years beginning on or after 1 January 2026;
- Annual Enhancements Volume 11 (issued July 18, 2024) - not yet approved by the EU at the date of approval of these financial statements - effective for financial years beginning on or after January 1, 2026
- Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: (in December 2015, the IASB postponed the effective date of these amendments indefinitely until the outcome of its equity research project is known)
-

The Company has not opted for the early adoption of any standard, interpretation or amendment that has been published but has not yet entered into force.

The Company is currently assessing the impact of these standards on its financial statements.

(e) Foreign currency

Foreign currency transactions

The items recognised in the Company's financial statements are expressed in the currency of the primary economic environment in which the Company operates (functional currency). Individual financial statements are presented in thousands of euros, which represent both the functional currency and the reporting currency of the Company. Transactions in foreign currency are converted into euros at the exchange rate in force on the day preceding the date of the accounting case. Monetary assets and liabilities denominated in foreign currencies are converted into euro at the date on which the accounts are drawn up at the exchange rate of the European Central Bank prevailing on that date.

Exchange rate differences resulting from such conversions are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies that are measured at cost are converted into euro at the exchange rate prevailing at the date on which the financial statements are prepared.

(f) Accounting

Financial assets and liabilities are netting and their net worth is recognised on the balance sheet when the Company has a legally enforceable right to offset recognised values and when there is an intention to settle transactions on the basis of their net difference.

(g) Intangible assets

Reporting and valuation

Purchased intangible fixed assets are measured at cost less depreciation (see Depreciation below) and accumulated impairment losses (j). The purchase price includes the purchase price and the costs that are directly related to its procurement.

Intangible fixed assets generated by own operations are measured at cost less depreciation (see Depreciation below) and accumulated impairment losses (j). Custom costs include direct material and labor costs and manufacturing overheads.

Intangible fixed assets acquired by other means (including know-how) are measured at the fair value at which the asset would have been acquired at the time they are accounted for, less depreciation (see Depreciation below) and accumulated impairment losses (j). This price is determined by an expert estimate, expert opinion or according to special regulations.

Amortization

The depreciation of intangible fixed assets is accounted for in profit or loss on a straight-line basis over the expected useful life of the asset concerned. The expected useful life, depreciation method and depreciation rate are set for each group of intangible fixed assets as follows:

	Estimated time of use	Annual depreciation rate	Depreciation method
Software	4	1/4	The Rovnomers
Valuable rights (know-how)	50	1/50	The Rovnomers

(h) Propertay, Plant and Equipment***Own property***

Property, plant and equipment is measured at cost or own cost, less depreciation (see Depreciation below) and accumulated impairment losses (j). The cost includes all expenses directly attributable to the acquisition of the asset. Own costs of assets created by their own activities include the cost of materials, direct labor costs, all directly attributable costs of bringing the asset to a state in which it is capable of operating in the specified manner. Where relevant, the purchase price/cost also includes an initial estimate of the cost of dismantling and removing the asset and restoring its location to its original condition, and the cost of credits and borrowing as described below.

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are part of the cost of those assets.

If the items of property, plant and equipment have different useful lives, then they are accounted for as separate items of property, plant and equipment.

Profit and loss from the disposal of property, plant and equipment is determined by comparing the proceeds from disposal and the carrying amount of property, plant and equipment and is reported in the profit and loss account, in net operating activities.

Subsequent costs

Subsequent costs are only activated if it is probable that the Company will derive future economic benefits contained in the relevant Property, Plant and Equipment item and the relevant costs can be measured reliably. All other costs, including routine maintenance of the property, machinery and equipment, are recorded in the profit or loss in the period to which they are related.

Depreciation

Depreciation is calculated from the depreciable value, which is the cost of the asset after deducting its residual value.

Depreciation is recognised with an impact on profit or loss in operating activities on a straight-line basis over the course of estimated useful life of individual items of property, plant and equipment. Depreciation begins when the asset is available for use. Land and acquired tangible assets are not depreciated.

Estimated useful lives, depreciation methods and depreciation rates are set for individual groups of property, machinery and equipment and are as follows:

	Expected service life (years)	Annual depreciation rate	Depreciation method
Building	60	1/60	linear
Transport	4	1/4	linear
Presses	30	1/30	linear
Ovens	35	1/35	linear
Stroje MIM (Metal Injection Moulding)	35	1/35	linear
Stroje HIP (Hot isostatic pressing)	35	1/35	linear
Machinery, apparatus and equipment	20	1/20	linear
Tools	15	1/15	linear

Capitalized finance costs

Financial costs related to an asset that requires a significant period of time to be brought into a condition necessary for its use or sale are activated by the Company as part of the cost of the asset.

(i) Lease

When creating a contract, the company assesses whether the contract includes a lease. That is, whether the contract gives rise to a right to control the use of identifiable assets for a certain period in exchange for consideration.

The company as a lessee

The Company applies a uniform approach to recognition and measurement for all leases, with the exception of short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not include an option to buy) and low-value leases (below EUR 10k). Lease payments for short-term leases and low-value leases are recognised on a flat basis as an expense over the lease term.

Right-of-use assets

Determining whether a contract contains elements of a lease or is a lease depends on the substance of the contract at the time it is concluded. A contract is considered to contain elements of a lease and is accounted for accordingly if the contract gives rise to the right to control the use of the identified asset for a certain period in exchange for consideration.

This is fulfilled if the Company has both of the following rights during the period of use:

- the right to acquire substantially all the economic benefits from the use of the identified asset;
- the right to control the use of the identified asset.

On the lease commencement date (ie the date on which the underlying asset is available for use), the company shall recognise the right-of-use asset and the lease liability. A right-of-use asset is valued at cost and represents the lessee's right to use the underlying asset during the lease term.

The cost of an asset with a right of use includes:

- the amount of the initial valuation of the lease liability;
- all lease payments made before or on the lease commencement date, less any leasing incentives received;
- any initial direct expenses incurred by the lessee; and
- an estimate of the costs incurred by the lessee in dismantling and removing the underlying asset and in restoring it to the location where it is located or in restoring the underlying asset to the condition required by the terms of the lease, if those costs are not incurred in order to build inventory.

After the lease commencement date, the Company shall measure the right-of-use asset in a manner consistent with the valuation of the fixed assets owned by the Company. The methods of depreciation of depreciable assets in leases are also consistent with the accounting policy for the depreciation of assets owned by the Company.

	Expected service life (years)	Annual depreciation rate	Depreciation method
Transport	4	1/4	The Rovnomers
Presses	30	1/30	The Rovnomers
Ovens	35	1/35	The Rovnomers
Stroje MIM (Metal Injection Moulding)	35	1/35	The Rovnomers
Stroje HIP (Hot isostatic pressing)	35	1/35	The Rovnomers
Machinery, apparatus and equipment	20	1/20	The Rovnomers

If ownership of a leased asset is transferred to the Company at the end of the lease period, or if the cost reflects the exercise of a call option, depreciation is calculated using the estimated useful life of the asset.

The impairment also applies to assets within assets with rights of use. See accounting policies for impairment of non-financial assets in item 2 (j) Impairment.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of the lease payments to be made during the lease term. Lease payments include fixed payments less any incentives received, variable lease payments that depend on an index or interest rate, and amounts expected to mature under residual value guarantees. The lease payments also include the strike price of the call option at which it is reasonably certain that the Company will exercise it and the payment of termination penalties if the lease term reflects the exercise of the termination option.

Variable lease payments that do not depend on an index or rate are recognised as an expense in the period in which the event or condition that causes them to be paid occurs.

A company applies a practical tool in accordance with IFRS 16.15. The leasing components are not separate from the non-leasing components.

In calculating the present value of lease payments, the Company uses a predominantly implicit interest rate. In the event that it cannot be reliably determined, the Company shall apply its incremental interest rate on the lessee loan at the lease commencement date. After the commencement date, the amount of lease liabilities is revalued if there is a lease modification – a change in the lease term, a change in lease payments (e.g. changes in future payments resulting from a change in the index or rate used to determine such lease payments) or a change in the assessment of the option to purchase the underlying asset. When a lease liability is revalued due to a lease modification, the revaluation amount is taken into account in the amount of the right-of-use asset, which is adjusted to its residual value by this value. The right-of-use asset is further depreciated from that adjusted value.

(j) Impairment of non-financial assets

Factors that are considered important in assessing impairment of assets are mainly:

- technological progress,
- significant underperformance compared to historical or planned operating results;
- significant changes in the way the Company's assets are used or an overall change in the Company's strategy;
- obsolescence of products.

At each date of the preparation of the financial statements, the Company's assets are reassessed to determine whether there is an objective indicator of impairment. If there are indications of a decrease in the value of the asset, the recoverable value is estimated. If the carrying amount is higher than the recoverable amount, the carrying amount is reduced to the recoverable amount.

The recoverable value of an asset is the value that is higher than its fair value less costs of sale and value from use. In determining the value from use, the estimated future cash flows are discounted to their present value by applying a pre-tax discount rate that reflects the current market valuation of the time value of money and the risks specific to that asset. For an asset that does not generate substantially discrete cash flows, the return value is determined for the cash-generating unit group to which the asset belongs.

Inventories are reported at a lower amount from the cost of acquisition or cost of production and the net realisation value. The net realisable value shall be equal to the estimated selling price, which is applied under normal conditions, less the estimated cost of completion and the costs necessary to make the sale.

Impairment losses on continuing operations, including impairments on inventory, are recognised in the profit and loss Account.

The Company assesses each financial year whether there is an indication that a previously recognised impairment may no longer exist or may have decreased. If there is such an indication, the Company shall estimate the realisable value of the cash-flow-generating asset or unit. A company is considered a single cash-flow-generating unit. A previously recognised impairment shall be reversed only if there has been a change in the assumptions used to determine the realisable value of the asset since the last impairment was recognised. The reversal of an impairment is limited so that the carrying amount of the asset does not exceed its carrying amount or the cost less depreciation that would have been determined if no impairment had been recognised in prior periods. Such a reversal is recorded in the profit and loss account.

(k) Inventory

Purchased inventory is valued at cost price, which includes the purchase price and costs directly related to their acquisition (shipping costs, customs duties, commissions, etc.). Received discounts, discounts, rebates reduce the purchase price of inventory.

Inventories created by own operations are valued at own cost or net execution value, whichever is lower. Own costs include direct material and labor costs and indirect production costs. Production overhead costs include machine service and repair, electricity, water and gas consumption, asset depreciation, foreman wages, internal logistics costs, etc. The net strike value is the estimated selling price in the ordinary course of trade, less the estimated cost of completion and the cost of selling.

In the event of a temporary decrease in the net realisation value of inventories, a provision is created (see item 2 (j) Impairment).

(l) Financial instruments (excluding financial liabilities)

A financial instrument is any contract that results in the creation of a financial asset of one party and a financial liability or equity instrument of the other party.

Financial assets are classified at initial recognition as those that are subsequently measured at amortised amount, fair value through profit or loss, or fair value through other comprehensive income.

The classification of financial assets at initial valuation depends on the characteristics of their contractual cash flows and the business model used by the Company to manage them. With the exception of trade receivables that do not include a significant financing component, or for which the Company has chosen a simplified accounting procedure (i.e. lifetime expected losses are included), the Company initially measures the financial asset at fair value, while for financial assets not included in the category of instruments measured at fair value through profit or loss, fair value is adjusted for transaction costs. Trade receivables that do not include a significant financing component, or for which the Company has chosen a simplified accounting procedure, are measured at the transaction price determined in accordance with IFRS 15.

In order to be classified and measured at amortised value or fair value through other comprehensive income components, a financial asset must give rise to cash flows that represent 'solely principal and interest payments (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is carried out at the level of individual instruments.

