



COMPANY REPORT

**2024**



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## 01

# INTRODUCTORY WORD BY THE CHAIRMAN OF THE SUPERVISORY BOARD

**Ladies & Gentleman, Business Partners & Dear Friends. Another year is upon us and having to look back as well as forward, the clouds are still on the horizon.**

Despite everything else Global economic growth is projected at 2.4 in 2025 which is consistent with the 2024 level, so therefore no change to speak of.

It is unfortunately even below the pre pandemic average of 3.2, which reflects challenges such as weak investment, sluggish productivity growth and debt levels remain high.

However global inflation is expected to decline to 4.2% with advanced economies achieving their targets earlier than emerging markets.

Geopolitical conflicts and trade tensions pose significant risks especially for low income and vulnerable countries.

The European economy is facing slower recovery to persistent geopolitical and policy uncertainties. Especially in view of the latest strategies being imposed by President Trump.

Inflation in the Eurozone is expected to recede moderately in 2025, and may move closer to the EU Central Bank target in 2026.

The European and Central European Steel Industries are at a pivotal juncture in 2025–2026, especially reflecting the uncertainties in the automotive sector.



The European Steel industry is heavily investing in low carbon technologies, to align with EU climate goals 2.

High energy prices remain a challenge, prompting initiatives like Power Purchase Agreements (PPAs) and renewable energy integration to stabilise costs.

The industry faces pressure from global overcapacity and unfair trade practices, necessitating protective measures like Carbon Border Adjustment Mechanisms (CBAM).

Efforts are underway to secure a stable supply of steel for automotive production, thus reducing reliance on imported steel and enhancing regional production capabilities.

Central Europe is still battling with remaining a significant player in steel production, leveraging its proximity to major automotive manufacturing hubs in Germany, Poland, Slovakia and Czech Republic.

Companies in this region are focusing on modernizing steel plants and adopting green technologies in order to remain competitive.

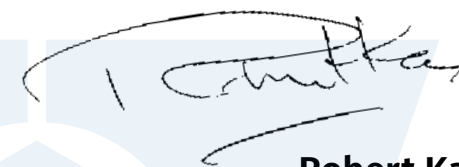
The transition to green steel presents both a challenge and an opportunity, with significant investments required but also the potential for long term cost savings and market leadership.

EU initiatives, such as the European Steel and Metals Action Plan, aim to support the industry through regulatory measures and financial incentives.

The steel and automotive industries are deeply interconnected and their collaboration will be crucial for achieving sustainability and competitiveness in the coming years.

It is with this in mind that I would like to thank you all for all your efforts in the past period and will always appreciate your efforts to stay on course so that together we can overcome the current challenges and enjoy a better future that is still to come.

With best wishes for your future happiness and good health.



**Robert Kay**

*Chairman of the Supervisory Board*



## 02

## INTRODUCTORY WORD BY THE CHAIRMAN OF THE BOARD OF DIRECTORS

Dear ladies and gentlemen,  
dear business partners,

**I would like to say a few words about the past year, 2024, which was again an extremely difficult year. The war in Ukraine has unfortunately continued and carries on unabated in strength and intensity. European industry finds itself in a deep crisis, which, moreover, is not only cyclical but, above all, structural. The reasons for this can be found primarily in expensive energy, cheap exports at dumped prices and the general over-regulation of Europe, which is slowing down the innovative potential of European companies.**

If we think of our customers, an average engineering company spends about a third of its costs on inputs, a third on employee wages and in the past the remaining third used to be spent on energy.

However, if 1 MWh of electricity in Europe costs two to three times more than in the rest of the world, and even three to five times more in the case of gas, then it is no wonder that under such circumstances European companies are no longer competitive and that they are facing a huge drop in new orders on world markets.





The problems of the automotive industry, which is the main engine of European growth and prosperity, perhaps do not even need to be mentioned. They are well known. I have just one comment to make: electromobility may be the future of the automotive industry, but it cannot be rashly enforced and imposed against the will and wishes of customers. So much for the macroeconomic situation.

However, despite all the negative industry news, Ferona ended 2024 with a positive economic result and financial stability, which in the current climate is an absolutely remarkable achievement, for which I would like to thank all our business partners and employees.

### Now to the future

Based on today's information and analyses, there is not much reason for optimism and no reason at all to believe that the European economy will begin to grow significantly. At the most, it could rebound slightly from the bottom. Europe was simply caught napping and it cannot prosper in the long term until it sorts out the energy sector and starts innovating.

