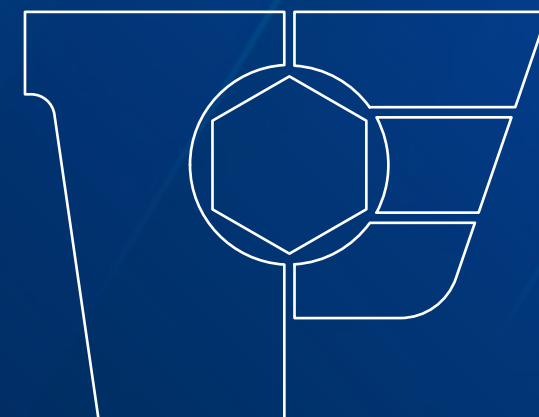




2022

Company Report

FERONA, a.s.



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01

Introductory Word by the Chairman of the Supervisory Board





**DEAR LADIES AND GENTLEMEN,
BUSINESS PARTNERS,**

While I like looking forward I must take this opportunity to look back over the last twelve months.

It has very much been an up and down year, in actual fact more down than up, especially for many people whom this will have a long-lasting effect on, their lives and fortunes for many years and in some tragic cases for their family generations to come.

In many cases, it has touched our hearts and where possible we were trying to assist those effected not just morally but also financially as well, through several charitable actions.

It has not only been the personnel but also the many companies that have suffered as a consequence of those historical events.

The whole steel-making industry as well as the processing and distribution sector have been effected by the materials and component shortages.

More specifically, worldwide steel production decreased by 4.3% to 1.83 bil MT while steel production in EU fell even further, by 10.5%. It was the high price of energy that effected the European steel industry resulting in high volatility of prices as well as a drop in demand from the end customers.

As a result of this the European steel producers have decreased their production last year and according to EUROFER the production may drop even further in line with current rather tepid steel consumption.

The changes may however come once the automotive sector increases its uptake especially as automotive industries speak for 18% of total European steel consumption.

So, we face many challenges in the near future, but the biggest challenge is born out of the historical and very relevant “Green Steel” concept to help the steel industry its suppliers and customers to meet the goals in the Paris Agreement.

Global climate change is mainly driven by a strong increase in CO₂ emissions over the last 60 years.

The whole steel industry including Feron a.s. supports the decarbonization strategies, however it will only be possible step by step while all those initiatives will require massive investments in renewable energies and a total rethink at energy policy.

Steel industry customers want their products to have good environmental properties putting pressure on raw material suppliers to provide “green steel”.

We at Feron shall always endeavour not only to comply with international requirements but also to fulfil the customer’s expectations which are the natural traits of all industries’ leaders where as I count Feron to be amongst them.

It will be expected of us as a forefront company and its Management to fulfil those expectations and I would like to use this opportunity to thank you all for the past efforts and wish you every success in fulfillment of your ambitions in your business as well as in your personal life, irrespective whatever the near future may bring us.

Best wishes for 2023.



Robert Kay
předseda dozorčí rady



Green Steel

We are environmentally responsible in our business and we are committed to buying primarily from suppliers who successfully reduce their negative environmental impact.

We prioritize suppliers who follow the Green Steel strategy and certifications.

02

Introductory Word by the Chairman of the Board of Directors

**LADIES AND GENTLEMEN,
DEAR BUSINESS PARTNERS,**

I would like to say a few words about 2022, a year which was once again exceptionally challenging and marked by a great number of unexpected events. While the world continued to struggle with the Coronavirus



pandemic, gradually getting it under control and lifting restrictions in individual regions, the war in Ukraine broke out on 24 February.

This war has brought immense suffering to the Ukrainian people, triggering a mass migration and causing a global economic shock.

As a result of the economic sanctions and the efforts to cut off Russian gas, Europe has seen a sharp rise in the prices of energy and commodities. This in turn accelerated the already high inflation which reached double digits at the end of 2022. Forced to react, central banks drastically raised interest rates which further swelled financial costs for companies. Automotive industry, as the key pillar of prosperity in Central Europe, faced a shortage of microchips and spare parts. European economy as a whole teetered on the edge of recession.

At first the price of steel had skyrocketed, only to equally sharply return to

the initial levels from the beginning of the year. Feron faced a new challenge which emerged from the need to replace suppliers from Eastern Europe, along with their logistic chains and flows. The import of almost all materials and commodities from Russia has been stopped. Due to the war, the supply of steel from Ukraine has been significantly reduced.

In these difficult times, Feron made a commitment to maintain at least a basic level of supply for its regular customers in order to make sure they do not need to scale back production and cancel any already agreed projects and contracts.

Outlook for the Future

2023 will be yet another highly challenging year, and the return to “stability” will depend primarily on the developments in Ukraine. Most experts agree that the war is likely to last for some time, just like the energy crisis and high inflation.

Nevertheless, the Feron Group is ready to face new challenges. Drawing on our solid foundations, world-class teams of experts, professionally designed processes, and robust financial background, we began to invest massively in innovations, modernisation, and digitalization of processes in order to offer higher-quality services and more added value to our customers.

Last year we completed the comprehensive modernisation of our Steel Service Centre in Ostrava, featuring the new stretcher levelling technology. Offered by only a handful of companies in Europe, this cutting-edge technology significantly improves the quality of sheet products.

With respect to digitalization, our priority is to implement the new Microsoft Dynamics 365 Finance and Operations ERP system, which should get Feron ready to meet the needs of Industry 4.0 and the subsequent automatisisation and robotisation of

warehouses and logistics. The system, which will be rolled out in 2024, should help us to deliver our services faster and with greater reliability and quality. Feron Group aims to become the market leader in Central Europe not only in the field of metallurgical distribution and material engineering, but also digitalization.

Another topic I would like to address is the environment. Feron conducts its business activities in an environmentally responsible manner, considering environmental protection as one of its major priorities. In our Company Policy we committed to continuously reduce negative impacts on the environment and to maintain optimised energy management.

This year we will implement a pilot project for the development of a photovoltaic power station on the premises of our Olomouc branch. The Steel Service Centres in Ostrava and Hradec will follow. Last but not

least I would like to mention our green spaces – they make up 35% of the total area at Feron, which is quite extraordinary as far as industrial premises go.


Our motto is “Feron, the Iron Certainty”. Truer than ever in these challenging times, it represents a symbol but also a permanent commitment for us: to be a reliable and stable partner to our customers, a partner who always delivers on the promises made and who is ready to help at any time.

As always, I would like to conclude my message by wishing you all a successful year and, most importantly, iron health and nerves of steel.



Dr. Jan Moravec

CEO and Chairman of the Board of Directors

A white line-art illustration of a tree with a rounded canopy and a vertical trunk, positioned on the left side of the page. The background is a close-up photograph of a green leaf with visible veins.

Greenery in Feron

Greenery at Feron accounts for 35% of the total area of the premises, where we have 1,500 trees that we regularly look after.

We consider this to be highly above standard within the industry.

03

Company Identification





Business name	Feron, a.s.
Identification number	26 44 01 81
Registered office	Havlíčková čp. 1043/11, 111 82 Praha 1
Date of establishment	21 st March 2001
Website	www.ferona.cz
Registered capital	CZK 3,000,000,000

The Company is registered in the Commercial Register maintained by the Municipal Court in Prague, Part B, Entry 7143.

Originally, the Company was established as Rekulus, a.s., by a group of majority shareholders of then Feron, a.s. (Company ID 25 79 20 75), acting in concert.

As of the relevant date, 1 April 2001, the Company, acting in the capacity of the main shareholder pursuant to Section 220p of the Commercial Code, took over Feron, a.s. (Company ID 25 79 20 75), under a take-over agreement approved by the General Meetings of both companies on 27 June 2001. The registration of the take-over into the Commercial Register entered into legal force and effect on 29 August 2001. Under the Merger Agreement, the Company, being the successor company, assumed the capital of STEEL INVESTMENTS GROUP, a.s., the ceasing parent company, as of the relevant date, 1 January 2005.



15%

that's how much Feronia
has reduced its annual
energy consumption
in 10 years



12,252

the amount of energy
(in GJ) we managed
to save in 2022



2,707

the number of tonnes
of packaging that we
recycled in 2022

04

Basic Characteristics of the Company



Current Feron continues the activities of its legal predecessors, who were involved in the distribution of metallurgical products under various names and in various organisational forms in the context of the history of the former Czechoslovakia after 1945. It thus continues an entrepreneurial tradition that dates back to 1829 at the territory of Czech Republic.

Feron was established as a joint stock company in 1992 by transforming the state enterprise of the same name. In the process of privatisation between 1992 and 1994, its ownership passed from state to private hands. In 2001, the assets of Feron, a.s. were taken over by its majority shareholder, who continued its business activities. In 2004, STEEL INVESTMENTS GROUP, a.s. became the owner of the company, which on the decisive date of 1 January 2005, on the basis of a merger with Feron, a.s., was dissolved and the controlling person of Feron, a.s. became IRG Steel Limited, London, which owned the dissolved STEEL INVESTMENTS GROUP, a.s. IRG Steel Limited has been owned by IRG Asset Management, Ltd., Nicosia since 2017. In 2021, IRG Steel Limited was dissolved and its operations were taken over by IRG Asset Management, Ltd., Nicosia, which became the direct controlling person of Feron, a.s. see events after the Balance Sheet Date.