The Company's Financial Asset Management Business Model expresses how the Company manages its financial assets to generate cash flow. The business model determines whether the cash flows will arise either from the collection of contractual cash flows or from the sale of financial assets, or both.

Subsequent valuation

For the purposes of subsequent valuation, financial assets are classified into four categories:

- financial assets at amortised value (debt financial instruments)
- financial assets measured at fair value through other comprehensive income with recycling of accumulated gains and losses (debt financial instruments)
- financial assets measured at fair value through other comprehensive income without recycling of cumulative gains and losses at recognition (equity financial instruments)
- financial assets measured at fair value through profit or loss

The company records only financial assets at amortized value.

Financial assets at amortised value (debt financial instruments)

A company values financial assets at amortised cost if both of the following conditions are met:

- the financial asset is held under a business model that intends to hold the financial assets in order to collect the contractual cash flows; and
- The contractual terms of a financial asset give rise to cash flows on specified dates, which consist solely of payments of principal and interest on the principal amount outstanding.

Financial assets at amortised value are subsequently measured using the effective interest rate method (EIR) and are subject to impairment. Gains and losses are recognised in profit or loss if the value of the relevant asset is derecognised or decreased.

De-billing

Financial assets (or, where applicable, part of a financial asset or part of a group of similar financial assets) are derecognised when:

- the rights to receive cash flows from those assets expire, or
- the Company has transferred its cash flow rights from the relevant assets or will undertake to pay the full amount of the cash flows received to a third party without significant delay ("pass-through arrangement"); and either (a) the Company has transferred substantially all of the risks and rewards arising from the relevant assets, or (b) the Company has not transferred or retained all of the risks and rewards arising from the relevant assets, but has transferred control of those assets

Impairment of financial assets

The Company recognises an expected credit loss (ECL) for all debt financial instruments that are not held at fair value through profit or loss. The Company assesses each provision other than those listed below separately. The amount of expected losses is based on the difference between all contractual cash flows payable to the Company under the contract and any cash flows that the Company expects to receive, discounted at the original effective interest rate. The expected cash flows will include cash flows from the sale of the collateral held or other collateral that forms part of the terms of the contract.

The company applies a simplified approach to calculating the ECL for trade receivables. For this reason, the Company does not track changes in credit risk, but reports a provision based on the value of the lifetime ECL at each date of preparation of the financial statements. The Company has established a method that is based on its historical experience in the area of losses on receivables and adjusted for expected factors that relate to individual debtors and the economic environment.

A company considers a financial asset to be defaulted if the contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be defaulted if, based on internal or external information, it is unlikely that the Company will recover the full outstanding contract amount without realising collateral. A financial asset is depreciated when all reasonable options for recovering the contractual cash flows have been exhausted.

(m) Cash and cash equivalents

Cash and cash equivalents consist of money in bank accounts, valuables and cash held with the Company. These are short-term, highly liquid investments with an original maturity of three months or less, which are directly convertible into a pre-known amount of cash.

The value of cash and cash equivalents recognised in the financial statements in the statement of cash flows includes the cash and cash equivalents listed above.

If there is a decrease in the value of a financial asset that is not revalued at fair value at the date of the financial statements, the difference is treated as a temporary impairment and is accounted for as a provision.

(n) Trade payables and other liabilities

Trade payables and other liabilities are recognised at amortised cost (see item (o) Financial liabilities).

(o) Financial commitments

All financial liabilities are measured at fair value at initial recognition, plus directly attributable transaction costs for loans and advances.

The Company's financial liabilities consist of trade payables and other liabilities, overdrafts, credits and loans, issued bonds.

Financial liabilities that are not financial instruments measured at fair value with changes recognised in profit or loss are measured at amortised cost using the effective interest rate. Profits and losses are recognised in the profit and loss account after depreciation and amortisation. The amortised value is calculated by taking into account all costs and discounts or settlement premiums and fees or charges that are an integral part of the effective interest rate. Amortisation using the effective interest rate is recognised in finance costs in the Profit and Loss Account.

(p) State subsidies

Subsidies are reported to as the State subsidies if there is reasonable assurance that the subsidy has been received and that all conditions associated with the receipt of the subsidy have been met. If the subsidy relates to the reimbursement of costs, it is reported as revenue during the period necessary to systematically compensate the subsidy with the costs for which the subsidy is intended. If the grant relates to the acquisition of fixed assets, it is accounted for as deferred income and is accounted for equally in the profit and loss account over the estimated useful life of the asset concerned.

(q) Reserves

A provision is recognised in the statement of financial position if, as a result of a past event, the Company has an existing legal or implicit obligation that can be reliably estimated and it is probable that the fulfilment of that obligation will result in a loss of economic benefits in the future. In determining the value of provisions, the expected future cash flows are amortised to their present value by applying a pre-tax discount rate that takes into account the current market assessment of the value of money and the risks associated with the liability.

Short-term employee benefits

Liabilities arising from short-term employee benefits are expressed on an undiscounted basis and are recognised as costs at the time the work is performed by the employees. In the event that the Company has a legal or contractual obligation as a result of past work performed by employees and the amount of the liability can be reliably estimated, the liability will be recognised in the amount of the estimated short-term monetary reward or planned profit share.

(r) Sales

Sales are valued at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for the transfer of goods, products and services. A company accounts for revenue from the sale of its own products and revenue from the provision of services, while revenue from the sale of its own products is recognised at the time of transfer of control and ownership of the product, usually after delivery. Revenues from the provision of services are accrued in time depending on the period during which the service was provided. Sales do not include value added tax. They are also reduced by discounts and deductions (rebates, bonuses, discounts, credit notes, etc.).

(s) Products in progress

Products in progress are products in progress on which it is necessary to carry out further processing (compaction, galvanization, metal processing, etc.) necessary for the completion of powder metallurgy products to the final state, and thus for the subsequent sale of products to third parties. The Company sells the products in progress to its subcontractors, who process the products and then sell them back to the Company. The company uses this method of cooperation to eliminate the costs associated with the delivery of damaged machined products. Products in progress are reported at net value as operating expenses.

(t) Financial Returns and Costs

Financial income and expenses are accounted for using the effective interest rate method and are recognised with an impact on profit or loss on an accrual basis in the period to which they belong, independently of the actual payments of those gains and expenses.

Borrowing costs that are not directly attributable to the acquisition, construction or production of qualifying assets shall be recognised with an impact on profit or loss using the effective interest rate method.

(u) Income tax

Income tax includes both tax payable and tax deferred. These taxes are recorded in the profit and loss account, except when it relates to business combinations or items reported directly in equity or other comprehensive income.

Tax payable

Income tax payable is the expected tax liability or receivable from taxable income or losses for an accounting year, using the tax rate applicable to that financial year and adjustments to the tax liability of previous years.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and their tax base. Deferred tax is not calculated from temporary differences that arise from the initial recognition of assets or liabilities in a transaction that is not a business combination and which, at the time of the transaction, has no effect on either the profit or loss of business or the tax base.

Deferred tax reflects tax implications that track the way in which the Company expects the carrying amount of its assets and liabilities to be returned or settled at the end of the financial year.

Deferred tax is calculated at the rate of tax that is expected to be applied to temporary differences at the time they are settled, using the tax rates under the laws that have been approved or approved in substance by the date on which the accounts are prepared.

A deferred tax asset and a liability may be offset against each other if there is a legally enforceable right to offset the tax liability and receivable due and if they are the same tax authority and the same taxpayer, or they relate to different taxpayers, but they intend to settle the tax liabilities and receivables net or their tax receivables and liabilities will be realised at the same time.

A deferred tax asset from unused tax losses, tax credits and deductible temporary differences is accounted for only if it is probable that the future tax base against which the temporary differences can be offset is achievable. A deferred tax asset is reviewed on each date on which the financial statements are prepared and is reduced to the extent that it is unlikely that the income tax base will be reached.

(v) Dividends

Dividends are recognised in the statement of changes in equity and as a liability in the period when they are approved.

(w) Reporting by segment

Operating segments are the parts of the company that are able to generate revenues and costs, about which financial information is available, which is regularly evaluated by decision-makers in deciding on the allocation of resources and in determining performance. Management pursues only one revenue-generating operating segment, which represents the company as a whole.

(x) Fair value estimates

The following paragraphs describe the main methods and assumptions used in estimating the fair values of financial assets and liabilities.

Credits, loans and bonds

For loans and advances without a specified maturity, fair value has been determined as the amount of liabilities due at the date at which the financial statements are prepared. For loans, loans and bonds with agreed maturities, fair value is determined on the basis of discounted cash flows using the current interest rates currently offered for loans and advances with similar maturities.

Trade receivables and other financial receivables

Short-term receivables without the specified interest rate are measured at the original invoice amount if the discounting effect is insignificant. For receivables with a residual maturity of less than one year, their nominal value is assumed to represent also its fair value. Fair value is determined at initial recognition and for the purposes of end-of-year disclosure.

Trade payables and other financial liabilities

Trading liabilities and other financial liabilities are initially measured at fair value. The carrying amount of trade payables and other financial liabilities is approximately equal to their fair value.

Money and cash equivalents

For money and cash equivalents, their nominal value is assumed to represent both fair value.

3. Major accounting estimates and assumptions

The preparation of financial statements in accordance with the International Financial Reporting Standards, as adopted by the EU, requires the use of certain fundamental accounting estimates. It also requires management to use their judgment in the process of applying the company's accounting policies. Therefore, these accounting estimates will inevitably only rarely be consistent with the actual results. Estimates and assumptions that carry a significant risk of causing a material adjustment in the carrying amount of assets and liabilities in a future financial year are described below. Estimates and assumptions are continuously reviewed. If the restatement relates to only one accounting period, it shall be recognised in that period, and if the reassessment affects both current and future financial years, it shall be recognised in the period in which the reassessment occurred and also in future periods.

Provision for Assessable Rights

The Company's accounting method for assessing the potential impairment of valuable rights is the annual assessment of the existence of impairment indicators based on an updated sales forecast. The company prepares a sales forecast based on planned projects with customers. To assess the indicators of impairment of valuable rights, the company uses the RMM (Relief from Royalty Method) model that evaluates the fair value of the valuable right. The model evaluates fair value based on the hypothetical value of discounted royalties, for which the Company would procure an assessable right from an external environment. The inputs to the model are forecasted sales, the royalty rate determined by external experts, the lifetime of the assessable right determined by external experts, and the discount rate taking into account the expected tax rates. If indicators of impairment of valuable rights are identified, the Company prepares a calculation of the provision for these rights.

4. First application of IFRS

These voluntary financial statements prepared as at 31.12.2023 are the first financial statements prepared by the Company in accordance with IFRSs. During all previous accounting periods and, as well as during the accounting period from 1.1.2023 to 31.12.2023, the Company prepares regular individual financial statements in accordance with local generally binding accounting methods (SAS).

The Company prepared voluntary financial statements in accordance with IFRS applicable for the period ended December 31, 2023, together with comparable data for the financial year ended December 31, 2022 as described in the item Significant Accounting Principles. In preparing these voluntary financial statements, a Statement of Financial Position as of 1 January 2022, the date of the Company's transition to IFRSs, was prepared. This item describes the main adjustments made by the Company in presenting the financial statements prepared under SAS, including the Statement of Financial Position as of January 1, 2022 and the financial statements for the year ended December 31, 2022.

The Company applied IFRS 1 – First Application of International Financial Reporting Standards in the preparation of the Company's Financial Position Statement as of the date of transition to IFRS. IFRS 1 defines the procedures that a Company must follow when applying IFRS for the first time as a basis for preparing financial statements. The Company is required to implement accounting policies in accordance with IFRS as of 31 December 2023 and apply them retrospectively in order to report the Company's Statement of Position as of the date of transition to IFRSs, i.e. 1 January 2022.