They say that every crisis is an opportunity. But for us, this is not just a phrase. Ferona is ready to use the existing crisis to strengthen its position as a Central European leader in steel distribution and materials engineering.

This year, we will be launching a new information system, Microsoft Dynamics 365 Finance and Operations, which will prepare us for Industry 4.0 standards. This will be followed by the digitisation of all our warehouses and then the automation and robotisation of production in our cutting centres.

I mentioned energy, which is a worry for most European companies. Last year, Ferona Group put into operation two photovoltaic power plants in Žilina and Olomouc. In a matter of weeks, we will be commissioning a further photovoltaic power plant in Hradec Králové, then another in Olomouc, to be followed by other branches. The aim is to reduce Ferona's dependency on external electricity suppliers, thus reducing energy costs.

However, the main and most important priority remains, of course, business, which is currently suffering from low demand and a drastic fall in prices. Steel consumption in Europe dropped by about a third during the Covid pandemic and has not recovered since then.

Nevertheless, last year Ferona increased its tonnage sales by 5%, which is a huge success, but one that we achieved primarily at the expense of the competition, because the market is not growing. We will continue with this pressure and intensify it.

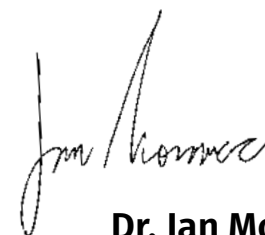
Business also includes retail sales. Last year, we opened two new retail stores in Žilina and Chomutov, with a tie-in to the Ferona Online e-shop. In the future, we want to have a retail outlet in every Ferona branch so that we can serve not only large and medium-sized customers, but also smaller companies, tradesmen and final consumers from one place. In other words, Ferona has to be for everyone.

An area that I would also like to mention is ecology. Ferona behaves responsibly towards the environment in its business and considers environmental protection an important priority. In our Corporate Policy we are committed to permanently reducing negative impacts on the environment. It is not without interest that at Ferona green space accounts for 35% of the total area of our premises, which is quite exceptional for an industrial area.

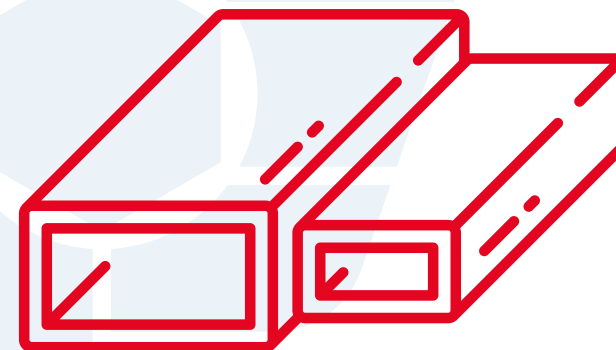
Our motto is "Ferona ironclad". This motto applies more than ever today and for us it is not only a symbol but also a permanent

commitment: to be a reliable and stable partner for our customers that always keeps its word and to whom they can always turn with confidence.

Finally, as ever I would like to wish you, as well as success, iron health and nerves of steel.



**Dr. Jan Moravec**  
CEO and Chairman of the Board



## 03

COMPANY  
IDENTIFICATION

|                              |  |
|------------------------------|--|
| <b>Business name</b>         | Ferona, a.s.                           |
| <b>Identification number</b> | 26 44 01 81                            |
| <b>Registered office</b>     | Havlíčková čp. 1043/11, 111 82 Praha 1 |

|                              |  |
|------------------------------|--|
| <b>Date of establishment</b> | 21st March 2001                                  |
| <b>Website</b>               | <a href="http://www.ferona.cz">www.ferona.cz</a> |
| <b>Registered capital</b>    | 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 FERONA, A.S. (COMPANY ID 25 79 20 75), ACTING IN CONCERT.**

As of the relevant date, 1st April 2001, the Company, acting in the capacity of the main shareholder pursuant to Section 220p of the Commercial Code, took over Ferona, a.s. (Company ID 25 79 20 75), under a take-over agreement approved by the General Meetings of both companies on 27th June 2001. The registration of the take-over into

the Commercial Register entered into legal force and effect on 29th 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, 1st January 2005.