The company's core business is warehouse wholesale, focusing on the purchase, storage, processing and sale of metallurgical products, metallurgical secondary products, non-ferrous metals and related hardware assortment. Feron's business activities are mainly focused on the domestic market. The customer base consists of thousands of mainly medium and smaller industrial, construction, agricultural and commercial companies and trades, for which it is not efficient to buy directly from manufacturers. Feron is able to serve the widest range of customers, from large industrial companies to small clients, in its sales units – wholesale warehouses and retail outlets.

Feron is organised into nine territorially defined branches, Steel Service Centres for cold and hot rolled steel coils cross-cutting and longitudinal cutting and production of welded pipes and profiles, and the company headquarters.

Customers can contact any of the above locations with their queries or purchase orders.



2,353

Number of rail wagons
used for transporting
metallurgical
material in 2022



8.76

Average eco-driving
score in 2022



134

The number of
residents for whom
we simplified
recycling in 2022

05

Board of Directors, Supervisory Board and Directors



BOARD OF DIRECTORS

Jan Moravec

Chairman of the Board, born in 1974, graduated from the Czech Technical University, member of the statutory body since 2012

Tomáš Balko

born in 1976, graduated from the UKF in Nitra, member of the statutory body since 2013

Miroslav Vaníček

Vice-Chairman of the Board, born in 1961, graduated from the University of Economics, member of the statutory body since 2005

Milan Rada

born in 1963, graduated from the University of Economics, member of the statutory body since 1 January 2005

SUPERVISORY BOARD

Robert Bohuslav Kay

Chairman of the Supervisory Board, born in 1949, membership in the Supervisory Board since 2005

Jiří Hypš

Vice-Chairman of the Supervisory Board, born in 1943, graduated from the University of Agriculture – Operations and Management Faculty, Member of the Supervisory Board since 2005

Zdeněk Baumruk

Member of the Supervisory Board, born in 1967, graduated from the University of Economics, Company employee since 1990, Member of the Supervisory Board since 2019

TOP MANAGEMENT

Jan Moravec

Chairman of the Board, born in 1974, graduated from the Czech Technical University, member of the statutory body since 2012

Tomáš Balko

born in 1976, graduated from the UKF in Nitra, member of the statutory body since 2013

Miroslav Vaníček

Financial Director, born in 1961, graduated from the University of Economics, employed with the Company since 1985

Milan Rada

born in 1963, graduated from the University of Economics, member of the statutory body since 1 January 2005

Pavel Horák

Logistics Director, born in 1962, graduated from the Czech Technical University, employed with the Company since 1986

Tomáš Krejčí

Purchasing Director, born in 1968, graduated from the University of Economics, employed with the Company since 2007

Ivo Juříčka

Director, born in 1963, graduated from the Faculty of Metallurgy and Material Engineering of the VSB TU, employed with the Company since 2003

The Company's Board of Directors, Supervisory Board and directors are indicated as applicable as of 31 December 2022.



Digitization

One of the main priorities for the development of Feron's internal structure is its digitization. By digitising, we can aim for greater efficiency and thus reduce the consumption of natural resources to achieve our business goals.

The first tangible change is the limitation of the amount of printed paper, which was previously limited in Feron by the adopted standard of double-sided printing wherever possible.

06

Key Feron Indicators for Past Three Years



The Company follows fully upon the activities of its legal predecessor which was established as a joint-stock company in 1992.

		2020	2021	2022
Tangible products sold	(thousand tons)	592	604	544
Revenues from products sold	(CZK million)	9,795	15,357	16,953
Profit and/or loss	(CZK million)	81	1,356	577
Inventories	(CZK million)	2,241	4,344	3,626
Short term receivables */	(CZK million)	1,398	1,684	2,794
Short term payables excl. financial	(CZK million)	1,452	2,367	1,529
Bank loans */	(CZK million)	700	870	2,299
Number of employees	(individuals)	834	801	793

*/ from 2022 Feron finances the entire Group with intra-group loans



EKO-KOM

Feronia is actively involved in one of the largest environmental projects in the Czech Republic, the EKO-KOM system for sorting and recycling packaging waste.

Through its participation in the system of combined fulfillment of the obligations to take back and recover packaging waste, it contributes to improving the environment and reducing the "carbon footprint".

07

Business Activities Feron



Feron is one of the largest companies in the field of warehouse trade with metallurgical products, secondary products, non-ferrous metals and related hardware assortment in the Czech Republic. Its market share varies by product, but on average it has long been around 15 to 20% of supplies for domestic consumption.

The company sold 543,970 tonnes of goods to its customers, a decrease of 60,323 tonnes compared to 2021 and a decrease of 47,727 tonnes compared to 2020.

Revenues from the sale of goods amounted to CZK 16,953,024 thousand, an increase of CZK 1,595,799 thousand compared to 2021. Compared to 2020, revenues are higher by CZK 7,157,825 thousand. The changes in values are mainly due to the increase in the price level of commodities sold as a result of the market situation and changes in the structure of commodities sold.

For the first two months of 2022, the trades were done at prices that the commodities we sold reached before the end of 2021. The opening of the conflict in Ukraine has brought great uncertainty and concern about the availability of metallurgical material given its established flows from the Russian Federation and Ukraine towards Western Europe. This situation caused a literal rocketing of price levels of the commodities sold for the period from March 2022 to May 2022. The trading margin achieved due to being a warehouse wholesaler in the market was again above average and generated highly above average economic results in the months in question. From the development of the economy burdened by this conflict, the sanctions applied, rising inflation, the situation in energy self-sufficiency and the fuel market, signs of an emerging recessionary behavior of the economy gradually began to emerge. In our traded commodities, this meant a steady decline in price levels from July 2022 until the end of the year. A controlled trading policy, balanced inventories, the use of divisional service centres, service support, a strict credit policy despite the market situation described above in 2nd half-year of 2022 contributed to the company's above-average profit for the 2022 financial year.



Following structure of sales by product groups in 2022:

Long products	32%
Flat products	41%
Tubes	10%
Special steel	6%
Secondary metallurgical products	6%
Non-ferrous metals	4%
Retail	1%

The Company buys products it sells on a stable basis both from domestic producers, the leading suppliers being ArcelorMittal (Liberty) Ostrava, Moravia Steel, Valsabbia, ESAB, and from foreign companies, predominantly in Slovakia (U.S. Steel Košice, Železářny Podbrezová), Poland (ArcelorMittal Poland, Celsa), Germany (Ekostahl, Stahlwerk, Salzgitter, etc.) as well as in other countries (Duferco, Buntmetall, Marcegaglia, Beltrame, Pittini etc.). There is a constant adjustment of the portfolio of suppliers to the specific market conditions. Adjustment of commercial policy to Feron group's interests plays a major role in changing these conditions.



Road transport

Each year, a systematic renewal of part of the fleet with the most modern vehicles of the appropriate ecological class takes place.

Great emphasis is also placed on driver training with the aim of increasing operational efficiency, i.e. economical driving.

08

Investment Activities Feron





Capital expenditure on property, plant and equipment and intangible assets in 2022 focused on both replacement and development investments. **Tangible and intangible fixed assets** worth CZK 171,232 thousand were acquired. Of this amount, CZK 79,950 thousand in cutting equipment and CZK 15,819 thousand in machinery and equipment (mainly cranes and handling equipment). The replacement of transport equipment amounted to CZK 33,501 thousand. Investments in buildings amounted to CZK 15,474 thousand, in land CZK 2,731 thousand and in inventories CZK 99 thousand. CZK 5,112 thousand was spent on acquisition of intangible assets and CZK 1,398 thousand was invested in IT equipment. Advances paid for the purchase of assets amounted to CZK 17,148 thousand (dividing line).