Application of exemptions

IFRS 1 allows for a number of exceptions to the retroactive application of some IFRS requirements.

The Company has applied the following exceptions:

Leasing

In accordance with IFRS 1.D9, the Company has assessed whether contracts existing at the date of transition to IFRSs contain a lease, taking into account the facts and circumstances existing at the date of transition.

Intangible assets

In accordance with IFRS 1, Appendix D, the Company has decided to measure Intangible Assets at a previous GAAP measurement. It considers this valuation to be the purchase price at the date of transition (the so-called deemed cost).

Real Estate, Machinery and Equipment

In accordance with IFRS 1, Appendix D, the Company has decided to measure the Property, Plant and Equipment item in a prior GAAP measurement. It considers this valuation to be the purchase price at the date of transition (the so-called deemed cost).

Interest expense

In accordance with IFRS 1, Appendix D, the Company has decided to apply the requirements of IAS 23 Borrowing Costs related to the capitalization of borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets from the date of transition to IFRSs. As at the date of the changeover, the Company did not retrospectively reassess the components of borrowing costs that it had recognised in accordance with SAS. From the date of transition, the incurred borrowing costs shall be recognised in accordance with IAS 23.

Estimates

The estimates used by the Company in preparing the financial statements as at 1 January 2022 and as at 31 December 2022 are identical to those used in the preparation of the financial statements at the same date under SAS (after taking into account changes in accounting principles).

Individual statement of financial position as at 31.12.2023

<i>EUR thousand</i>	Note	SAS as of 31.12.2023	Adjustment	IFRS as of 31.12.2023
Intangible assets		11 330	0	11 330
Property, Plant and Equipment		103 895	111	104 006
Total non-current assets		115 225	111	115 336
Stocks		26 672	0	26 672
Trade receivables		29 914	-38	29 907
Other current assets		656	28	684
Cash and cash equivalents		2 676	0	2 676
Total Current Assets		59 945	-10	59 939
Total assets		175 170	101	175 278
Capital		16 657	0	16 657
Share premium		24 695	0	24 695
Capital funds		12 731	0	12 731
Retained earnings / (loss) of previous periods		13 777	106	13 883
Profit / (loss) for the period		3 749	81	3 830
Total Equity		71 609	187	71 796
Bonds issued		8 291	-228	8 063
Long-term loans and credits		44 449	- 8 490	35 959
Long-term lease liabilities		5 432	-5 304	551
Deferred tax liability		4 698	-2	4 696
Other long-term liabilities		2 219	0	2 219
Total long-term liabilities		65 089,00	-13 549	51 540,00
Short-term bonds issued		10 486	-20	10 466
Short-term loans and credits		3 160	15 524	18 684
Short-term reserves		310	-127	183
Income tax payable		4	0	4
Short-term lease liabilities		2 198	-1 833	365
Trade Payables		19 971	0	19 971
Other short-term liabilities		2 347	-81	2 266
Total short-term liabilities		38 476	13 463	51 939
Total liabilities		103 565	-86	103 479
Total equity and liabilities		175 174	101	175 275

GEVORKYAN, a.s.
Notes on the individual financial statements for the period from 1 January 2023 to 31 December 2023
Individual statement of profit and loss and other components of comprehensive income for the period from 1.1.2023 to 31.12.2023

<i>EUR thousand</i>	<i>Note</i>	SAS 1.1.- 31.12.2023	Adjustment	IFRS 1.1.- 31.12.2023
Revenues from the sale of own products		65 080	-15 699	49 382
Revenues from the sale of services		11 385	0	11 385
Revenues		76 465	-15 699	60 767
Change in own production		2 294	0	2 294
Material and energy consumption		-40 703	16 857	-23 846
Services		-12 677	-1 046	-13 723
Personnel costs		-4 990	0	-4 990
Other operating result		256	18	274
Earnings / (loss) before interest, taxes, depreciation and amortization (EBITDA)		20 644	131	20 776
Depreciation and amortization		-11 767	-106	-11 873
Profit / (loss) before interest, tax		8 877	25	8 903
Financial revenues		475	0	475
Financial costs		-4 448	80	-4 369
Profit/(loss) arising from financial operations, net		-3 974	80	-3 894
Profit/(loss) before tax		4 903	105	5 009
Income tax payable		-287	0	-287
Deferred income tax		-868	-21	-889
Profit/(loss)		3 749	80	3 830
Other components of a comprehensive result		0	0	0
Overall Comprehensive Result		3 749	80	3 830
Earnings / (loss) per share (in euros)		0,23		0,23
Earnings / (loss) per share (in euros)		0,23		0,24
Number of shares as at 31.12.		16 657 272		16 657 272
Average number of shares		16 657 272		15 746 339

Individual statement of financial position as at 31.12.2022

<i>EUR thousand</i>	<i>Note</i>	SAS k 31.12.2022	Adjustment	IFRS k 31.12.2022
Intangible assets		11 461	0	11 461
Real Estate, Machinery and Equipment		90 194	217	90 411
Total non-current assets		101 655	217	101 872
Stocks		23 942	0	23 942
Trade receivables		23 534	-26	23 508
Other current assets		621	-1	620
Cash and cash equivalents		2 725	0	2 725
Total Current Assets		50 822	-27	50 795
Total assets		152 477	190	152 667
Capital		16 657	0	16 657
Share premium		24 695	0	24 695
Capital funds		12 378	0	12 378
Retained earnings / (loss) of previous periods		10 596	197	10 793
Profit / (loss) for the period		3 535	-89	3 446

GEVORKYAN, a.s.
Notes on the individual financial statements for the period from 1 January 2023 to 31 December 2023

Total Equity	67 861	108	67 969
Bonds issued	9 999	-111	9 888
Long-term loans and credits	35 250	-785	36 035
Long-term lease liabilities	5 323	-4 488	835
Deferred tax liability	3 831	28	3 859
Other long-term liabilities	2 501	-169	2 332
Total long-term liabilities	56 904	-3 955	52 949
Short-term bonds issued	8 823	-52	8 771
Short-term loans and credits	2 290	6 047	8 337
Short-term reserves	210	-44	166
Income tax payable	4	0	4
Short-term lease liabilities	2 090	-1 618	472
Trade Payables	11 594	0	11 594
Other short-term liabilities	2 701	-296	2 405
Total short-term liabilities	27 712	4 037	31 749
Total liabilities	84 616	82	84 698
Total equity and liabilities	152 477	190	152 667

Individual statement of profit and loss and other components of the comprehensive result for the period from 1.1.2022 to 31.12.2022

<i>EUR thousand</i>	Note	SAS 1.1.- 31.12.2022	Adjustment	IFRS 1.1.- 31.12.2022
Revenues from the sale of own products		48 361	-13 151	35 210
Revenues from the sale of services		10 312	0	10 312
Revenues		58 673	-13 151	45 522
Change in the production status of your own business		5 543	0	5 543
Material and energy consumption		-32 939	14 090	-18 849
Services		-8 564	-771	-9 336
Personnel costs		-4 778	0	-4 778
Other operating result		119	-10	109
Earnings / (loss) before interest, taxes, depreciation and amortization (EBITDA)		18 053	156	18 211
Depreciation and amortization		-8 968	-161	-9 129
Profit / (loss) before interest, tax		9 085	-5	9 082
Financial revenues		345	1	346
Financial costs		-4 787	-111	-4 897
Profit/(loss) arising from financial operations, net		-4 441	-109	-4 551
Profit/(loss) before tax		4 644	-115	4 531
Income tax payable		-284	0	-284
Deferred income tax		-825	24	-801
Profit/(loss)		3 535	-89	3 446
Other components of a comprehensive result		0	0	0
Overall Comprehensive Result		3 535	-89	3 446

Earnings / (loss) per share (in euros)	0,21	0,21
Earnings / (loss) per share (in euros)	0,21	0,22
Number of shares as at 31.12.	16 657 272	16 657 272
Average number of shares	16 657 272	15 746 339

Individual statement of financial position as of 1.1.2022

<i>EUR thousand</i>	Bod	SAS k 31.12.2021	Adjustment	IFRS k 1.1.2022
Intangible assets		11 735	0	11 735
Property, Plant and Equipment		73 110	378	73 488
Total non-current assets		84 845	378	85 223
Stocks		19 922	0	19 922
Trade receivables		21 064	-51	21 013
Income tax payable		73	0	73
Other current assets		391	32	423
Cash and cash equivalents		1 237	0	1 237
Total Current Assets		42 687	-19	42 668
Total assets		127 532	359	127 891
Capital		13 924	0	13 924
Share premium		0	0	0
Capital funds		12 149	0	12 149
Retained earnings / (loss) of previous periods		8 541	198	8 739
Profit / (loss) for the period		2 283	0	2 283
Total Equity		36 897	198	37 095
Bonds issued		18 852	-287	18 565
Long-term loans and credits		39 719	-1 619	38 100
Long-term lease liabilities		4 218	-3 420	798
Deferred tax liability		3 006	52	3 058
Other long-term liabilities		2 913	-467	2 446
Total long-term liabilities		68 708	-5 741	62 967
Short-term bonds issued		138	22	160
Short-term loans and credits		5 764	7 915	13 679
Short-term reserves		225	-68	157
Short-term lease liabilities		1 942	-1 314	628
Trade Payables		12 061	0	12 061
Other short-term liabilities		1 797	-653	1 144
Total short-term liabilities		21 927	5 902	27 829
Total liabilities		90 635	161	90 796
Total equity and liabilities		127 532	360	127 892

Notes on the reconsolidation of the Company's Statement of Financial Position as at 1 January 2022 and as at 31 December 2022

A. Revenues

In its individual financial statements prepared in accordance with SAS, the Company reported products in progress, described in paragraph 2(c), as part of the Revenues from the sale of its own products. In accordance with IFRSs, cooperative products are recognised at net value as part of operating expenses.

B. Reserves

Part of the provisions, such as the audit reserve and uninvoiced deliveries, were presented as reserves in the individual financial statements. They are presented as other liabilities in the individual IFRS financial statements.

C. Loans

On the basis of loan agreements, the Company is obliged to meet certain financial and other conditions. As the Company did not meet financial and other conditions for some loans and did not receive confirmation from the bank ("covenant waiver") by the end of the accounting year that it would not apply sanctions for breach, the Company proceeded to reclassify between the short-term and long-term parts of the loans for the purposes of IFRS.

D. Bonds

. In its individual financial statements prepared in accordance with SAS, the company reported the value of the bonds according to SAS. Bonds for IFRS purposes are measured and recognised at amortised cost using the effective interest rate in accordance with IFRS 9.

E. Provision

In its financial statements prepared according to SAS, the company reported a provision only for overdue receivables. In accordance with IFRS 9, the Company completed and recognised a provision as an expected loss on all receivables, i.e. receivables that are still mature.

F. Lease

According to SAS, leasing is classified as a finance lease or an operating lease. Operating lease repayments are recognised as an operating expense in the profit and loss account on a straight-line basis, over the lease period. In accordance with IFRSs, as set out in paragraph (i) Leases, the Company applies a uniform approach to recognition and measurement for all leases, with the exception of current and small asset leases. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. As of the date of transition to IFRS, the Company has retrospectively assessed all operating lease agreements. Contracts that have been assessed as incorporating a lease in accordance with IFRS 16 have been recognised in accordance with the Company's accounting policy described in paragraph (i) Leases.