# FERONA, a.s.



HEAD  
OFFICE





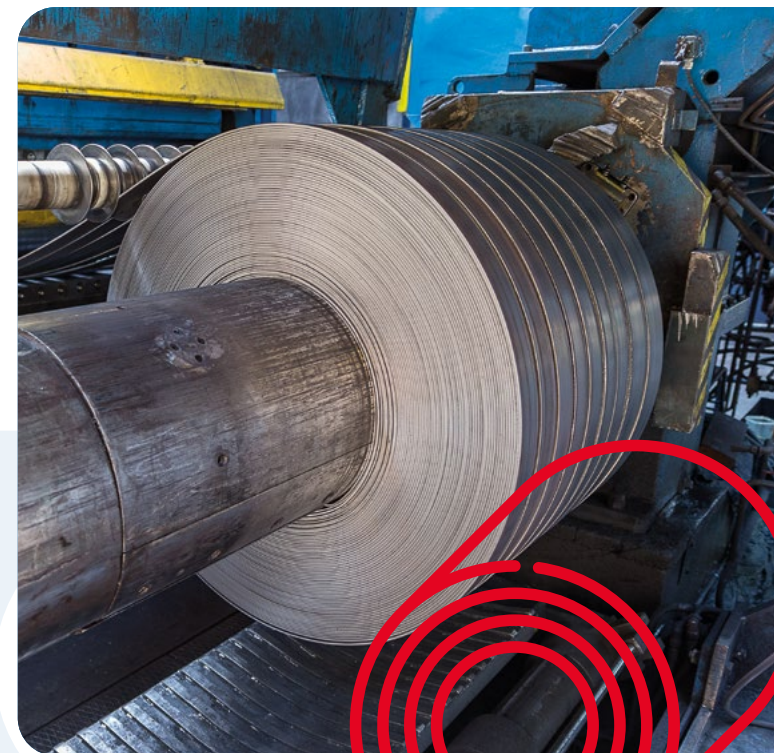
## 04

## BASIC CHARACTERISTICS OF THE COMPANY

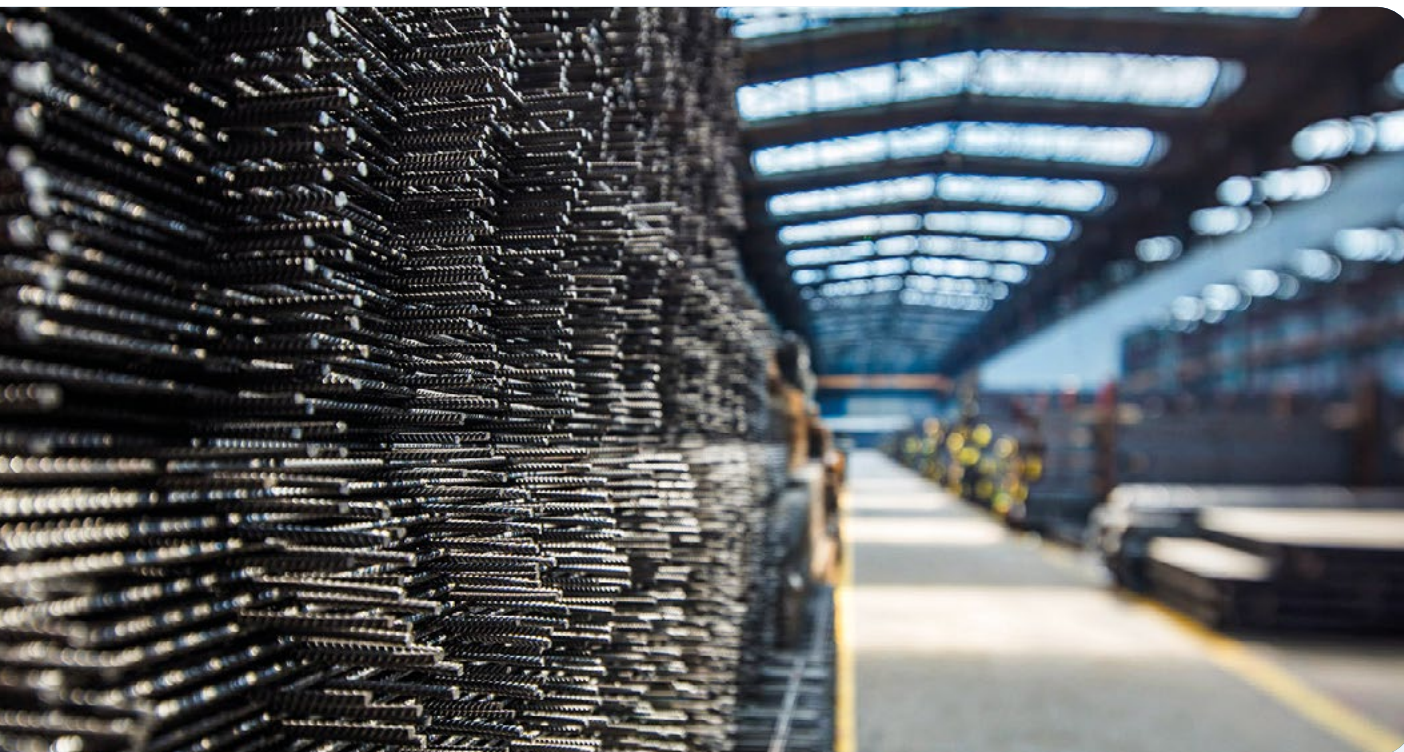
**Currently, Feronia builds upon the activities of its legal predecessors involved in distribution of metallurgical products, within the temporal context of the history of then Czechoslovakia after 1945 under various names and in various organisational forms. It is, therefore, building upon entrepreneurship tradition stretching back to 1829 on the territory of the Czech Republic.**