Energy savings

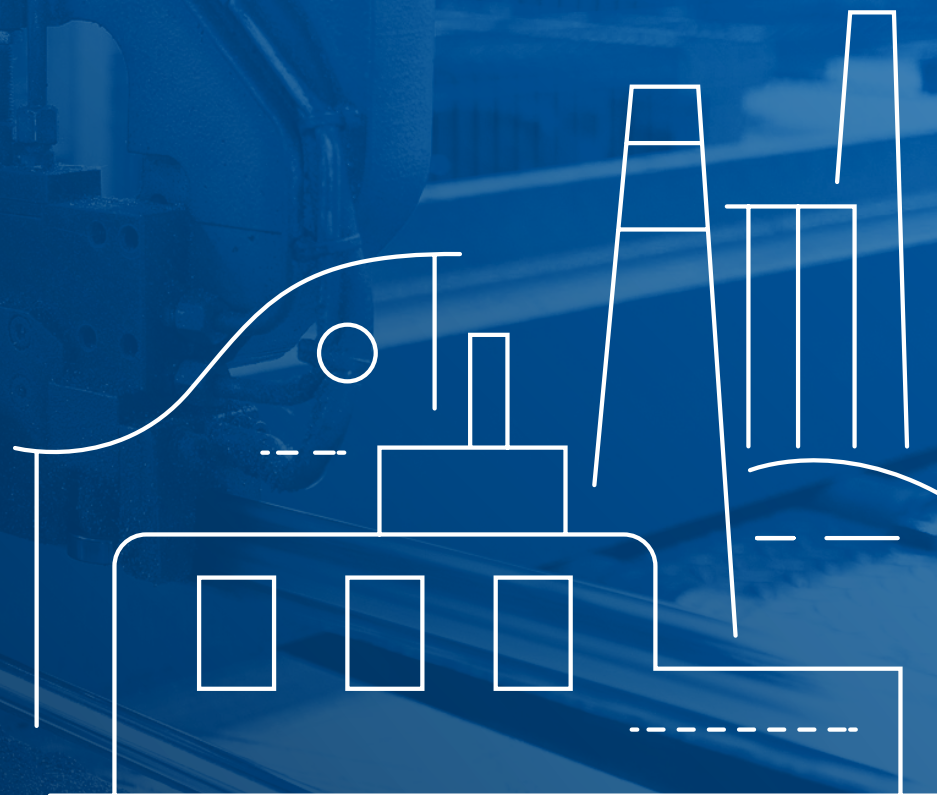
Based on legislative obligations, Feron has an energy audit (by a certified energy auditor) for all of its premises, including the company's headquarters.

From the conclusions and recommendations of the energy audits, we select the ones with the highest priority and implement them depending on the technical and investment requirements as part of routine maintenance of the premises or major planned investments.



09

Significant Projects



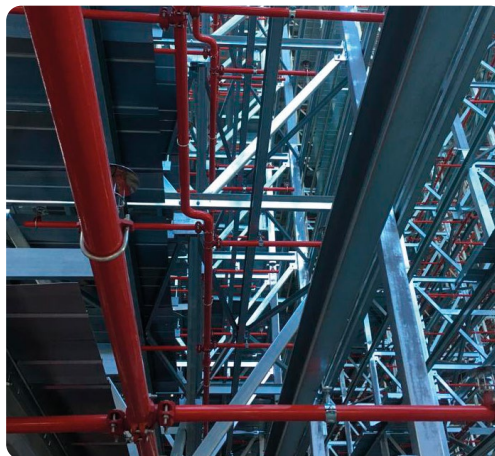


01

Trumpf Librec spol. s r.o.

Trustore 3000, the automated warehouse system, delivery of Laser Sheets: 8 × 1600 × 3000 mm Laser 355 MC – 260 tonnes and 10 × 1700 × 4000 mm Laser 250 MC – 318 tonnes.

Librec



02

Niersberger Instalace s.r.o.

Supply of pressure welded tubes for fire protection equipment (sprinklers) – NEXEN TIRE production plant.

Prague



03

H.A.N.S stavby a.s.

Supplies of rebars and prestressing ropes.

Prague



04

EGE Steel Construction

Supplies of steel profiles for projects in the energy sector.

České Budějovice



05

Brestt stavby a.s.

Supplies of reinforcements for the projects Cement Factory Mokrá and Palác Trnitá Brno.

Brno



LEED Certification

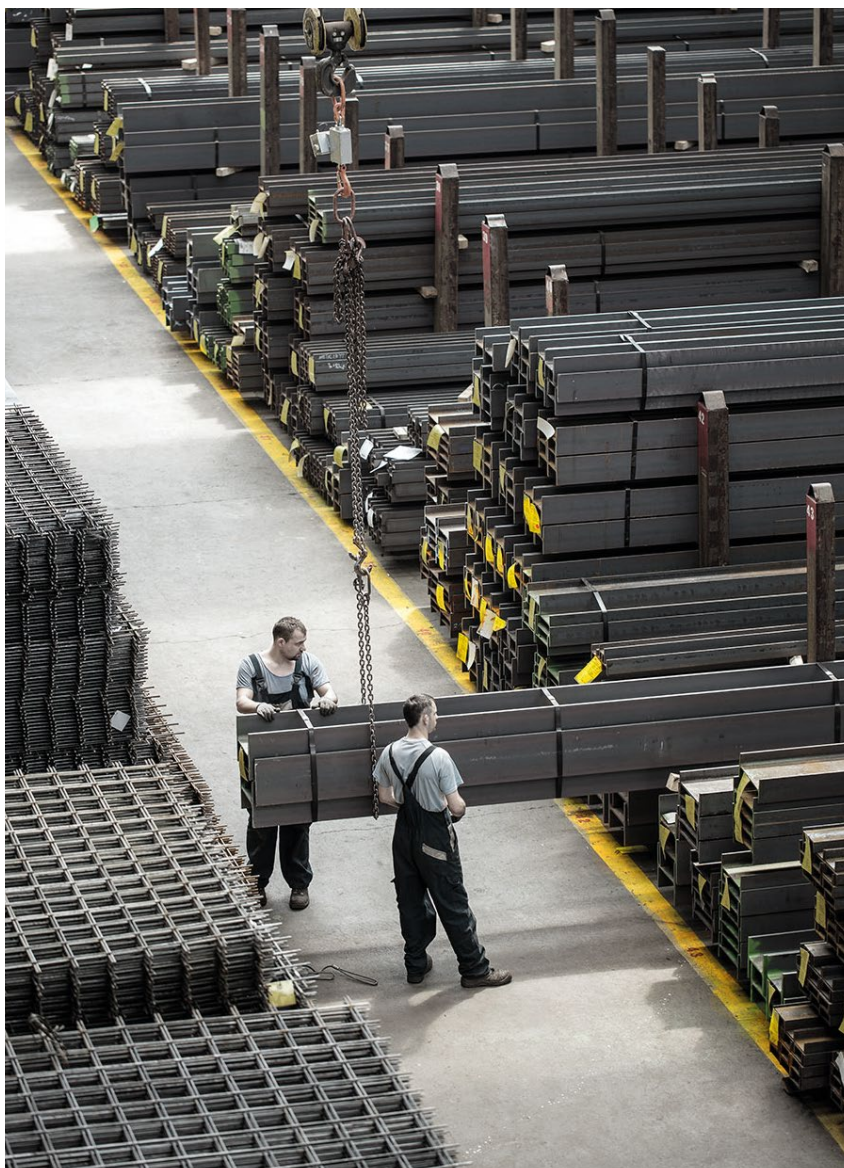
A number of our customers – large construction companies – are involved in the construction of “Green Buildings” under various levels of LEED certification, where buildings are evaluated in terms of their overall environmental performance.

These customers turn to us to provide documentation for this certification system for energy-efficient and sustainable projects. We only meet such requests by working with like-minded contractors.

10

Feron Staff





The average number of employees at the end of 2022 was 793, which is 8 fewer than in 2021 and 41 fewer than in 2020. In 2022, as in previous years, the Company continuously streamlined all its operations.

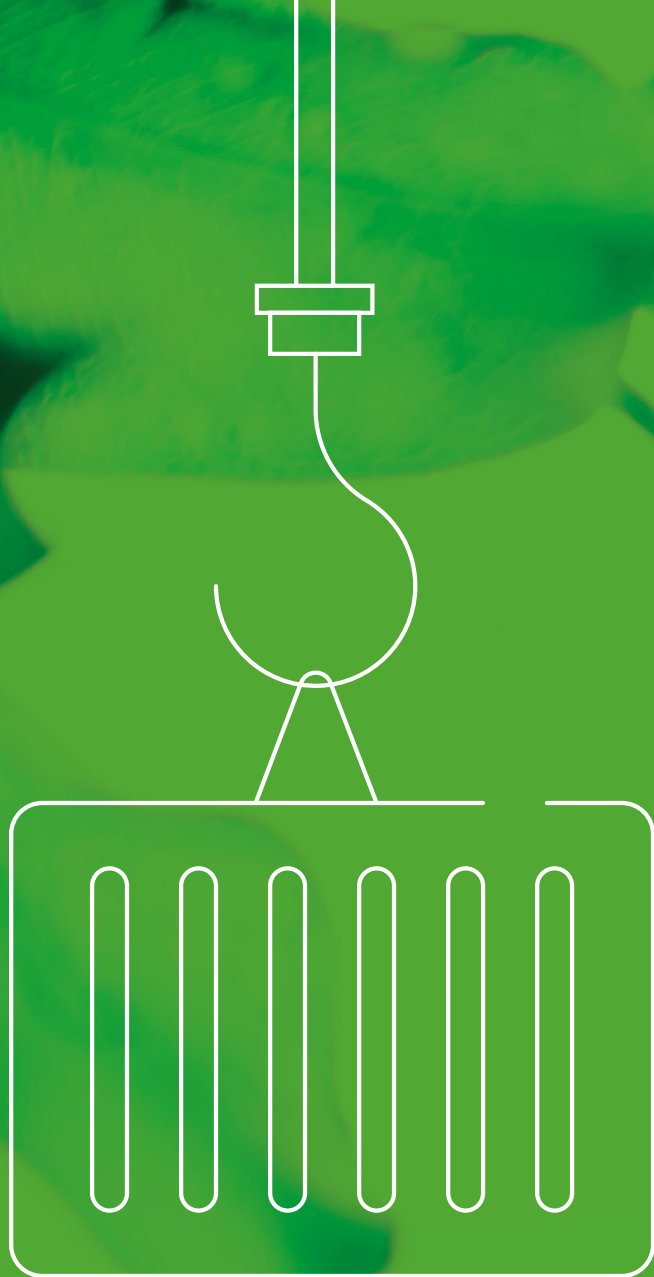
The average gross monthly salary in 2022 (excluding managers) was CZK 39,242, which is CZK 1,437 more than in 2021 and CZK 5,426 more than in 2020.