G. Sale and leaseback

The company carried out a number of sales and leaseback transactions. According to SAS, assets that have been sold and subsequently leased back (through a financial lease) to the Company are reported together with the Company's own assets. Lease payments are reported as Lease Liabilities. In accordance with IFRSs, the company assessed whether, in the case of such transactions, the transfer of assets itself constituted a sale and transfer of control under IFRS 15. In the event that it did not, the Company reclassified the future leaseback payments and recognised them as a financial liability in accordance with IFRS 9.

H. Deferred tax

Some of the above changes have resulted in the creation of temporary differences. In connection with the Company's accounting policy, the Company must disclose the tax impact of these differences. Deferred tax adjustments are recognised in retained earnings from previous periods.

5. Intangible assets

	Software	Assessable rights	Other fixed intangible assets	Acquired fixed intangible assets	Total
<i>EUR thousand</i>					
Cost					
Initial balance as of 1.1.2023	171	13 871	534	0	14 576
Increases	7			156	163
Decreases					0
Transfers					0
Balance as at 31.12.2023	178	13 871	534	156	14 739
Depreciation and impairment losses					
Initial balance as of 1.1.2023	154	2 810	151	0	3 115
Increases	6	277	11		294
Decreases					0
Balance as at 31.12.2023	160	3 087	162	0	3 409
Residual value					
k 1.1.2023	16	11 061	384	0	11 461
k 31.1.12.2023	17	10 784	373	156	11 330

	Software	Assessable rights	Other fixed intangible assets	Acquired fixed intangible assets	Total
<i>EUR thousand</i>					
Cost					
Initial balance as of 1.1.2022	152	13 871	534	0	14 557
Increases	19				19
Decreases					0
Transfers					0
Balance as at 31.12.2022	171	13 871	534	0	14 576
Depreciation and impairment losses					
Initial balance as of 1.1.2022	149	2 533	140	0	2 822
Increases	5	277	11		293
Decreases					0
Balance as at 31.12.2022	154	2 810	151	0	3 115
Residual value					
k 1.1.2022	3	11 338	395	0	11 735
k 31.1.12.2022	16	11 061	384	0	11 461

Valuable rights represent know-how, namely:

- 1) For powder metallurgy, which represents scientific, production-technical, technological knowledge and business information used in the processing and sale of powdered metals. The know-how was invested in the company (registered capital) as a non-monetary contribution in 2004 and its stated valuation in the amount of EUR 2,164 thousand represents the fair value of the assets based on an expert opinion prepared as of 26 July 2004.
- 2) For Metal injection molding (MIM), which is a state-of-the-art method of joining metals by injection molding of powdered metals on injection molding machines. The know-how was invested in the company (registered capital) as a non-monetary contribution in 2014 and its initial valuation of EUR 11,707 thousand represents the fair value of the assets based on an expert opinion prepared as at 30 June 2014.

GEVORKYAN, a.s.**Notes on the individual financial statements for the period from 1 January 2023 to 31 December 2023**

The Company reassessed the amount of valuable rights based on an expert opinion to EUR 12,500 thousand, which represented the fair value as of the valuation date of 30 September 2017. The company plans to write down assessable rights by 2065.

When determining the depreciation period of know-how, the company proceeded from the fact that powder metallurgy as an industry is one of the most advancing technical fields in the world. The company expects to use know-how for at least the next 50 years due to the global growth of industries dealing with electric vehicles, aviation and also due to emerging industries such as 3D printing, which will ensure high demand for powder metallurgy products.

Research & Development

Information on the research and development activities of the accounting unit for the current accounting period, broken down into:

- research costs of EUR 1 684 198 (2022: EUR 896 269);
- Unactivated development costs of €919,357 (2022: €1,511,289);
- activated development costs of €0 (2022: €0).

Lien

The company did not own any long-term intangible assets on which a lien is established in 2023 or 2022

6. Real Estate, Machinery and Equipment

	Estate	Frameworks	Separate movable property and sets of movable property	Advances on tangible fixed assets granted	Acquired tangible fixed assets	Together
<i>EUR thousand</i>						
Cost						
Initial balance as of 1.1.2023	441	4 464	96 802	2 001	5 342	109 050
Additions	151	308	22 038	648	4 742	27 887
Decreases			7 399			7 399
Transfers		687	6 656	-2 001	-5 342	0
Transfer from right-of-use assets to own assets			1 098			1 098
Balance as at 31.12.2023	592	5 459	119 195	648	4 742	130 636
Depreciation and impairment losses						
Initial balance as of 1.1.2023	0	1 001	20 098	0	0	21 099
Additions		84	11 210			11 294
Decreases			4 346			4 346
Transfer from right-of-use assets to own assets			431			431
Balance as at 31.12.2023	0	1 085	27 393	0	0	28 478
Residual value						
k 1.1.2023	441	3 463	76 704	2 001	5 342	87 951
k 31.12.2023	592	4 374	91 802	648	4 742	102 158

	Estate	Frameworks	Separate movable property and sets of movable property	Advances on tangible fixed assets granted	Acquired tangible fixed assets	Together
<i>EUR thousand</i>						

GEVORKYAN, a.s.**Notes on the individual financial statements for the period from 1 January 2023 to 31 December 2023**

Cost						
Initial balance as of 1.1.2022	441	4 161	78 741	44	3 796	87 183
Impact of IFRS as of 1 January 2022						
Increases		303	21 166	2 001	5 342	28 812
Decreases			7 827		0	7 827
Transfers			3 839	-44	-3 796	-1
Transfer from right-of-use assets to own assets			883			883
Balance as at 31.12.2022	441	4 464	96 802	2 001	5 342	109 050
Depreciation and impairment losses						
Initial balance as of 1.1.2022	0	936	15 610	0	0	16 546
Increases		65	8 344			8 409
Decreases			4 165			4 165
Transfer from right-of-use assets to own assets			309			309
Balance as at 31.12.2022	0	1 001	20 098	0	0	21 099
Residual value						
k 1.1.2022	441	3 225	63 131	44	3 796	70 637
k 31.12.2022	441	3 463	76 704	2 001	5 342	87 951

In 2023 and 2022, the company did not acquire tangible fixed assets free of charge.

Property Insurance

Fixed assets are insured by UNIQA and Allianz-Slovenská poisťovňa. Property insurance mainly includes insurance of production machinery (fracture of the machine and element) and motor vehicle insurance (accident insurance). The annual limit of indemnity is EUR 48,003 thousand for all places of insurance in the territory of the Slovak Republic.

Lien

As of 31 December 2023, a lien on tangible fixed assets has been established. The value of tangible fixed assets on which a lien is established is in the amount of EUR 16,040 thousand

7. Lease**Right-of-use assets**

<i>EUR thousand</i>	Transport	Machines (furnaces, presses and others)	Total
Cost			
Initial balance as of 1.1.2023	694	2 102	2 796
Additions	85		85
Decreases	0	0	0
Transfer from right-of-use assets to own assets	-67	-1 031	-1 098
Modification	0	0	0
Balance as at 31.12.2023	712	1 071	1 783
Depreciation and impairment losses			
Initial balance as of 1.1.2023	519	321	840
Additions	86	80	166
Decreases	0	0	0
Transfer from right-of-use assets to own assets	-65	-366	-431
Balance as at 31.12.2023	540	35	575
Residual value			
k 1.1.2023	176	1 780	1 956
k 31.12.2023	172	1 036	1 208

<i>EUR thousand</i>	Transport	Machines (furnaces, presses and others)	Together
Cost			
Initial balance as of 1.1.2022	761	2 309	3 070
Additions	59	550	609
Decreases	0	0	0
Transfer from right-of-use assets to own assets	-125	-758	-883
Modification	0	0	0
Balance as at 31.12.2022	695	2 102	2 796
Depreciation and impairment losses			
Initial balance as of 1.1.2022	506	388	896
Additions	143	112	255
Decreases	0	0	0
Transfer from right-of-use assets to own assets	-130	-179	-309
Balance as at 31.12.2022	519	321	840
Residual value			
k 1.1.2022	255	1 921	2 176
k 31.12.2022	176	1 780	1 956

Lease liabilities:

<i>EUR thousand</i>	31.12.2023	31.12.2022	1.1.2022
Long-term lease liabilities	-551	-835	-798
Short-term lease liabilities	-365	-472	-628
Total	-916	-1 307	-1 426

Future lease payments:

<i>EUR thousand</i>	31.12.2023	31.12.2022	1.1.2022
Up to 1 year (spell+truth)	389	496	1 115
1 - 5 years (interest + principal)	559	846	365
more than 5 years (interest + principal)	0	11	0
Total	948	1 353	1 479

Leasing – additional information:

<i>EUR thousand</i>	31.12.2023	31.12.2022
Interest expense on leases	-255	-162
Lease write-off	166	255
Lease Payments	-2 994	-2 897
Short-term leasing	0	20
Low-value assets	155	12

Leased property consists mainly of presses, furnaces and automobiles (see note 7 — Right-of-use assets).

The leasing agreement with Tatra-Leasing, s.r.o. contains the following specific conditions that the company must comply with:

1. An aggregate DEBT/EBITDA ratio of less than 5.
2. Aggregate DSCR greater than 1.3.
3. Equity to total liabilities ratio greater than 30%.

As of December 31, 2023, the company complied with these conditions.

As of December 31, 2022, the company complied with these conditions.

8. Inventory

<i>EUR thousand</i>	Residual value 2023	Cost 2023	Residual value 2022	Cost 2022	Residual value 1.1.2022	Cost 1.1.2022
Material	1 045	1 045	608	608	2 131	2 131
Work in progress	13 923	13 931	14 738	14 780	10 865	10 903
Products	11 704	11 711	8 596	8 621	6 926	6 950
Inventory total	26 672	26 686	23 942	24 009	19 922	19 985

The valuation of surplus, obsolete and low-turnover inventories is reduced to a lower use value through provisions. The provision was determined by the company's management on the basis of the expected ratio of the strike price of the inventory compared to the production or purchase price.

GEVORKYAN, a.s.**Notes on the individual financial statements for the period from 1 January 2023 to 31 December 2023**

The evolution of the inventory provision during the current and immediately preceding accounting period is shown in the following tables:

Provisions for inventory					
<i>EUR thousand</i>	1.1.2023	Creation	Release	Use	31.12.2023
	0				0
Work in progress	42	7	42		7
Products	25	6	25		6
Total provisions for inventories	67	14	67	0	14

Provisions for inventory					
<i>EUR thousand</i>	1.1.2022	Creation	Release	Use	31.12.2022
Work in progress	38	42	38	0	42
Products	24	25	24	0	25
Total provisions for inventories	62	67	62	0	67

Based on the previous experience with product recycling, the company's management has decided, based on the precautionary principle, to create a general provision for unfinished production, semi-finished products of its own production and finished products in the amount of EUR 14 thousand for a possible future reduction of economic benefits from these assets.

Lien

As of 31 December 2023, a lien on stocks has been established in favour of UniCredit Bank Czech Republic and Slovakia, a.s., pobočka zahraničnej banky. The value of the stock for which the lien is established is EUR 26,686 thousand.