As a joint-stock company, Feronia was formed in 1992 upon transformation of the state-owned enterprise of the same name. Within the privatisation process, from 1992 to 1994, its ownership passed from the hands of the state fully into private hands. In 2001, the majority shareholder took over the capital of Feronia, a.s. and continued in its business activities.

In 2004, STEEL INVESTMENTS GROUP, a.s., became the owner of the Company; it ceased to exist on the relevant date, 1 January 2005, upon merger with Feronia, a.s. and IRG Steel Limited, London, owner of STEEL INVESTMENTS GROUP, a.s., the ceasing company, became the entity controlling Feronia, a.s. Since 2017, the company IRG Steel Limited is owned by IRG Asset Management, Ltd., Nicosia.







As of 1 January 2023, IRG Asset Management, Ltd., Nicosia underwent a merger with a change of its registered office to the Czech Republic and became IRG Asset Management a.s. with its registered office at Havlíčkova 1043/11, Praha 1.

The core object of the Company's business is warehouse wholesale, specialised in purchasing, storing, modification and sale of metallurgical products, metallurgical secondary products, non-ferrous metals and associated iron and steel product portfolio. Ferona business

activities focus mainly on the domestic market. The group of customers includes, predominantly, thousands of chiefly medium and small industrial, construction, agricultural and commercial companies and traders, for which it is not efficient to purchase directly from the producers. In its sales units – wholesale warehouses as well as retail outlets – Ferona is able to attend to the widest spectrum of customers, ranging from large industrial companies to small clients.

The joint-stock company Ferona is organizationally divided into nine territorially defined branches, Steel service centres for transverse and longitudinal division of cold and hot rolled steel coils and production of welded pipes and profiles and the company's headquarters.

Customers are invited to contact any of the above locations with their queries or purchase orders.





 **Ferona**

# FERONA PRAHA

## 05

# BOARD OF DIRECTORS, SUPERVISORY BOARD, AND DIRECTORS OF FERONA

## Board of Directors

### Ing. Jan Moravec, Ph.D.

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

### Mgr. Tomáš Balko

Vice-Chairman of the Supervisory Board, born in 1976, graduated from the UKF in Nitra, member of the statutory body since 2013

### Ing. Peter Piatka

born in 1967, graduate of VŠDS (University of Zilina), member of the statutory body since 1 July 2023

### Ing. Milan Rada

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

## Supervisory Board

### Robert Bohuslav Kay

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

### Ing. 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

### Roman Cypro

Member of the Supervisory Board, born in 1963, Company employee since 1987, Member of the Supervisory Board since 2024





## Top Management

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### Ing. Jan Moravec, Ph.D.

CEO, born in 1974, graduated from the Czech Technical University, employed with the Company since 2011

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### Mgr. Tomáš Balko

Commercial Director, born in 1976, graduated from the UKF in Nitra, employed with the Company since 2013, with Ferona Slovakia since 2005

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### Ing. Peter Piatka

Financial Director, born in 1967, graduate of the Faculty of Transport Operations and Economics at the University of Žilina, employee of the company since 2014, in Ferona Polska since 2009

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### Ing. Milan Rada

IT and HR Director, born in 1963, graduated from the University of Economics, employed with the Company since 1992

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### Ing. Pavel Horák

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

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### Ing. Tomáš Krejčí

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

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### Doc. Ing. Ivo Juříčka, CSc.