Payroll costs in 2022 amounted to CZK 490,843 thousand, a decrease of CZK 1,528 thousand compared to 2021 and an increase of CZK 45,265 thousand compared to 2020. Statutory social security and health insurance costs totalled CZK 155,802 thousand and social costs within the social expenditure budget amounted to CZK 8,945 thousand and remained at a comparable level to 2021.

Handling of goods

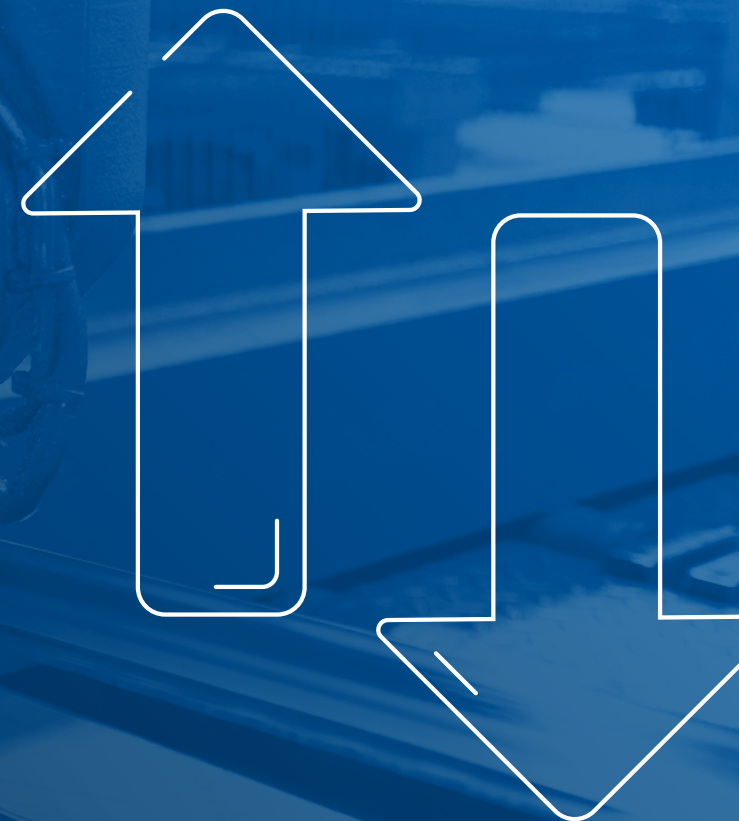
95% of the material handled is manipulated by overhead cranes. Steel bundles, coils and single blocks are handled.

The volume of handled metallurgical material transported by 150 cranes in operation corresponds to approximately 2.3 million tonnes with about 1 million handlings per year.



11

Commentary on the Profit and Loss Account of Feron



The trading margin in 2022 amounted to CZK 1,811,099 thousand, which is CZK 695,268 thousand lower than in 2021 and CZK 892,624 thousand higher than in 2020. The decrease in 2022 compared to 2021 was mainly due to significant fluctuations in the price levels of the commodities sold, the war conflict and the recessionary behavior of the economy. Revenues from services, represented by transport fees, cutting and finishing of materials such as the burning of heavy plates and services provided to subsidiaries, amounted to CZK 218,372 thousand and increased by CZK 26,284 thousand compared to 2021 and by CZK 37,985 thousand compared to 2020, mainly for transport fees.

The largest item of the purchased consumables and services (apart from the value of goods sold) is the cost of consumed material and energy and it amounts to CZK 3,772,434 thousand, the majority of which is the consumption of material for production in Steel Service Centres. Purchased services are mainly made up of contractual freight (30%), repairs and maintenance (33%), security (5%), professional services (3.5%), waste disposal (3.8%), advertising and promotion (2.6%) and consultancy (3.3%). The company adjusted the use of the cost of production consumption excluding the consumption of materials for production to the revenues achieved, which resulted in an

increase of CZK 8,768 thousand compared to the previous year, with repairs and maintenance accounting for the largest share of the increase.

The value added in 2022 amounted to CZK 1,696,961 thousand and recorded a decrease of CZK 543,974 thousand compared to 2021 and an increase of CZK 833,114 thousand compared to 2020 for the reasons described above. Total personnel costs amounted to CZK 646,645 thousand and remained at a comparable level to 2021. Depreciation of intangible and tangible fixed assets amounting to CZK 148,852 thousand decreased by CZK 3,577 thousand year-on-year.

The operating result ended with a profit of CZK 752,140 thousand, which is a decrease of CZK 1,027,684 thousand compared to the previous year due to the above-described economic and geopolitical situation. The total impact of provisions on the operating result was a charge of CZK 213,277 thousand. The bulk of this is accounted for by the clearing of provisions for receivables.



Interest expense on operating loans and factoring, which amounted to CZK 132,664 thousand, increased by CZK 113,683 thousand year-on-year due to the rising interbank interest rate for most of the year and the drawdown of loans by companies for the entire Feron Group (increase in interest by CZK 36,106 thousand). Interest income is mainly made up of interest income in the Group amounting to CZK 39,441 thousand. A significant part of financial income was dividends received from subsidiaries in the amount of CZK 115,319 thousand. Financial expenses, such as bank charges and foreign exchange losses, amounted to CZK 355,669 thousand, the largest item being foreign exchange losses of CZK 326,729 thousand, while other financial income is mostly made up of foreign exchange gains of CZK 289,980 thousand. The balance of exchange rate differences is an expense and, including spot hedging on foreign currency purchases, amounts to CZK 21,702 thousand.

In the financial year, the company did not recognize any transactions affecting **extraordinary result** and the **profit before tax** amounted to CZK 723,691 thousand.

The result for the accounting period is a profit of CZK 576,563 thousand, the amount of which is significantly positively affected by exceptional market developments during the year.

12

Commentary on the Balance Sheet of Feron



The total assets of the company as of 31 December 2022 increased slightly compared to the previous period and reached the book value of CZK 9,888,359 thousand. This was mainly due to an increase in the value of receivables from subsidiaries, financial assets, but also on the other hand a decrease in the value of inventories.

Fixed assets, representing 30% of the value of assets, reached CZK 2,962,115 thousand. Their structure was as follows (value in CZK thousand and % share of fixed assets):

	CZK thousand	%
intangible fixed assets	35,630	1.2
tangible fixed assets	1,681,382	56.8
fixed financial assets	1,245,103	42.0

The largest part of the **tangible fixed assets** is made up of buildings worth CZK 600,013 thousand (35.7% of the total value of tangible fixed assets), movable assets worth CZK 534,309 thousand (31.8% of the total) and land worth CZK 492,820 thousand (29.3% of the total).

The value of **non-current financial assets** of CZK 1,245,103 thousand includes the shares owned by Feron in the equity of its subsidiaries.

In the case of foreign financial investments, the equity as of the date of the financial statements was converted according to the current exchange rate of the Czech koruna to individual currencies as of 31 December 2022. The increase in the value of non-current financial assets of Feron Slovakia compared to the previous period is influenced by the profits achieved. Feron Polska and FTP Plastics decreased due to dividends paid. Pragmet, despite the dividends paid, saw a slight increase. The correction in the value of foreign holdings is due to the exchange rate of CZK against EUR and PLN.

Current assets account for 69.85% of total assets and have increased by CZK 545,426 thousand to CZK 6,911,871 thousand since the beginning of the year, mainly due to short-term receivables in the Group due to intercompany loans.

Of the total inventories, the most important item is the **inventories of trade goods**, which remained at a comparable value to the beginning of the year at CZK 2,885,554 thousand. The instantaneous turnover time of goods inventories, calculated on the basis of the value of goods sold at acquisition cost, amounted to 70 days at the end of the year, a decrease of 10 days compared to the previous year. The decrease in inventories of materials by CZK 330,604 thousand compared to the beginning of the period is the result of a decrease in the price levels of these materials.

The Company has **long-term receivable** for advances primarily for lease principal and mobile phone activations.