9. Trade receivables

<i>EUR thousand</i>	31.12.2023	31.12.2022	1.1.2022
Receivables from trade outside the Slovak Republic	459	133	
Trade receivables from domestic trade	29 456	23 413	21 035
Total trade receivables	29 915	23 546	21 035
Creation of a provision			
	2023	2022	2021
Initial balance as of 1.1.	38	22	4
Creation	8	33	20
Use	11	17	2
Dissolution	26	0	0
The balance as of 31.12.	8	38	22
Total residual value	29 907	23 508	21 012

GEVORKYAN, a.s.**Notes on the individual financial statements for the period from 1 January 2023 to 31 December 2023**

The distribution of receivables based on maturity is as follows:

<i>EUR thousand</i>	31.12.2023	31.12.2022	1.1.2022
Before due date	25 810	21 366	16 884
overdue within 30 days	4 096	2 142	4 128
overdue from 30 days to 180 days			
overdue from 180 days to 365 days			0
overdue more than 365 days			0
Total	29 907	23 508	21 012

The division of receivables by type is as follows:

<i>EUR thousand</i>	31.12.2023	31.12.2022	1.1.2022
Cooperators	15 250	7 007	6 453
External customers	5 495	5 862	3 790
Related parties	9 161	10 639	10 769
Together	29 907	23 508	21 012

Insurance

Receivables are insured by Atradius.

Lien

As of December 31, 2023, a lien on receivables in the amount of EUR 12,432 thousand has been established.

10. Other current assets

<i>EUR thousand</i>	31.12.2023	31.12.2022	1.1.2022
Animals	0	0	0
Advances granted	27	21	31
Other receivables	8	8	8
Receivables from employees	54	49	33
Value added tax	591	540	344
Accrual	5	2	8
Total other current assets	685	619	423

11. Cash and cash equivalents

<i>EUR thousand</i>	31.12.2023	31.12.2022	1.1.2022
Cash and cash equivalents	3	6	2
Current accounts in banks	2 672	2 720	1 235
Total	2 676	2 725	1 237

The company has an open overdraft account with UniCredit Bank Czech Republic and Slovakia, a.s., which allows it to draw a loan of up to EUR 13,000 thousand. As of December 31, 2023, the credit balance (in accordance with the agreed credit framework) was EUR 11,489 (2022: EUR 0).

The company has an overdraft account with Komerční banka, a.s., which allows it to draw a loan of up to EUR 5,500 thousand. As at 31 December 2023, the credit balance (in accordance with the agreed credit framework) was EUR 870 thousand. EUR (2022: €0).

12. Equity**Share capital and share premium**

The approved, subscribed and fully paid-up share capital as at 31 December 2023 and 31 December 2022 consisted of 16,657,272 ordinary shares at a nominal value of EUR 1 per share. The issue of shares is registered under the designation ISIN SK1000025322.

As of January 1, 2022, the company reported a share capital of EUR 13,924,472.

On May 13, 2022, the Company changed its legal form from the original limited liability company to the current joint-stock company with the number of shares of 13,924,472 with a nominal value of EUR 1 per share.

On May 22, 2022, the Company decided to underwrite new shares in the amount of 2,732,800 shares with a nominal value of EUR 1 per share.

In June 2022, the Company entered the PX Start market on the Prague Stock Exchange. The result of these transactions is an increase in the registered capital and also the creation of a share premium in the amount of EUR 24,695 thousand.

Shareholders are entitled to the payment of a dividend and the value of a share's vote at the Company's General Meeting is determined as the ratio of the value of one share to the total value of the share capital. The following table lists the Company's shareholders with the number of shares, ownership interest and voting rights.

31. december 2023

<i>EUR thousand</i>	Number of shares	Ownership share (in EUR thousands)	Ownership interest (%)	Voting rights (%)
Dipl. Ing. Artur Gevorkyan	12 849 758	12 850	77,14%	77,14%
BHS PE Fund	437 357	437	2,63%	2,63%
JEREMIE Co-Investment Fund	437 357	437	2,63%	2,63%
Free float	2 932 800	2 933	17,61%	17,61%
Total	16 657 272	16 657	100%	100%

31. december 2022

<i>EUR thousand</i>	Number of shares	Ownership share (in EUR thousands)	Ownership interest (%)	Voting rights (%)
Dipl. Ing. Artur Gevorkyan	12 849 758	12 850	77,14%	77,14%
BHS PE Fund	437 357	437	2,63%	2,63%
JEREMIE Co-Investment Fund	437 357	437	2,63%	2,63%
Free float	2 932 800	2 933	17,61%	17,61%
Total	16 657 272	16 657	100%	100%

Earnings / (loss) attributable per share

<i>EUR thousand</i>	31.12.2023	31.12.2022
Profit/ (loss) for the period in EUR thousand	3 830	3 446
Weighted average number of ordinary shares	16 657 272	15 746 339
Earnings/(loss) per share in euros	0,231	0,217

Statutory reserve fund

As at 31 December 2023, the statutory reserve fund is €1,424 thousand (as at 31 December 2022: €1,071 thousand). According to Slovak legislation, the statutory reserve fund is created annually in the amount of at least 10% of the company's net profit and at least up to 20% of the subscribed share capital (cumulatively). The statutory reserve fund can

only be used to cover the company's losses and must not be used to pay the dividend. The calculation of the reserve fund is carried out in accordance with Slovak legislation.

Other Equity Funds

Other equity funds amount to EUR 11,307,079

Profit (loss) distribution

For the financial year ending December 31, 2023, the Company's management proposes to distribute the realized profit in the amount of EUR 3,830 thousand as follows:

- Allocation to the statutory reserve fund: EUR 353 thousand
- Transfer to retained earnings of previous periods: CZK 3,477 thousand. EUR

13. Loans and credits

<i>EUR thousand</i>	31.12.2023	31.12.2022	1.1.2022
Long-term loans and credits	35 959	36 035	38 100
Short-term loans and credits	18 684	8 337	13 679
Total	54 642	44 372	51 779

<i>EUR thousand</i>	Type of interest rate	Due date	Residual value as at 31.12.2023	Residual value as at 31.12.2022
GEVORKYAN CZ	4,80%	14.11.2026	30 064	30 064
Komerční banka, a. s.	3M EURIBOR + 2.30%	31.12.2025	1 838	2 888
Komerční banka, a. s.	3M EURIBOR + 2.30%	6.8.2026	1 979	2 819
Komerční banka, a. s.	1M EURIBOR + 2.00%		870	
BKS Bank AG	1,90%	20.6.2027	1 433	1 833
Unicredit bank Czech Republic and Slovakia a.s.	1M EURIBOR + 2.60%		11 489	
SACMI			140	443
uprava Sales&leaseback			6 829	6 325
Together			54 642	44 372

Kovenanty:

Komerční banka

The loan agreement with Komerční banka, a.s. contains the following specific conditions that the company must comply with:

1. Debt service coverage ratio greater than 120%.
2. Equity to balance sheet total ratio (total assets) greater than 30%.
3. The ratio of net financial debt to EBITDA on an annual basis is less than 4.5.

As at 31 December 2023, the Company did not meet the conditions of the debt service coverage ratio. The Company communicated this non-performance to the bank in a timely manner and received a written notification from Komerční banka, a.s., in which the bank accepts the non-compliance with these conditions as of 31 December 2023 and at the same time confirms that it will not exercise any of its rights arising from the non-compliance covenant. The Company received the confirmation from the bank only in the following accounting period.

As at 31 December 2022, the Company did not meet the conditions of the debt service coverage ratio. The Company communicated this non-performance to the bank in a timely manner and received a written notification from Komerční banka, a.s., in which the bank accepts the non-compliance with these conditions as of 31 December 2022 and at the

GEVORKYAN, a.s.**Notes on the individual financial statements for the period from 1 January 2023 to 31 December 2023**

same time confirms that it will not exercise any of its rights arising from the non-compliance covenant. The Company received the confirmation from the bank only in the following accounting period.

As at 31 December 2021, the Company did not meet the conditions of the debt service coverage ratio and the ratio of equity to balance sheet total. The Company communicated this non-performance to the bank in a timely manner and received a written notice from Komerční banka, a.s., in which the bank accepts the non-compliance with these conditions as of 31 December 2021 and at the same time confirms that it will not exercise any of its rights arising from the non-compliance covenant. The Company received the confirmation only in the following accounting period.

BKS Bank AG

The loan agreement with BKS Bank AG contains the following specific conditions that the company must comply with:

1. A ratio of equity to total asset value greater than 25%.

As of December 31, 2023 (as of December 31, 2022), the Company complied with these conditions.

Unicredit bank Czech Republic and Slovakia a.s.

The loan agreement with UniCredit Bank Czech Republic and Slovakia, a. s. contains the following specific conditions that the company must comply with:

1. Equity to balance sheet total ratio (total assets) greater than 30%.
2. The ratio of net financial debt to EBITDA on an annual basis is less than 5.0.
3. Ratio of current assets to current liabilities greater than 1.2.
4. Debt service coverage ratio greater than 1,2

As of December 31, 2023, the Company complied with these conditions.

Information on liens is provided in item 6 – Property, machinery and equipment, item 8 – Inventories and item 9 – Trade receivables.

14. Bonds issued

On 1 June 2018, the Company issued bonds in the total amount of EUR 209,400,000 with an interest rate of 6.25% p.a. and maturity in 2023.

On 15 March 2019, the Company issued bonds in the total amount of EUR 10,000,000 with an interest rate of 4.70% p.a. and maturity in 2024.

On 3 July 2023, the company issued bonds in the total volume of CZK 205,000,000 with an interest rate of 8.50% p.a. and maturity in 2028.

Details of individual bonds at the end of the current and immediately preceding accounting period are provided in the table below.

Covenants

Bonds GEVORKYAN 4,7/2024 issued in EUR:

As of December 31, 2023, the company must meet several financial and non-financial covenants related to the issue of GEVORKYAN 4.7/2024 bonds (ISIN SK4120014994). As of December 31, 2023, the company met all the defined conditions. All liabilities from the bonds are settled on time and in full.

GEVORKYAN, a.s.

Notes on the individual financial statements for the period from 1 January 2023 to 31 December 2023

As of December 31, 2022, the Company must meet several financial and non-financial covenants related to the issue of GEVORYKAN 4.7/2024 bonds (ISIN SK4120014994). As of December 31, 2022, the Company met all the defined conditions. All liabilities arising from the bonds are settled on time and in full.

GEVORKYAN 8.5/2028 bonds issued in CZK:

During the year, the company issued GEVORKYAN 8.50/2028 bonds (ISIN CZ0000001813) in Czech crowns. As of December 31, 2023, the Company must meet several financial and non-financial covenants related to the issue of GEVORKYAN 8.50/2028 bonds (ISIN CZ0000001813). As of December 31, 2023, the company met all the defined conditions. All liabilities from the bonds are settled on time and in full.

GEVORKYAN, a.s.**Notes on the individual financial statements for the period from 1 January 2023 to 31 December 2023**

	ISIN	Issuing date	Due date	Currency of issue	The nominal value of the issue in the original currency in thousands.	Interest rate p.a. in %	Effective interest rate p.a. in %	Residual value as at 31.12.2023	Residual value as at 31.12.2022	Residual value as at 1.1.2022
<i>EUR thousand</i>										
GEVORKYAN 6,25/2023	CZ0000001037	2.7.2018	2.7.2023	CZK	209 400	6,25%	7,47%	0	8 633	8 714
GEVORKYAN 4,70/2024	SK4120014994	15.3.2019	15.3.2024	EUR	10 000	4,70%	5,35%	10 118	10 026	10 011
GEVORKYAN 8,50/2028	CZ0000001813	3.7.2023	3.7.2028	CZK	205 000	8,50%	9,47%	8 412	0	0
Total								18 530	18 659	18 725
<i>Short-term</i>								10 466	8 771	160
<i>Long-term</i>								8 063	9 888	18 565
Total								18 529	18 659	18 725

15. Trade Payables

<i>EUR thousand</i>	31.12.2023	31.12.2022	1.1.2022
Trade Payables	-19 971	-11 594	-12 061

As at 31 December 2023, the Company recorded overdue liabilities in the amount of EUR 2,751,682 (as at 31 December 2022: EUR 1,607,043).