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

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# FERONA PLZEŇ



## 06

KEY INDICATORS OF FERONA  
FOR THE LAST THREE YEARS

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

|  |                 | 2022   | 2023   | 2024   |
|--|-----------------|--------|--------|--------|
| <b>Tangible products sold</b>              | (thousand tons) | 544    | 522    | 554    |
| <b>Revenues from products sold</b>         | (CZK million)   | 16,953 | 12,599 | 12,077 |
| <b>Profit and/or loss</b>                  | (CZK million)   | 577    | 64     | 17     |
| <b>Inventories</b>                         | (CZK million)   | 3,626  | 2,985  | 3,857  |
| <b>Short term receivables */</b>           | (CZK million)   | 2,794  | 2,428  | 2,711  |
| <b>Short term payables excl. financial</b> | (CZK million)   | 1,529  | 1,582  | 1,402  |
| <b>Bank loans */</b>                       | (CZK million)   | 2,299  | 1,832  | 2,538  |
| <b>Number of employees</b>                 | (individuals)   | 787    | 788    | 781    |

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





# FERONA CHOMUTOV

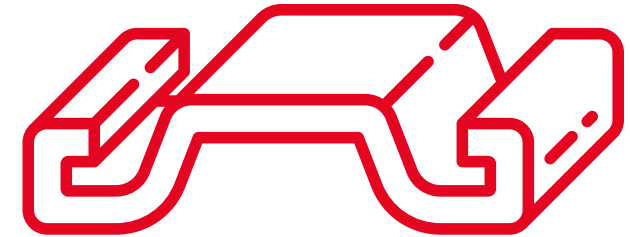


CHOMUTOV  
BRANCH



RETAIL  
OUTLET

## 07

BUSINESS  
ACTIVITIES

**Ferona is one of the largest companies in the field of warehouse trade in metallurgical products, manufactured steel products, non-ferrous metals and related hardware products in the Czech Republic. Its market share varies depending on the individual products, but on average it has long been around 30% of supplies for domestic consumption.**

The Company sold 554,160 tonnes of goods to its customers, which is an increase of 32,541 tonnes compared to 2023 and 10,190 tonnes more than in 2022.

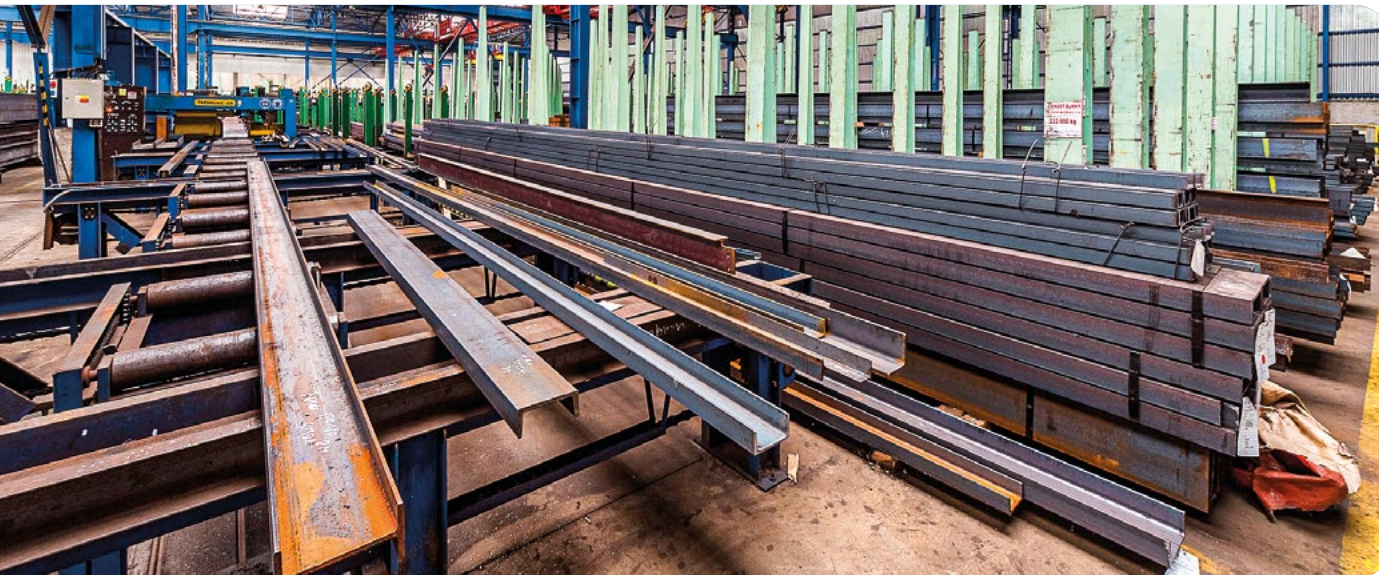
Revenues from the sale of goods reached CZK 12,077,365 thousand, which represents a decrease of CZK 521,657 thousand compared to 2023. Compared to 2022, revenues are lower by