Of the short-term receivables, **trade receivables** account for the largest part and decreased slightly in net value to CZK 1,352,948 thousand compared to the previous year. All receivables over 60 days past due are treated by the creation of an allowance. Allowances are made for other receivables according to the assessment of their risk at the financial statement date. The immediate turnaround time of short-term trade receivables at the end of the year was 29 days, a year-on-year decrease of 4 days. The item “Accounts receivable” mainly represents bonuses granted for the purchase of goods that had not been invoiced at the balance sheet date.

Short-term financial assets at the end of the year amounted to CZK 488,225 thousand, which represents an increase of CZK 153,290 thousand compared to the beginning of the year due to the optimization of credit utilization at the end of the year, the undrawn overdraft facility and the relatively high level of paid liabilities during the company-wide holiday.

Accruals amounted to CZK 14,373 thousand, or 0.15% of total assets.

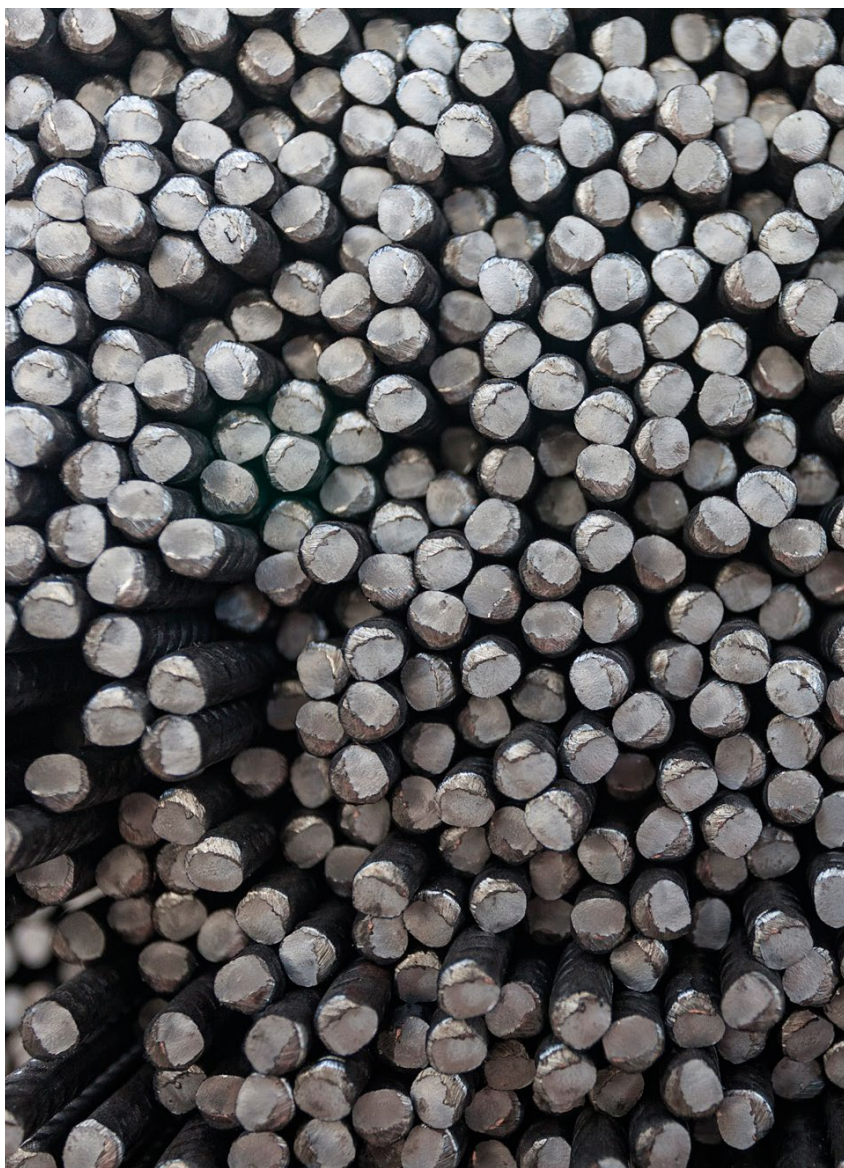
The most significant liability item is **equity**, which reached CZK 5,982,491 thousand as of 31 December 2022 and covers 60.5% of the total book value of liabilities. A summary of the changes is described in the notes to the financial statements.

The share capital has a value of CZK 3,000,000 thousand and is divided into 300 registered shares in book-entry form, each with a nominal value of CZK 10,000 thousand. The Company did not acquire treasury shares in 2022.

Not-own funds amounted to CZK 3,891,572 thousand at the end of 2022 and had the following structure:

	CZK thousand	%
reserves	2,703	0.1
long-term liabilities	60,756	1.6
short-term liabilities	1,525,877	39.2
bank loans and advances	2,302,236	59.1

Non-current liabilities consist mainly of deferred tax liability in the amount of CZK 60,756 thousand, whose year-on-year change is due to a different structure of items included in the calculation.



Among current liabilities, the most important are **trade payables**, which amounted to CZK 1,142,111 thousand at the end of the year and, except for invoices withheld due to complaints and liabilities ready for offsetting, were up to the due date. They decreased by CZK 411,727 thousand year-on-year as a result of the regulation of purchases at the end of the year due to the falling price level of traded goods and materials. Due to the company-wide holiday, it was not possible to record all the invoices received in the balance sheet and therefore, as in the past, these transactions were posted to the passive accounts. The Company was not late in paying its liabilities in 2022 either.

Bank loans excluding factoring amounted to CZK 2,298,585 thousand at the end of the year. As of the date of the financial statements, the Company drew operating loans to finance current assets. The year-on-year increase is due to the change in the financing structure of the Feron Group, where the parent company finances the entire Group. Liabilities from recourse factoring amounted to only CZK 3,651 thousand.

Accruals at the end of the year amounted to CZK 14,296 thousand, with accruals for interest and fees on bank loans and freight charges representing the largest value.

13

Financial Situation of Feron





The results of the annual accounts show that the financial situation of the company is stable in the long term. It ensures the fulfillment of all obligations within the agreed and set deadlines and the company has not been insolvent.

The company's overall debt is maintained at an acceptable level and the company has not experienced any problems in repaying any of its obligations. The Company has maintained the confidence of banking and insurance houses in 2022 as well. The share of not-own funds and other liabilities in the Company's total assets as of 31 December 2022 was only 39.5%, although the Company has started financing loans for the entire Feron Group. Excluding this effect, the aforementioned share of not-own resources is only 30.4%, and represents a strengthening of the Company's financial stability compared to the previous year.

The ratio of bank loans and advances to sales of goods and services reached 13.4% at the end of 2022 due to a change in the parent company's financing of the Group. Excluding loans to subsidiaries, it represents a value of 5.8% compared to the previous year.

14

Incorporation of Subsidiaries into the Consolidation of the Feron Group



Feron, a.s. is the parent company, which accounts for almost 80% of the Feron Group's results, to which the following controlled entities belonged as of 31 December 2022:

FERONA Slovakia, a.s.	
Registered office	Bytčická 12, Žilina, Slovakia
Company ID	36401137
Other establishments	Nitra, Košice, Bratislava
Activity	wholesale of metallurgical products, cutting of flat products
Equity	EUR 26,222 thousand
2022 profit and/or loss	EUR 5,326 thousand
Feron, a.s. share in registered capital	100%
Book value of Feron, a.s. share (net)	CZK 632,352 thousand

FERONA POLSKA, S.A.	
Registered office	Mikolowska 31, Myslowice, Poland
Company ID	240569429
Other establishments	Wroclaw, Kielce, Poznań
Activity	wholesale of metallurgical products
Equity	PLN 39,346 thousand
2022 profit and/or loss	PLN 5,340 thousand
Feron, a.s. share in registered capital	100%
Book value of Feron, a.s. share (net)	CZK 202,709 thousand