16. Other liabilities

Other short-term liabilities

<i>EUR thousand</i>	31.12.2023	31.12.2022	1.1.2022
Advances received	-32	-7	-4
Other liabilities	-414	-84	-283
Commitments to employees	-251	-206	-187
Other liabilities related to employees	-190	-181	-159
Other liabilities - NFP subsidy	-113	-113	-113
Accrual	-1 263	-1 793	-375
Socialny fond	-2	-22	-23
Total other liabilities	-2 266	-2 406	-1 146

Other long-term liabilities

<i>EUR thousand</i>	31.12.2023	31.12.2022	1.1.2022
Other liabilities - NFP subsidy long-term	-2 219	-2 332	-2 446
Total other liabilities	-2 219	-2 332	-2 446

The table below contains a detail on the movements of state subsidies:

<i>EUR thousand</i>	2023	2022
As of 1.1	2 332	2 446
Received during the year		
Dissolution into profit and loss accounts and other components of comprehensive income	113	113
Situation as of 31.12.	2 219	2 332

The Agreement on the Provision of a Non-Repayable Financial Contribution No. KaHR-111SP-1201/1171/168 concluded between the Company and the Ministry of Economy of the Slovak Republic on behalf of the Slovak Innovation and Energy Agency contains several financial and non-financial covenants that the Company must comply with. In the event of non-compliance with the given conditions, there is a risk of reimbursement of the non-refundable financial contribution. As of December 31, 2023 and December 31, 2022, the company complied with these conditions. The company is regularly inspected by the Slovak Innovation and Energy Agency in order to ensure the performance of the contract.

The Agreement on the Provision of a Non-Repayable Financial Contribution No. Val/DP/2016/1.2.2-02/D379 concluded between the Company and the Ministry of Education, Science, Research and Sport of the Slovak Republic on behalf of the Ministry of Economy of the Slovak Republic acting through the Slovak Innovation and Energy Agency contains several financial and non-financial covenants that the Company must comply with. In the event of non-compliance with the given conditions, there is a risk of reimbursement of the non-refundable financial contribution. As of December 31, 2023 and December 31, 2022, the company complied with these conditions. The company is regularly inspected by the Slovak Innovation and Energy Agency in order to ensure compliance with the contract terms.

The creation and drawing of the social fund during the accounting period are shown in the following overview:

GEVORKYAN, a.s.**Notes on the individual financial statements for the period from 1 January 2023 to 31 December 2023**

<i>EUR thousand</i>	2023	2022
As of 1.1	22	23
Creation at the expense of costs	18	17
Pumping	38	19
Situation as of 31.12.	2	22

17. Reserves

<i>EUR thousand</i>	2023	2022
Initial balance as of 1.1.	166	157
Creation of reserves	183	167
Use of reserves	166	157
The balance as of 31.12.	183	166

During 2023 (2022), the company created provisions for unused holidays and the associated health and social insurance.

18. Revenues

Products vs. Services

<i>EUR thousand</i>	31.12.2023	31.12.2022
Revenues from the sale of own products	49 382	35 210
therefrom:		
External customers	37 168	26 943
Related parties	12 213	8 267
Revenues from the sale of services	11 385	10 312
therefrom:		
External customers	5 556	5 078
Related parties	5 829	5 234
Total	60 767	45 522

Geographical distribution of revenues

<i>EUR thousand</i>	31.12.2023	31.12.2022
Slovakia	47 057	31 796
EU	10 417	10 982
3 countries	3 293	2 745
Total	60 767	45 522

Risk of customer concentration

The turnover of customers whose individual turnover exceeded 10% of the total sales as of 31.12.2023 amounted cumulatively to EUR 45,411 thousand (2022: EUR 28,521 thousand).

19. Change in ownproduction

	Status	Status	Status	Change in the status of internal inventories	
<i>EUR thousand</i>	31.12.2023	31.12.2022	1.1.2022	2023	2022
Work in progress and semi-finished products of our own production	13 931	14 780	10 903	-849	3 877
Products	11 711	8 621	6 950	3 090	1 670
Animals	0	0	0	0	0
Change in inventory	25 641	23 401	17 853	2 240	5 548

Shortages and damages

GEVORKYAN, a.s.**Notes on the individual financial statements for the period from 1 January 2023 to 31 December 2023**

Other				53	-5
Change in inventory	25 641	23 401	17 853	2 293	5 543

In the period from January 1, 2023 to December 31, 2023, the Company activated materials and goods worth EUR 249 thousand (from January 1, 2022 to December 31, 2022: EUR 0 thousand).

In 2023, the Company continued to implement non-destructive product inspection methods. It has implemented new fully automated workplaces using state-of-the-art robots and camera systems to detect any defects in products.

Thanks to these measures, in 2023, the company caught a non-conformity at the final inspection regarding products that can be easily damaged during handling. These products have been recycled. All recycled material was used to produce new products that were sold during the year or reported as inventories as of December 31, 2023. The company evaluates the possibility of reusing all recycled material in production as the best and least costly way to avoid the risk of larger complaints from customers.

Thanks to the early detection of potential risks, for which the company uses state-of-the-art non-destructive control methods, the total number of non-conforming products claimed by customers in 2023 was at the PPM level of 139, which means 139 bad products per 1,000,000 units delivered, i.e. only 0.0139%. As part of the continuation of the process of long-term quality improvement, an automation and robotization department was created in the company, which is specially dedicated, among other things, to the detection of hidden defects on products using camera systems, robotic lines, etc. This significantly reduced manual handling of components during the production process and minimized the risk of internal defects and cracks.

20. Material and energy consumption

<i>EUR thousand</i>	31.12.2023	31.12.2022
Material consumption	22 043	16 949
Fuel consumption	109	112
Energy consumption	1 574	1 690
Other	120	101
Totalr	23 846	18 851

21. Services

<i>EUR thousand</i>	31.12.2023	31.12.2022
Repair and maintenance of machinery and equipment	232	312
Repair and maintenance of means of transport	106	95
Services - Consulting, accounting and auditing	318	224
Services - Rental	297	187
Services - External product processing	11 783	7 669
Services - Software	207	148
Services - Transport	216	221
Services - Waste removal	70	85
Services - Workforce provided	0	52
Other services	495	343

GEVORKYAN, a.s.**Notes on the individual financial statements for the period from 1 January 2023 to 31 December 2023**

Total	13 726	9 336
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<i>EUR thousand</i>	31.12.2023	31.12.2022
Audit of financial statements	107	73
Assurance audit services with the exception of the audit of accounts		
Tax Advisory	4	3
Other non-audit services		
Together	111	76

22. Personnel costs

<i>EUR thousand</i>	31.12.2023	31.12.2022
Wages and bonuses	3 539	3 422
Social and health insurance	1 267	1 207
Other social costs	184	149
Total	4 990	4 778

Of which management:

<i>EUR thousand</i>	31.12.2023	31.12.2022
Wages and bonuses	172	108
Social and health insurance	62	38
Other social costs		
Total	233	146

23. Other operating result

<i>EUR thousand</i>	31.12.2023	31.12.2022
Profit / (loss) from the sale of assets	69	-55
Insurance	41	53
Provision for receivables	-6	17
Other operating expenses	24	26
Other operating income	-401	-150
Total	-274	-109

24. Financial operations

<i>EUR thousand</i>	31.12.2023	31.12.2022
Financial revenue		
Interest income	80	91
Exchange rate gains	394	255
Total financial revenue	475	346
Financial costs		
Interest - leasing	-255	-162
Interest Loans	-2 102	-1 885
Interest on bonds	-1 257	-1 191
Exchange rate losses	-366	-484
Bank fees	-69	-115
Other costs of financial activity	-319	-1 060
Total financial costs	-4 369	-4 897
Profit/(loss) arising from financial operations, net	-3 894	-4 551

Other costs of financial activities in 2022 were mainly remuneration for the issue of shares in the amount of EUR 574 thousand.

25. Income tax and deferred tax

<i>EUR thousand</i>	31.12.2023	31.12.2022
Income tax payable	287	284
Deferred income tax	889	801
Total	1 176	1 085

Effective tax

<i>EUR thousand</i>	31.12.2023		31.12.2022	
Profit before tax	5 009		4 529	
Income tax	1 052	21%	951	21%
Tax-deductible costs	126	3%	128	3%
Non-taxable income				
Impact of unreported deferred tax assets				
Utilisation of tax losses				
Tax rate change				
Other	-2		5	
Total income tax	1 176	23%	1 085	23%

Movements of deferred tax liability (net) during the period 2023-2022

	1.1.2023	Recognised in the Profit and Loss Account	Recognised in other comprehensive income	31.12.2023
<i>EUR thousand</i>				
Tax expenses after payment	-5	-2		-7
Stocks	-14	11		-3
Reserves	-9	-18		-27
Accounts payable	0	0		0
NFP subsidy	-345	-42		-387
Other, non-tax-deductible costs	0	0		0
Fixed assets	4 232	939		5 172
Deferred tax liability reported	3 859	889		4 748

	1.1.2022	Recognised in the Profit and Loss Account	Recognised in other comprehensive income	31.12.2022
<i>EUR thousand</i>				
Tax expenses after payment	-15	10		-5
Stocks	-13	-1		-14
Reserves	-14	5		-9
Accounts payable	-3	3		0
NFP subsidy	-297	-48		-345
Other, non-tax-deductible costs				
Fixed assets	3 401	832		4 232
Deferred tax liability reported	3 058	801		3 859

26. Fair value data

The following overview contains data on the carrying amount and fair value of the Company's financial assets and liabilities that are not recognised at fair value:

	Book value			Fair Value		
	31.12.2023	31.12.2022	1.1.2022	31.12.2023	31.12.2022	1.1.2022
<i>EUR thousand</i>						
Financial liabilities						
Bonds Issued (Level 2)	18 529	18 659	18 725	19 437	18 640	19 151
Long-term loans (level 3)	30 064	30 064	30 009	28 982	29 172	32 711
Total	48 593	48 723	48 734	48 419	47 812	51 863

Level 1 - fair value determined on the basis of quoted prices offered on active markets for identical assets;

Level 2 - fair value determined using input-based calculation models that are observable, either directly or indirectly, in active markets;

Level 3 - fair value determined using calculation models based on inputs that are not observable, either directly or indirectly, in active markets.

The table does not list financial instruments for which the carrying amount is considered to be an approximation of fair value.

27. Changes in liabilities arising from financing activities

<i>EUR thousand</i>	1.1.2023	Increment / Drawdown	Repayment	Interest	Other	31.12.2023
Loans and credits	44 372	12 358	-4 609	2 103	419	54 643
Lease liabilities	1 307	3 052	-2 994	255	-704	916
Bonds issued	18 659		-1 285	1 257	-102	18 529
Total liabilities from financial assets	64 337	15 410	-8 888	3 616	-387	74 087

<i>EUR thousand</i>	1.1.2022	Increment / Drawdown	Repayment	Interest	Other	31.12.2022
Loans and credits	51 779	0	-9 690	1 515	768	44 372
Lease liabilities	1 426	2 754	-2 897	158	-134	1 307
Bonds issued	18 725		-1 514	1 191	256	18 659
Total liabilities from financial assets	71 930	2 754	-14 101	2 864	891	64 337

28. Information on financial risk management

This section provides details of the risks to which the Company is exposed and how to manage them. The company is exposed to risk in the following areas:

- credit risk
- liquidity risk
- currency risk
- interest rate risk

Management has overall responsibility for determining and controlling the Company's risk management.