CZK 4,875,659 thousand. The changes in values are mainly due to sharp declines in the price level of commodities sold as a result of the market situation and changes in the structure of commodities sold and types of transactions.

Ongoing conflicts in Ukraine and the Middle East, high energy prices and the search for new sources of energy due to sanctions imposed on the Russian Federation are prolonging the considerable degree of uncertainty for the economy. Under the influence of these factors, European industry is in a crisis that is not only cyclical but also structural. Demand remained weak in all segments of the economy, and prices of metallurgical materials responded by constantly seeking lower and lower levels, which is difficult for a warehouse wholesaler such as

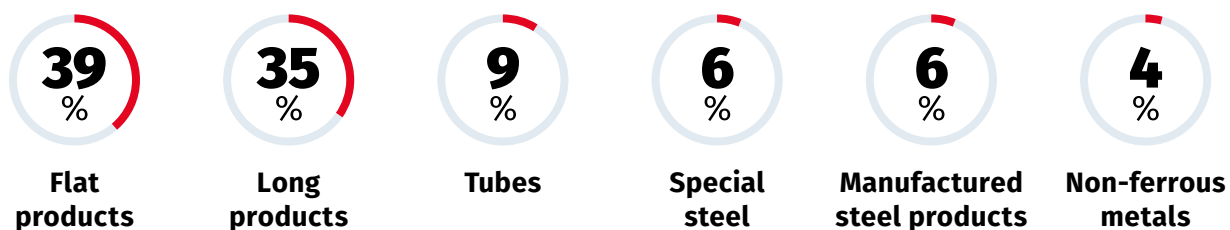
Ferona to resolve in real time. Thanks to its wide product range and solid financial position, the Company managed to increase its sales volume at the expense of its competitors, but its financial targets in the area of trade remained unmet due to low price levels and the prolonged nature of the situation. Unfortunately, new demand is emerging only sporadically and only in certain areas of the economy, mainly related to the defence and automotive industries, which are currently developing at an acceptable level. Ferona was able to slightly correct this unfavourable situation solely thanks to its adapted commercial policy, warehouse stocks and their valuation, the use of cutting service centres, support services and a strict credit policy. All these factors prevented the Company from making a loss in the 2024 financial year.





The Company purchases steadily sold goods from domestic manufacturers, the most important suppliers being ArcelorMittal Europe CZ, Moravia Steel, ESAB, as well as from abroad, mainly in Slovakia (U. S. Steel Košice, Železárny Podbrezová), but also in Poland (ArcelorMittal, CMC), Germany (Stahlwerk, ESF, Feralpi) and other countries (Beltrame, Valsabbia, STEELAG, Padana, etc.). The range of suppliers is adapted to specific market conditions. Changes in these conditions are significantly influenced by the adaptation of the commercial policy to the interests of the Ferona Group.

The structure of sales by product group in 2024 was as follows:







**FTP**

# FERONA THERMO PLASTIC



**OLOMOUČ**



**KRÁLŮV DVŮR**



**ČESKÉ BUDĚJOVICE**

## 08

INVESTMENT  
ACTIVITIES

In 2024, investment activities included the acquisition of fixed assets worth CZK 132,151 thousand. Significant items included the construction of an administrative building in Brno (CZK 16,193 thousand) and the renovation of buildings (CZK 13,074 thousand, including a small shop in Chomutov, the HARD Olomouc Hall, renovation of warehouse doors, and air conditioning), as well as CCTV systems for building security (CZK 661 thousand). The total of CZK 33,580 thousand was spent on the development of technological equipment related to material cutting services.