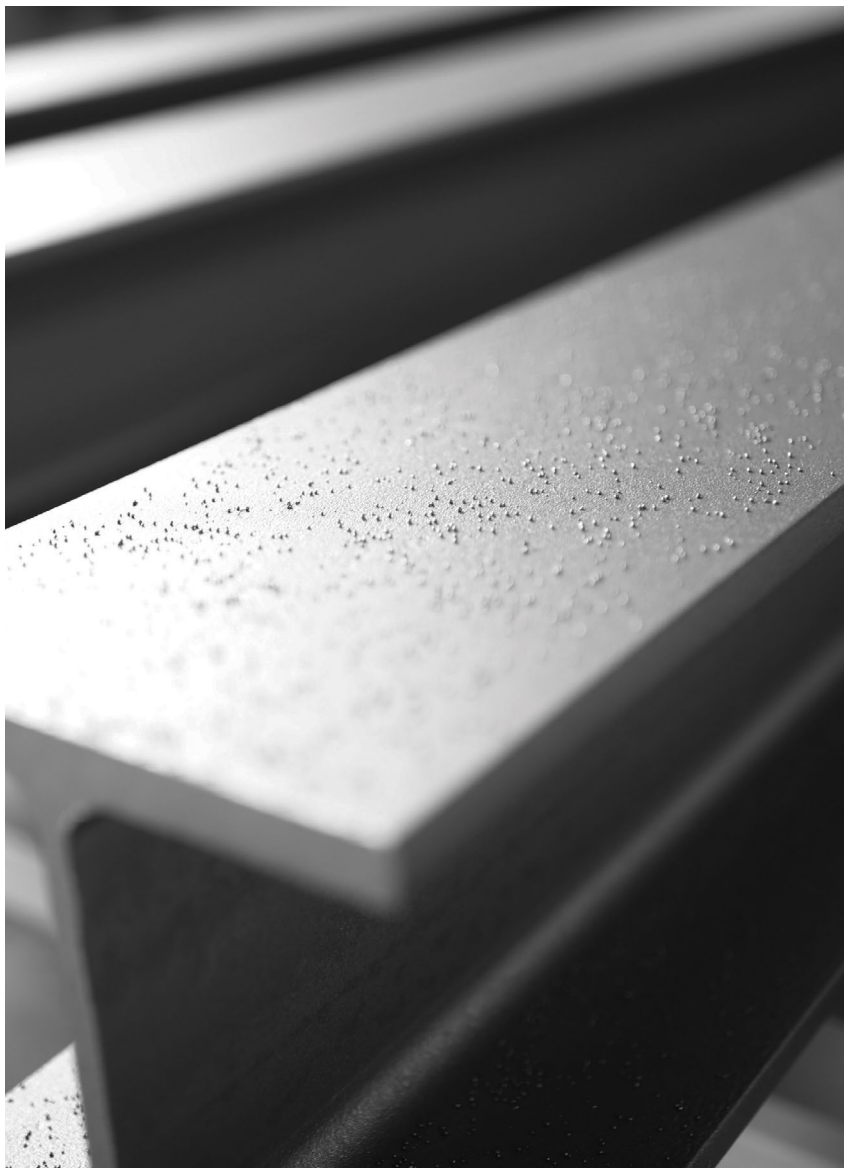
FTP PLASTICS, s.r.o.	
Registered office	ul. ČSA 730, Velká Bystřice
Company ID	25354418
Other establishments	Králův Dvůr, České Budějovice
Activity	trade in technical plastics including assembly and installation
Equity	CZK 136,514 thousand
2022 profit and/or loss	CZK 7,225 thousand
Feron, a.s. share in registered capital	100%
Book value of Feron, a.s. share (net)	CZK 136,514 thousand

PRAGMET, a.s.	
Registered office	Havlíčková 1043/11, Praha 1
Company ID	25789449
Other establishments	Benátky nad Jizerou
Activity	cutting of flat products for the automotive industry
Equity	CZK 273,528 thousand
2022 profit and/or loss	CZK 32,333 thousand
Feron, a.s. share in registered capital	100%
Book value of Feron, a.s. share (net)	CZK 273,528 thousand

15

Results of the Feron Group Consolidation Unit

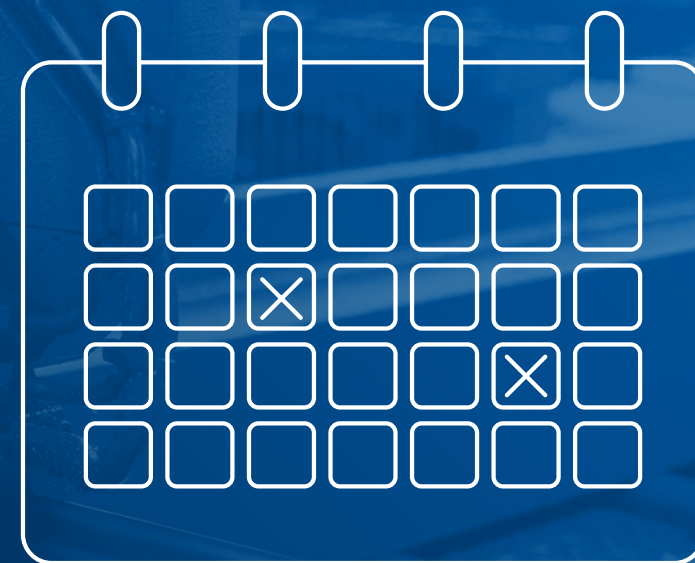




The Group's companies achieved sales of goods of CZK 23,228,676 thousand in 2022, which is approximately 10% more than in the previous year. Value added amounted to CZK 2,412,736 thousand and decreased by 21% compared to the previous year. The consolidated operating result as of 31 December 2022 represents a profit of CZK 1,076,024 thousand.

The consolidated result (excluding minority interests and including equity interests) was a profit of CZK 657,547 thousand.

The value of assets of the consolidation unit at the end of 2022 amounted to CZK 10,822,793 thousand and the value of equity amounted to CZK 5,979,372 thousand.



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Events After the Balance Sheet Date, Key Objectives, Other Data and Outlook for 2023

EVENTS AFTER THE BALANCE SHEET DATE FERONA

After the date of the financial statements, as a result of the cross-border merger, the parent company IRG ASSET MANAGEMENT, a.s. with registered office at Havlíčkova 1043/11, Prague 1 was newly registered in the Commercial Register, thus completing the process of its change of legal form and its relocation of IRG Asset Management, Ltd., Nicosia from Cyprus to the Czech Republic.

THE CONTINUITY OF THE BUSINESS – STATEMENT BY THE COMPANY’S MANAGEMENT

From late 2019 to early 2021, the entire world faced the COVID-19 pandemic, which negatively affected most countries. World trade was marked by disruptions in distribution channels, the consequences of which many companies are more or less still dealing with today, which still introduces a degree of uncertainty into business relationships.

The 2021 and 2022 financial years were marked by significant price changes in goods sold, due to the conflict in Ukraine, significant increases in energy and fuel prices, high inflation and the resulting recessionary trends of the economy. This complex of causes has led to instability, which has manifested itself in momentary increases in demand or longer-term declines. Thanks to all the measures implemented by the company’s board of directors in

terms of the range of products sold, the management of inventory levels and receivables, and the excellent long-term relations with banking and insurance houses, the company created the conditions for coping with all the difficulties of the difficult economic situation. The decisions and measures taken have secured excellent results for 2022, and the credit policy in place has brought a stable amount of available funds over the long term to secure all the Company’s needs, including its development.

During the second half of 2022, the company has created the conditions to enter 2023 ready to face new challenges and to ensure that its performance is able to withstand negative influences.

The treatment of all assets, payment of outstanding liabilities and additional free equity and financial resources are evidence of this readiness.

After evaluating all available information, negotiated business agreements and analysis of its balance sheet, the company management has concluded that there is no material uncertainty regarding the going concern. In view of this, the financial statements as of 31 December 2022 have been prepared on the assumption that the company will be able to continue as a going concern.

THE KEY OBJECTIVES OF FERONA

The quality policy, which the company has set for a long time and verifies its compliance every year through an authorised company, defines the basic objectives.

According to the ČSN EN ISO 9001:2016 standard the quality policy defines the following objectives:

- increase the share of the target markets for metallurgical materials
- optimise the product range and improve the quality of services
- increase the efficiency of business operations
- adapt the portfolio of suppliers to the conditions of the specific market
- develop the company's internal potential
- meet the specific requirements of automotive customers at SSC

The above objectives are incorporated into specific action lines:

- consistent adherence to the business strategy according to the current market situation
- maximum utilisation of the division's capacity in its own service centres
- use of new hot rolled coil cutting technology for customer requirements
- not to exceed the proportion of customer complaints caused by Feron
- efficient inventory management at Feron Group level
- centralised commercial policy in price risk management
- streamlining and improving the transport of goods to customers
- centralised approach to credit policy management
- centralisation of credit resources at parent company level
- pressure for efficiency and improvement of all business processes
- transfer of experience to all Feron Group companies

THE FURTHER INFORMATION ON FERONA

The company did not spend any funds on research and development in 2022.

The Company does not exhibit substantial environmental protection activities, but through rationalisation and cost-saving measures in the area of power consumption, the Company purposefully increases efficiency and thus reduces environmental impacts, that are monitored and the evaluation is projected into the measures taken, which are issued in the form of internal regulations. Since 2021, it has regularly measured the carbon footprint of the impact of direct emissions on the environment, and it also adapts its investment plans towards the new environmentally friendly trends.

We want to keep our business partners regularly informed about our environmental activities, especially about upcoming investment projects that will reduce our carbon footprint in line with the EU objectives.

The company does not have a branch or other part of the business abroad.

FERONA FINANCIAL PLAN FOR 2023

Feron expects to achieve sales of goods in the amount of CZK 15,588 million and a profit before tax of CZK 105 million, which realistically reflects the situation in the economic area.

FERONA INVESTMENT PLAN FOR 2023

Feron will spend CZK 154 million on investments that will be of a renewal, but especially development nature. The renewal relates to crane and conveyor technology and the development investments will streamline production on the production line for welded profiles, include the first photovoltaic power plant project and will support the entire activity of all companies in the Feron Group with a new ERP system in the long term.