Credit risk

The Company is exposed to this risk primarily in trade receivables and other receivables. The amount of exposure to this risk is expressed by the carrying amount of these assets on the balance sheet in the event that no form of guarantee is issued. The carrying amount of receivables reflects the highest possible accounting loss that would have to be accounted for in the event that the counterparty completely defaults on its contractual obligations and all collateral and guarantees are zero. This value therefore far exceeds the expected losses contained in the provision for overdue receivables. Before concluding significant contracts, the Company's management evaluates the credit risk associated with the counterparty at its regular meetings. In the event of identification of significant risks, the Company will not proceed to the conclusion of the contract.

As at 31 December 2023, the Company was exposed to the following credit risk:

<i>EUR thousand</i>	Banks	Other Financial Institutions	Other legal entities	Total
Financial assets				
Trade receivables			29 907	29 907
Cash and cash equivalents	2 676			2 676
Other receivables				0
Total	2 676	0	29 907	32 583

As of December 31, 2022, the Company was exposed to the following credit risk:

<i>EUR thousand</i>	Banks	Other Financial Institutions	Other legal entities	Total
Financial assets				
Trade receivables			23 508	23 508

GEVORKYAN, a.s.**Notes on the individual financial statements for the period from 1 January 2023 to 31 December 2023**

Cash and cash equivalents	2 725			2 725
Other receivables				0
Total	2 725	0	23 508	26 233

As of 1 January 2022, the Company was exposed to the following credit risk:

<i>EUR thousand</i>	Banks	Other Financial Institutions	Other legal entities	Total
Financial assets				
Trade receivables			21 013	21 013
Cash and cash equivalents	1 237			1 237
Other receivables				0
Total	1 237	0	21 013	22 250

Liquidity risk

Liquidity risk arises as part of the general financing of the Company's activities and the management of financial positions. It includes the risk of not being able to finance the asset at the agreed maturity and interest rate, as well as the risk of not being able to realise the asset at a reasonable price within a reasonable timeframe. The Company's management focuses on liquidity management and monitoring.

The following table provides an analysis of the Company's financial assets and liabilities grouped by residual maturity. This analysis represents the most conservative variant of residual maturities, including the inclusion of interest based on contractual terms. Therefore, in the case of liabilities, the earliest possible repayment is reported and the latest possible repayment for assets.

As at 31 December 2023, the Company's financial assets and liabilities had the following maturities at nominal value:

<i>EUR thousand</i>	Less than 1 year	1 - 5 years	5 years and more	Total	Book value
Financial assets					
Trade receivables	29 907			29 907	29 907
Cash and cash equivalents	2 676			2 676	2 676
Other receivables				0	
total	32 852	0	0	32 582	32 583

<i>EUR thousand</i>	Less than 1 year	1 - 5 years	5 years and more	Total	Book value
Financial commitments					
Bonds	10 934	11 126	0	22 060	18 529
Loans and credits	18 604	41 009	0	59 613	54 643
Lease liabilities	389	559		949	916
Trade Payables	19 971			19 971	19 971
Other short-term liabilities	2 266			2 266	2 266
Total	52 163	52 694	0	104 858	96 325

As of December 31, 2022, the Company's financial assets and liabilities had the following maturities:

<i>EUR thousand</i>	Less than 1 year	1 - 5 years	5 years and more	Together	Book value
Financial assets					
Trade receivables	23 508			23 508	23 508
Cash and cash equivalents	2 725			2 725	2 725
Other receivables				0	
Total	26 234	0	0	26 234	26 234

<i>EUR thousand</i>	Less than 1 year	1 - 5 years	5 years and more	Together	Book value
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GEVORKYAN, a.s.
Notes on the individual financial statements for the period from 1 January 2023 to 31 December 2023

Financial liabilities					
Bonds	9 565	10 235	0	19 800	18 659
Loans and credits	7 094	46 919	239	54 252	44 372
Lease liabilities	496	846	11	1 353	1 307
Trade Payables	11 594			11 594	11 594
Other short-term liabilities	2 406			2 406	2 405
Total	31 156	58 000	250	89 406	78 337

As of January 1, 2022, the Company's financial assets and liabilities had the following maturities:

	Less than 1 year	1 - 5 years	5 years and more	Together	Book value
<i>EUR thousand</i>					
Financial assets					
Trade receivables	21 013			21 013	21 013
Cash and cash equivalents	1 237			1 237	1 237
Other receivables				0	
Total	22 250	0	0	22 250	22 250

	Less than 1 year	1 - 5 years	5 years and more	Together	Book value
<i>EUR thousand</i>					
Financial liabilities					
Bonds	1 513	19 800	0	21 314	18 725
Loans and credits	12 282	53 139	1 049	66 470	51 779
Lease liabilities	1 115	365		1 480	1 426
Trade Payables	12 061			12 061	12 061
Other short-term liabilities	1 146			1 146	1 144
Total	28 117	73 304	1 049	102 470	85 135

Currency Risk and Sensitivity Analysis for Foreign Currency Instruments

Currency risk is the risk of a change in the value of an enterprise's assets and liabilities due to a change in the exchange rate. The Company is exposed to currency risk mainly due to purchases in the USD currency.

Value of assets and liabilities in the purchase currency as at 31.12.2023:

	USD	CZK	Profit (loss) in case of an increase in the exchange rate by 100bp	Profit (loss) in case of a 100bp rate drop	Together
<i>EUR thousand 31.12.2023</i>					
Financial assets					
Trade receivables	882	0	-9	9	882
Cash and cash equivalents	2 317		-23	23	2 317
Other receivables					0
Total	3 199	0	-32	32	3 199

	USD	CZK	Profit (loss) in case of an increase in the exchange rate by 100bp	Profit (loss) in case of a 100bp rate drop	Total
<i>EUR thousand 31.12.2023</i>					
Financial commitments					

GEVORKYAN, a.s.
Notes on the individual financial statements for the period from 1 January 2023 to 31 December 2023

Bonds		8 412	83	-83	8 412
Loans and credits					0
Lease liabilities					0
Trade Payables	49	98	2	-2	147
Other short-term liabilities					0
Total	49	8 510	85	-85	8 559

Value of assets and liabilities in the purchase currency as at 31.12.2022:

	USD	CZK	Profit (loss) in case of an increase in the exchange rate by 100bp	Profit (loss) in case of a 100bp rate drop	Total
<i>EUR thousand 31.12.2022</i>					
Financial assets					
Trade receivables	630	0	-6	6	630
Cash and cash equivalents	1 894	793	-27	27	2 688
Other receivables					0
Total	2 524	793	-33	33	3 318

	USD	CZK	Profit (loss) in case of an increase in the exchange rate by 100bp	Profit (loss) in case of a 100bp rate drop	Total
<i>EUR thousand 31.12.2022</i>					
Financial commitments					
Bonds		8 633	85	-85	8 633
Loans and credits					0
Lease liabilities					0
Trade Payables	135	44	2	-2	180
Other short-term liabilities					0
Total	135	8 677	87	-87	8 813

Value of assets and liabilities in the purchase currency as of 1 January 2022:

	USD	CZK	Profit (loss) in case of an increase in the exchange rate by 100bp	Profit (loss) in case of a 100bp rate drop	Total
<i>EUR thousand 1.1.2022</i>					
Financial assets					
Trade receivables	858		-8	8	858
Cash and cash equivalents					0
Other receivables					0
Total	858	0	-8	8	858

	USD	CZK	Profit (loss) in case of an increase	Profit (loss) in case of a 100bp rate drop	Total
<i>EUR thousand 1.1.2022</i>					

			in the exchang e rate by 100bp		
Financial commitments					
Bonds		8 714	86	-86	8 714
Loans and credits					0
Lease liabilities					0
Trade Payables	67		1	-1	67
Other short-term liabilities					0
Total	67	8 714	87	-87	8 781

Interest rate risk

The Company's operations are exposed to the risk of changes in interest rates. The amount of this risk is equal to the amount of interest-bearing assets and interest-bearing liabilities for which the interest rate at maturity or at the time of change is different from the current interest rate. Therefore, the period during which a fixed interest rate is set for a financial instrument reflects the period during which the Company is exposed to the risk of changes in interest rates. The overview below reflects the Company's exposure to the risk of changes in interest rates based on the contractual maturity of financial instruments. As at 31 December 2023, 31 December 2022 and 1 January 2022, the Company has the following assets and liabilities related to the interest rate:

<i>EUR thousand</i>	Interest rate p.a. in %	31.12.2023	31.12.2022	1.1.2022
Fixed interest rate				
GEVORKYAN CZ	4,80%	30 064	30 064	30 009
BKS Bank AG	1,90%	1 433	1 833	1 830
Slovak Guarantee and Development Bank, a. s.	3,30%	0	0	1 089
Slovak Guarantee and Development Bank, a. s.	1,90%	0	0	1 850
GEVORKYAN 6,25/2023	6,25%	0	8 633	8 714
GEVORKYAN 4,70/2024	4,70%	10 118	10 026	10 011
GEVORKYAN 8,50/2028	8,50%	8 412	0	0
SACMI	1,95%	140	443	738
Sales & leaseback transactions		6 829	6 325	5 549
Total		56 996	57 324	59 790

<i>EUR thousand</i>	Interest rate p.a. in %	31.12.2023	31.12.2022	1.1.2022
Variable interest rate				
Komerční banka, a. s.	3M EURIBOR + 2.30%	1 838	2 888	3 938
Komerční banka, a. s.	3M EURIBOR + 2.30%	1 979	2 819	3 659
Komerční banka, a. s.	1M EURIBOR + 2.00%	870	0	0
Unicredit bank Czech Republic and Slovakia a.s.	1M EURIBOR + 2.60%	11 489	0	0
Unicredit bank Czech Republic and Slovakia a.s.	1M EURIBOR +1.90%	0	0	3 117
Total		16 176	5 707	10 714

Sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates would have the following impact on profit or loss and cash flow sensitivity:

<i>EUR thousand 31.12.2023</i>	Profit (loss)	
	100 bb increase	100 bp drop
Variable interest rate instruments	(171)	171
Impact	(171)	171

<i>EUR thousand 31.12.2022</i>	Profit (loss)	
	100 bb increase	100 bp drop
Variable interest rate instruments	(67)	67
Impact	(67)	(67)

The Company's interest-bearing liabilities are remunerated at a variable interest rate referring to EURIBOR. The company considers variable interest rate to be self-management of interest rate risk. When there is economic expansion, EURIBOR grows, but at the same time the economic performance of the population grows and the company has better sales and profits. When there is an economic recession, it behaves exactly the opposite.

In the previous period, when EURIBOR was negative, the variable interest component of the total interest rate did not affect the profit or loss and cash flow sensitivity, as according to loan agreements, the value of EURIBOR is then taken at the level of 0%. In the current period, EURIBOR is achieving positive values, and therefore a decrease by 100 basis points in interest rates would have an impact on the economic result and cash flow sensitivity.

29. Related parties***Identification of related parties***

As set out in the following overview, the Company is related to its shareholders who have substantial influence in the Company and other parties as of December 31, 2023, December 31, 2022, and January 1, 2022, or during the period from January 1, 2022 to December 31, 2022 and January 1, 2023 to December 31, 2023.