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Independent Auditor's Report on the Audit of the Company's Non-Consolidated Financial Statements





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148 00

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Independent Auditor's Report

To the Shareholder of Feronia, a.s.

Opinion

We have audited the accompanying consolidated financial statements of Feronia, a.s., with its headquarters at Havlíčkova 1043/11, Praha 1, Czech Republic, IC (Registration Number) 264 40 181 (hereafter the "Company") and its subsidiaries (hereafter also the "Group") prepared in accordance with Czech accounting regulations, which comprise the consolidated balance sheet as at 31. 12. 2022, the consolidated income statement, consolidated statement of changes in equity and consolidated statement of cash flows for the period of 1. 1. 2022 to 31. 12. 2022 and notes to these consolidated financial statements, including a summary of significant accounting policies and other explanatory information. Information about the Group are included in Section 2 of Notes to the consolidated financial statements.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31. 12. 2022, of its expenses and revenues, its financial performance and its cash flows for the period of 1. 1. 2022 to 31. 12. 2022 in accordance with Czech accounting regulations.

Basis for Opinion

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

Other Information in the Consolidated Annual Report

In compliance with Section 2 (b) of the Act on Auditors, the other information comprises the information included in the Consolidated Annual Report other than the consolidated financial statements and auditor's report thereon. The Board of Directors of Feronia, a.s. is responsible for this other information.

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

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

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

- The other information describing the facts that are also presented in the standalone and consolidated financial statements is, in all material respects, consistent with the standalone and consolidated financial statements; and

- The other information is prepared in compliance with the applicable laws and regulations.

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

Responsibilities of the Board of Directors and Supervisory Board of Feronia, a.s. for the Consolidated Financial Statements

The Board of Directors of Feronia, a.s. is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Czech accounting regulations and for such internal control as the Board of Directors determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The Supervisory Board of Feronia, a.s. is responsible for overseeing the Group's financial reporting process.

BDO Audit s. r. o., česká společnost s ručením omezeným (IČ 45 31 43 81), registrovaná u Rejstříkového soudu Praha, oddíl a vložka C. 7279, evidenční číslo Komory auditorů ČR 018) je členem BDO International Limited (společnosti s ručením omezeným ve Velké Británii) a je součástí mezinárodní sítě nezávislých členů BDO.



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Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the above regulations will always detect a material misstatement of the consolidated financial statements 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 of the Group 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of Feron, a.s. in the notes to the consolidated financial statements.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting in the preparation of the consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions concerning the Group's ability to continue as a going concern are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the notes, and whether the consolidated financial statements

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represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors and the Supervisory Board of Feron, a.s. 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.

In Prague, on 21st April 2023

Auditing company:

BDO Audit s.r.o.
BDO Audit s. r. o.
Certificate No. 018

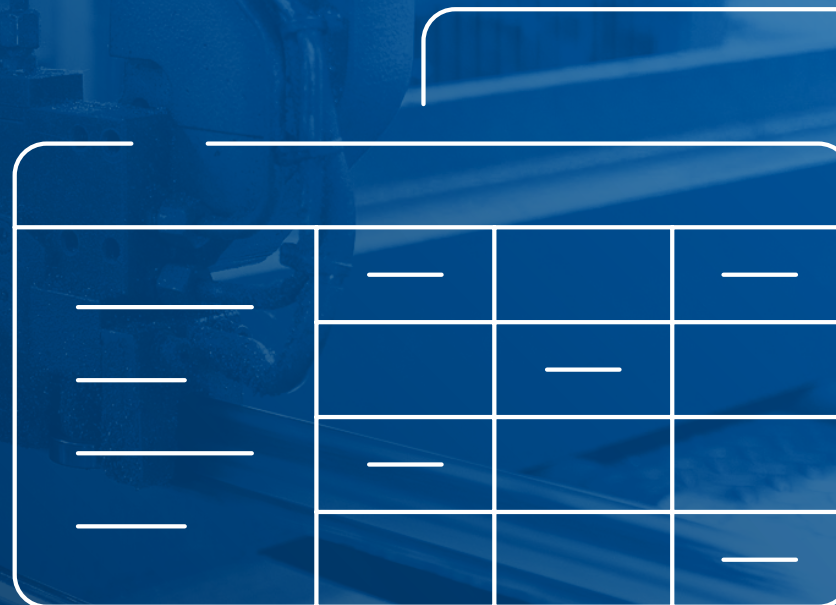
Statutory auditor:

Miloš Krejčí
Certificate No. 2266

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18

Financial Statements



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CONSOLIDATED BALANCE SHEET – ASSETS

(IN CZK THOUSAND)

		Current as of 31. 12. 2022	Past as of 31. 12. 2021	Previous as of 31. 12. 2020
	TOTAL ASSETS	10 822 793	11 687 189	8 523 534
B.	Fixed assets	2 557 637	2 600 744	2 662 099
B.I.	Intangible assets	36 562	14 040	9 655
B.II.	Tangible assets	2 521 075	2 586 704	2 645 273
B.III.	Financial investments	0	0	0
B.IV.	Consolidation balance – active “+”, negative “-“	0	0	7 171
B.V.	Equity securities	0	0	0
C.	Current assets	8 247 325	9 063 768	5 842 722
C.I.	Inventory	4 993 324	5 834 541	3 249 237
C.II.	Receivables	2 489 977	2 592 483	1 943 157
C.IV.	Financial assets	764 024	636 744	650 328
D.	Prepaid expenses and accrued revenue	17 831	22 677	18 713

CONSOLIDATED BALANCE SHEET – LIABILITIES

(IN CZK THOUSAND)

		Current as of 31. 12. 2022	Past as of 31. 12. 2021	Previous as of 31. 12. 2020
	TOTAL LIABILITIES AND EQUITY	10 822 793	11 687 189	8 523 534
A.	Equity	5 979 372	6 000 409	4 480 465
A.I.	Registered capital	3 000 000	3 000 000	3 000 000
A.II.	Share premium and capital funds	67 302	96 805	149 776
A.III.	Funds from profit	412 016	320 826	317 063
A.IV.	Retained earnings	1 842 507	881 328	894 737
A.V.	Current profit minus minority shares	657 547	1 701 450	118 889
1.	Current profit / (loss)	657 547	1 701 450	118 889
2.	Profit share in equity (+/-)	0	0	0
A.VI.	Consolidation reserve fund	0	0	0
B.+C.	Liabilities	4 829 321	5 675 894	4 033 001
B.	Reserves	29 000	19 714	20 106
C.I.	Long-term liabilities	62 000	62 026	999 202
C.II.	Short-term liabilities	4 738 321	5 594 154	3 013 693
D.	Deferred expenses and accrued revenue	14 100	10 886	10 068
E.	Minority equity	0	0	0
E.I.	Minority capital	0	0	0
E.II.	Minority capital funds	0	0	0
E.III.	Minority funds from profit including retained earnings	0	0	0
E.IV.	Minority profit for the period	0	0	0

CONSOLIDATED PROFIT AND LOSS ACCOUNT

(IN CZK THOUSAND)

		Actual in the accounting period		
		Current as of 31. 12. 2022	Past as of 31. 12. 2021	Previous as of 31. 12. 2020
I.	Revenue from sale of products and services	1 954 248	2 105 063	1 795 917
II.	Revenue from sale of goods	23 228 676	21 114 934	13 131 712
A.	Production consumption	28 557 719	25 283 095	16 769 769
B.	Change in internally developed inventory balance	-29 761	-29 258	-10 216
C.	Capitalisation	-5 757 770	-5 106 537	-3 059 142
D.	Personnel expenses	851 064	853 372	774 746
E.	Adjustments of operation	91 899	-28 930	202 815
	of which – Adjustments to tangible and intangible assets – permanent	199 454	203 307	213 528
	Deduction of the consolidation balance	0	7 171	7 171
III.	Other operating income	3 252 121	2 930 503	1 697 462
F.	Other operating expenses	3 645 870	2 925 920	1 717 540
*	Consolidated operating profit	1 076 024	2 245 667	222 408
VI.	Interest received and similar income	95	53	180
J.	Interest expense and similar expenses	141 456	34 208	44 070
VII.	Other financial gains	328 021	136 905	148 714
K.	Other financial losses	386 071	195 895	180 822
*	Consolidated financial profit/(loss)	-199 411	-93 145	-75 998
**	Consolidated profit before taxes	876 613	2 152 522	146 410
L.	Income tax	219 066	451 072	27 521
**	Consolidated profit after taxes	657 547	1 701 450	118 889
***	Consolidated profit for the period minus equity shares	657 547	1 701 450	118 889
	of which – Profit for the period minus equity shares	657 547	1 701 450	118 889
	of which – Minority profit for the period	0	0	0
	Profit share in equity	0	0	0
****	Consolidated profit for the period	657 547	1 701 450	118 889

BALANCE SHEET UNABRIDGED AS OF 31. 12. 2022 – ASSETS

(IN CZK THOUSAND)