Information on the economic relationships between the entity and related parties:

<i>EUR thousand</i>	Value expression of trade	
	31.12.2023	31.12.2022
GPM Tools, s.r.o.		
Revenues from own products (revenue)	12 213	8 267
Revenues from the sale of services (revenue)	5 829	5 234
Revenues from the sale of intangible fixed assets and tangible fixed assets (revenue)	0	855
Revenues from the sale of unnecessary materials (revenue)	1	95
Purchase of fixed assets	13 779	11 760
Buying Inventory	5 525	2 102

GEVORKYAN, a.s.**Notes on the individual financial statements for the period from 1 January 2023 to 31 December 2023**

Procurement of services and other costs (cost)	1 273	1 555
Gevorkyan CZ, s.r.o.		
Interest expense of borrowing (expense)	1 478	1 515
Borrowing fees (expense)		

	Value expression of trade	
<i>EUR thousand</i>	31.12.2023	31.12.2022
GPM Tools, s.r.o.		
Trade receivables	9 161	10 639
Trade payables	3 733	5 478
Gevorkyan CZ, s.r.o.		
Other liabilities	30 087	30 064

30. Events that occurred after the date on which the financial statements are prepared

After 31 December 2023, no other events occurred that would require disclosure or recognition in the financial statements for 2023.

31. Capital liabilities and capital management

The Company's management approaches capital management in order to ensure a sufficient amount of funds for the planned investments in the period for which the investments were planned, if necessary in cooperation with the use of bank loans and bonds.

For more information on the bonds issued, see Section 14 – Bonds issued.

For more information on the loans received, see Section 13 – Loans and credits.

The provisions of Slovak law apply to the use of the statutory reserve fund. For more information, see Section 12 – Equity.

The Company is not subject to any other external capital management requirements.

During the period from January 1, 2023 to December 31, 2023, there were no changes in the Company's management's approach to capital management.

32. Contingent assets and contingent liabilities

Given that many areas of Slovak tax law have not yet been sufficiently verified in practice, there is uncertainty as to how the tax authorities will apply them. The degree of this uncertainty cannot be quantified and will only disappear once legal precedents or official interpretations by the competent authorities are available.

Independent Auditor's Report

To the Shareholders, Supervisory Board and to the Board of Directors of GEVORKYAN, a.s.:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of GEVORKYAN, a.s. ("the Company"), which comprise the balance sheet as at 31 December 2023, the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at 31 December 2023, and of its financial performance for the year then ended in accordance with the Act on Accounting No 431/2002 Coll., as amended by later legislation ("the Act on Accounting").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") and Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities ("Regulation (EU) No. 537/2014 of the European Parliament and the Council"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Act on Statutory Audit No 423/2015 Coll. and on amendments to the Act on Accounting No 431/2002 Coll., as amended by later legislation ("the Act on Statutory Audit") related to ethics, including Auditor's Code of Ethics, that are relevant to our audit of the financial statements, and we have fulfilled other requirements of these provisions related to ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Revenue recognition

Sales revenues from own work and goods are stated net of VAT, discounts and deductions (rebates, bonuses, credit notes, etc.). Sales	Our audit procedures included consideration of the appropriateness of the Company's revenue recognition accounting policies and assessment
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revenues are recognized at the date of delivery of goods or provision of services.

Revenue of EUR 15,699 thousand is realized from sales of products to cooperants who perform further processing of products. The processing is necessary for further sale of the products to external customers. Risk and rewards of the products are transferred to cooperants. Revenue is recognized at the moment of the transfer.

The revenue recognition is a key audit matter due to the complexity of revenues, complex revenue recognition criteria and significance of the related balance.

of compliance with the Act on Accounting. We evaluated and tested the design and the operation effectiveness of key controls within the sales processes.

We performed an analysis of revenue based on our industry knowledge separately for external customers and sales to cooperants.

For transactions close to the balance sheet date, we assessed whether revenue was accounted for into the correct accounting period. We selected a sample of transactions, including material sale invoices near the balance sheet date. We assessed whether these transactions agree to the underlying contractual information or other supporting documents which demonstrated when the obligations had been fulfilled by the parties towards the transaction.

On a sample of significant credit notes issued after the balance sheet date we assessed whether they were recorded in the correct period.

We obtained debtors confirmations from selected customers as of 31 December 2023 and agreed the amounts to the Company's accounting records.

We also assessed the adequacy of the Company's disclosures in respect of the accounting policies on revenue recognition set out in Note 3.1) Revenues of notes to the financial statements and whether they are compliant with the Act on Accounting.

Impairment of know-how

As at 31 December 2023, the carrying amount of know-how relating to powder metallurgy and metal injection moulding was EUR 10 783 thousand.

The Company's policy is to annually consider, based on updated sales projection, whether there are any impairment indicators. If impairment indicators are identified, the Company prepares impairment model to assess any impairment to be recognized.

Our audit procedures included consideration of the appropriateness of the Company's accounting policies in respect of know-how and assessment of compliance with the Act on Accounting.

For identification of potential impairment of the carrying amount of know-how we obtained the updated sales projection prepared by the Company.

We involved valuation specialists to support our assessment of the assumptions and methods that were used in assessing the valuation model

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The impairment of know-how is a key audit matter due to the complexity of the model, significant judgement of the management when determining projected sales, license fee and discount factor and dependency on future business development.

that calculates know-how value. We assessed reasonableness of updated sales projection and the related expected future cash flows.

We also assessed the adequacy of the Company's disclosures in respect of the accounting policies on know-how set out in Note 3.a) Non-Current Intangible assets of notes to the financial statements and whether they are compliant with the Act on Accounting.

Compliance with debt covenants

As at 31 December 2023, the carrying amount of debt (bonds and loans), on which the Company must comply with the covenants, is EUR 36,386 thousand.

Our audit procedures included consideration of the appropriateness of the Company's accounting policies in respect of long-term loans, short-term loans and bonds and assessment of compliance with the Act on Accounting.

Long-term loans, short-term loans and bonds are recognized at nominal value. As short-term loans and bonds that are payable within one year since the balance sheet date and also long-term loans and bonds on which the Company is non-compliant with covenants at the balance sheet date.

We obtained confirmations from banks as of 31 December 2023 and agreed the amounts to the Company's accounting records.

We performed review of loan agreements and issue terms of bonds to assess if all covenants were taken to consideration in the Company's review of compliance with debt covenants.

Due to the significance of the balance of the bonds and bank loans on which the Company has to comply with the covenants we consider this area to be key audit matter.

We recalculated and assessed compliance with the debt covenants at the balance sheet date.

We also assessed the adequacy of the Company's disclosures in respect of the accounting policies on long-term loans, short-term loans and bonds set out in Note 3.g) Liabilities of notes to the financial statements and whether they are compliant with the Act on Accounting, and adequacy of the Company's disclosures in respect of the compliance with debt covenants as set out in Note 14 Bank Loans and Borrowings.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements that give true and fair view in accordance with the Act on Accounting, and for such internal control as management determines is

THIS IS A TRANSLATION OF THE ORIGINAL SLOVAK REPORT

necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and Regulation (EU) No. 537/2014 of the European Parliament and the Council will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs and Regulation (EU) No. 537/2014 of the European Parliament and the Council, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements including the presented information as well as whether the financial statements captures the underlying transactions and events in a manner that leads to their fair presentation.

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

THIS IS A TRANSLATION OF THE ORIGINAL SLOVAK REPORT

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on Information Disclosed in the Annual Report

Management is responsible for the information disclosed in the annual report, prepared based on requirements of the Act on Accounting. Our opinion on the financial statements expressed above does not apply to other information contained in the annual report.

In connection with audit of the financial statements it is our responsibility to understand the information disclosed in the annual report and to consider whether such information is not materially inconsistent with audited financial statements or our knowledge obtained in the audit of the financial statements, or otherwise appears to be materially misstated.

We considered whether the Company's annual report contains information, disclosure of which is required by the Act on Accounting.

Based on procedures performed during the audit of financial statements, in our opinion:

- Information disclosed in the annual report, prepared for 2023, is consistent with the financial statements for the relevant year,
- The annual report contains information based on the Act on Accounting.

Additionally, based on our understanding of the Company and its situation, obtained in the audit of the financial statements, we are required to disclose whether material misstatements were identified in the annual report, which we received prior to the date of issue of this auditor's report. In this regard, there are no findings which we should disclose.

Independent assurance report on the compliance of the presentation of the financial statements with the requirements of the European Single Electronic Format ("ESEF")

We have been engaged by the Company to conduct a reasonable assurance engagement to verify the compliance of the presentation of the financial statements of the Company for the year ended 31 December 2023 included in the Annual Financial Report ("the Presentation of the financial statements") with the requirements of the Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format ("the ESEF Regulation").

Description of subject matter and applicable criteria

The Presentation of the financial statements has been applied by the management to comply with the requirements of the ESEF Regulation. The applicable requirements regarding the Presentation of the financial statements are contained in the ESEF Regulation.

THIS IS A TRANSLATION OF THE ORIGINAL SLOVAK REPORT

The requirements described in the preceding paragraph with respect to the Presentation of the financial statements constitute, in our view, appropriate criteria to form a reasonable assurance conclusion.

Responsibility of the management and those charged with governance

The management is responsible for the Presentation of the financial statements that complies with the requirements of the ESEF Regulation.

This responsibility includes:

- preparation of the financial statements in XHTML format; and
- designing, implementing and maintaining internal controls relevant for the preparation of the Presentation of the financial statements which is free from material non-compliance with the requirements of the ESEF Regulation.

Those charged with governance are responsible for overseeing the Company's financial reporting process, which also includes the preparation of the financial statements that also comply with the requirements of the ESEF Regulation.

Auditor's responsibility

Our responsibility is to express a reasonable assurance conclusion whether the Presentation of the financial statements complies, in all material respects, with the requirements of the ESEF Regulation.

We conducted our reasonable assurance engagement in accordance with the International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits and Reviews of Historical Financial Information, ("the ISAE 3000(R)"), issued by the International Auditing and Assurance Standards Board ("the IAASB"). This standard requires that we comply with ethical requirements, plan and perform procedures to obtain reasonable assurance whether the Presentation of the financial statements complies, in all material respects, with the requirements of the ESEF Regulation.

The nature, timing, and extent of procedures performed depend on the auditor's judgment. Reasonable assurance is a high level of assurance, but it does not guarantee that the service performed in accordance with ISAE 3000(R) always detects material non-compliance.

Auditor's quality control and independence requirements

We apply the provisions of International Standard on Quality Control 1 (issued by the IAASB) and, accordingly, maintain a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We comply with independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Summary of the work performed

Our planned and performed procedures were aimed at obtaining reasonable assurance that the Presentation of the financial statements complies, in all material respects, with the requirements of the ESEF Regulation. Our procedures included in particular:

THIS IS A TRANSLATION OF THE ORIGINAL SLOVAK REPORT

- obtaining an understanding of the internal control system and processes relevant to the application of the electronic reporting format of the financial statements, including the preparation of the XHTML format; and
- verification whether the XHTML format was properly applied.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

In our opinion, based on the procedures performed, the Presentation of the financial statements complies, in all material respects, with the requirements of the ESEF Regulation.

Other requirements on content of auditor's report in compliance with Regulation (EU) No. 537/2014 of the European Parliament and of the Council

Appointment of Auditor

We were appointed as the statutory auditor by the General Meeting of Owners of the Company on 23 June 2023. Total uninterrupted engagement period, including previous renewals (extension of the period for which we were originally appointed) and reappointments for the statutory auditor, has lasted for 8 years.

Consistency with Additional Report to Supervisory Board

Our audit opinion on the financial statements expressed herein is consistent with the additional report to the Supervisory Board of the Company, which we issued on the same date as the issue date of this report.

Non-audit Services

No prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014 of the European Parliament and of the Council were provided by us to the Company and we remain independent from the Company in conducting the audit.

In addition to statutory audit services and services disclosed in the financial statements, no other services which were provided by us to the Company.

30 April 2024
Bratislava, Slovak Republic

Ernst & Young Slovakia, spol. s r.o.
SKAU Licence No. 257

Ing. Tomáš Přeček, statutory auditor
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