		Current period			Balance as of 31/12/2021
		Gross	Correction	Net	Net
	TOTAL ASSETS	13 489 786	-3 601 427	9 888 359	9 336 352
B.	Fixed assets	6 337 459	-3 375 344	2 962 115	2 960 662
B.I.	Intangible assets	132 188	-96 558	35 630	12 370
B.I.2.	Valuable rights	97 557	-96 558	999	1 651
B.I.2.1	Software	97 557	-96 558	999	1 651
B.I.5.	Advances to intangible assets + intangible assets in progress	34 631	0	34 631	10 719
B.I.5.2	Intangible assets in progress	34 631	0	34 631	10 719
B.II.	Tangible assets	4 960 168	-3 278 786	1 681 382	1 727 274
B.II.1.	Lands and buildings	2 930 315	-1 837 482	1 092 833	1 161 672
B.II.1.1.	Lands	492 820	0	492 820	490 089
B.II.1.2	Buildings	2 437 495	-1 837 482	600 013	671 583
B.II.2.	Tangible movable things and sets of movable things	1 975 613	-1 441 304	534 309	435 381
B.II.4.	Other tangible assets	314	0	314	314
B.II.4.3.	Other tangible assets	314	0	314	314
B.II.5.	Advances to tangible assets + tangible assets in progress	53 926	0	53 926	129 907
B.II.5.1.	Advances to tangible assets	17 148	0	17 148	62 939
B.II.5.2.	Tangible assets in progress	36 778	0	36 778	66 967
B.III.	Financial investments	1 245 103	0	1 245 103	1 221 018
B.III.1.	Shares – controlled or controlling person	1 245 103	0	1 245 103	1 221 018

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BALANCE SHEET UNABRIDGED AS OF 31. 12. 2022 – ASSETS

(IN CZK THOUSAND)

		Current period			Balance as of 31/12/2021
		Gross	Correction	Net	Net
C.	Current assets	7 137 954	-226 083	6 911 871	6 366 445
C.I.	Inventory	3 627 363	-966	3 626 397	4 344 338
C.I.1.	Material	574 855	0	574 855	905 459
C.I.2.	Work in progress and semi-finished products	2 992	0	2 992	1 943
C.I.3.	Finished products and goods	2 886 187	-966	2 885 221	2 827 519
C.I.3.2.	Goods	2 886 187	-966	2 885 221	2 827 519
C.I.5.	Advances for inventory	163 329	0	163 329	609 417
C.II.	Receivables	3 022 366	-225 117	2 797 249	1 687 172
C.II.1.	Long-term receivables	3 206	0	3 206	3 271
C.II.1.5.	Other receivables	3 206	0	3 206	3 271
C.II.1.5.2.	Long-term advances – paid	3 206	0	3 206	3 271
C.II.2.	Short-term receivables	3 019 160	-225 117	2 794 043	1 683 901
C.II.2.1.	Accounts receivable	1 578 065	-225 117	1 352 948	1 421 494
C.II.2.2.	Receivables – controlled and controlling person	1 298 585	0	1 298 585	151 424
C.II.2.4.	Other receivables	142 510	0	142 510	110 983
C.II.2.4.3.	State – tax assets	47 946	0	47 946	0
C.II.2.4.4.	Short-term advances – paid	3 013	0	3 013	5 347
C.II.2.4.5.	Estimated assets	91 073	0	91 073	104 820
C.II.2.4.6.	Other receivables	478	0	478	816
C.III.	Cash	488 225	0	488 225	334 935
C.III.1.	Petty cash	1 586	0	1 586	1 656
C.III.2.	Bank accounts	486 639	0	486 639	333 279
D.	Accruals and deferrals	14 373	0	14 373	9 245
D.I.	Prepaid expenses	12 011	0	12 011	8 966
D.II.	Accrued income	2 362	0	2 362	279

BALANCE SHEET UNABRIDGED AS OF 31. 12. 2022 – LIABILITIES

(IN CZK THOUSAND)

		Current accounting period	Balance as of 31/12/2021
	TOTAL LIABILITIES AND EQUITY	9 888 359	9 336 352
A.	Equity	5 982 491	6 031 842
A.I.	Registered capital	3 000 000	3 000 000
A.I.1.	Registered capital	3 000 000	3 000 000
A.II.	Share premium and capital funds	549 715	525 630
A.II.2.	Capital funds	549 715	525 630
A.II.2.1.	Other capital funds	230 542	230 542
A.II.2.2.	Adjustments to assets and liabilities	319 173	295 088
A.III.	Funds from profit	360 124	292 124
A.III.1.	Other reserve funds	360 124	292 124
A.IV.	Retained earnings / (accumulated loss)	1 496 089	858 507
A.IV.1.	Retained earnings / loss	1 496 089	858 507
A.V.	Net profit for the period	576 563	1 355 581
B.+ C.	Liabilities	3 891 572	3 294 081
B.	Reserves	2 703	2 853
B.4.	Other reserves	2 703	2 853

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BALANCE SHEET UNABRIDGED AS OF 31. 12. 2022 – LIABILITIES

(IN CZK THOUSAND)

		Current accounting period	Balance as of 31/12/2021
C.	Payables	3 888 869	3 291 228
C.I.	Long-term payables	60 756	54 495
C.I.8.	Deferred tax liability	58 083	54 495
C.I.9.	Other payables	2 673	0
C.I.9.3	Other payables	2 673	0
C.II.	Short-term payables	3 828 113	3 236 733
C.II.2.	Payables to credit institutions	2 298 585	869 614
C.II.3.	Short-term advances receives	4 449	661
C.II.4.	Accounts payable	1 142 111	1 553 838
C.II.8.	Other payables	382 968	812 620
C.II.8.2.	Short-term borrowings	3 651	3 594
C.II.8.3.	Payables to employees	26 353	25 402
C.II.8.4.	Social security and health insurance payable	12 963	12 258
C.II.8.5.	State – tax liabilities and subsidies	32 288	405 422
C.II.8.6.	Estimate liabilities	306 189	324 575
C.II.8.7.	Other payables	1 524	41 369
D.	Accruals and deferrals	14 296	10 429
D.1.	Accrued expenses	14 193	10 336
D.2.	Deferred income	103	93

PROFIT AND LOSS ACCOUNT UNABRIDGED, BY TYPE AS OF 31. 12. 2022

(IN CZK THOUSAND)

		Actual in accounting period	
		Current	Past
I.	Income from sale of goods and services	218 372	192 088
II.	Income from sale of goods	16 953 024	15 357 225
A.	Production consumption	19 218 850	16 512 947
A.1.	Cost of goods sold	15 141 925	12 850 858
A.2.	Material and energy consumption	3 772 434	3 366 366
A.3.	Services	304 491	295 723
B.	Change of balance of internally developed inventory	-9 043	6 375
C.	Capitalisation	-3 735 372	-3 210 944
D.	Personnel expenses	646 645	646 220
D.1.	Payroll	490 843	492 371
D.2.	Social security, health insurance and other expenses	155 802	153 849
D.2.1.	Social security and health insurance expenses	146 857	144 846
D.2.2.	Other expenses	8 945	9 003
E.	Adjustments to operations	-64 425	-147 739
E.1.	Adjustments to tangible and intangible assets	148 852	152 429
E.1.1.	Adjustments to tangible and intangible assets-permanent	148 852	152 429
E.2.	Adjustments to inventory	709	-264 771
E.3.	Adjustments to receivables	-213 986	-35 397
III.	Other operating income	2 206 342	2 073 189
III.1.	Income from sold fixed assets	7 263	98 193
III.2.	Income from sold materials	35 386	20 913
III.3.	Other operating income	2 163 693	1 954 083

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PROFIT AND LOSS ACCOUNT UNABRIDGED, BY TYPE AS OF 31. 12. 2022

(IN CZK THOUSAND)

		Actual in accounting period	
		Current	Past
F.	Other operating expenses	2 568 943	2 035 819
F.1.	Residual price of sold assets	1 320	20 722
F.2.	Residual price of sold material	21 375	9 706
F.3.	Taxes and charges	14 779	16 076
F.4.	Operating reserves and complex prepaid expenses	-150	2 853
F.5.	Other expenses	2 531 619	1 986 462
*	Profit / (loss) from operations	752 140	1 779 824
IV.	Gains on financial investments – shares	115 319	0
IV.1.	Gains on shares – controlling or controlled person	115 319	0
V.	Interest and other similar income	39 441	3 335
V.1.	Interest income – controlled or controlling person	39 441	3 335
J.	Interest and other similar expense	132 664	18 981
J.2.	Interest and other similar expense	132 664	18 981
VI.	Other financial gains	305 124	95 411
K.	Other financial losses	355 669	137 770
*	Financial profit (loss)	-28 449	-58 005
**	Profit before taxes	723 691	1 721 819
L.	Income tax	147 128	366 238
L.1.	– due	143 539	370 147
L.2.	– deferred	3 589	-3 909
**	Profit/(loss) after taxes	576 563	1 355 581
***	Profit for the period	576 563	1 355 581
VII.	Net turnover for the period (group 6)	19 837 622	17 721 248