The renewal of transport equipment amounted to CZK 24,269 thousand. The construction of a photovoltaic power plant amounted to CZK 23,000 thousand. CZK 20,605 thousand was spent on handling equipment in the form of forklift trucks and cranes. Other tangible assets, HW CZK 516 thousand. Other intangible assets, SW CZK 253 thousand. CZK 33,185 thousand was provided as advances for investments.





# FERONA ČESKÉ BUDĚJOVICE



ČESKÉ BUDĚJOVICE  
BRANCH



ŽELEZÁŘSTVÍ  
MALOOBCHOD  
ŽELEZEM

RETAIL  
OUTLET



## 09

SIGNIFICANT  
PROJECTS

01

**BRETT STAVBY**

Supplies of reinforcing steel for  
a residential apartment building.



02

**FIRESTA**

Delivery of parts for the Napajedla bridge deck.



03

**EGE**

Supplies of section steel.



04

**TRŠICKÁ ZEMĚDĚLSKÁ**

Supply of C-profiles, U-profiles,  
and various carriers.

05

**AMMANN**

Supplies of steel materials for the  
production of construction and  
compaction equipment.

06

**DRUŽSTEVNÍ ZÁVODY DRAŽICE**

Deliveries of flat products.





# PRAGMET



**BENÁTKY NAD JIZEROU**

## 10

## STAFF

The average number of employees at the end of 2024 was 781, which is 7 fewer than in 2023 and 12 fewer than in 2022. As in previous years, the Company continued to streamline all its activities in 2024.

The average gross monthly wage in 2024 (excluding managers) reached CZK 39,866, which is CZK 529 less than in 2023 and CZK 624 more than in 2022.

Wage costs amounted to CZK 440,053 thousand in 2024, representing a decrease of CZK 24,722 thousand compared to 2023 and a decrease of CZK 50,790 thousand compared to 2022. Statutory social security and health insurance costs totalled CZK 150,914 thousand, and social costs within the social expenditure budget amounted to CZK 8,484 thousand, remaining at a comparably similar level to 2023.







# FERONA LIBEREC



## 11

## COMMENTARY ON THE PROFIT AND LOSS STATEMENT

**The sales margin in 2024 amounted to CZK 863,103 thousand, which is CZK 82,388 thousand less than in 2023 and CZK 947,996 thousand more than in 2022. The decline in 2024 compared to 2022 was caused by unstable price levels of sold commodities, the ongoing war in Ukraine and the Mediterranean, and other economic uncertainties in Central Europe (especially in Germany).**

Revenues from services, which are represented by transport, distribution and processing of materials such as thick sheet metal cutting, and services provided by subsidiaries, amounted to CZK 202,030 thousand, a decrease of CZK 20,618 thousand compared to 2023 and CZK 16,342 thousand compared to 2022.

The largest item of **operating expenses** (excluding the value of goods sold) is the cost of materials and energy consumed, amounting to CZK 3,210,076 thousand, of which the majority is accounted for by the consumption of materials for production in Steel Service Centres (95.5%). Purchased services mainly comprise contractual transport costs (32%), repairs and maintenance (23%), security (5.6%), professional services (5.7%), waste disposal (4.2%), advertising and promotion (1.8%) and consulting (3.5%). The Company adjusted its performance consumption costs, excluding material consumption for production, to match its revenues, but energy costs still rose by more than 90% compared to the previous year, when these costs were fixed for the Company.

**Added value** in 2024 amounted to CZK 788,178 thousand, representing a decrease of CZK 160,560 thousand compared to 2023 and a decrease of CZK 908,783 thousand compared to 2022 for the reasons described above. Total personnel costs amounted to CZK 590,967 thousand, a decrease of CZK 28,952 thousand compared to 2023. Depreciation of intangible and tangible fixed assets amounted to CZK 150,781 thousand, a slight year-on-year increase (1.1%).

**The operating result** ended with a profit of CZK 95,224 thousand, which is a decrease of CZK 86,008 thousand compared to the previous year due to the above-described factors in the economy and the geopolitical situation. The total impact of adjustments on the operating





result was CZK 89,811 thousand. Almost the entire amount consists of the settlement of provisions for receivables.

Interest expenses on operating loans and factoring, which amounted to CZK 124,978 thousand, decreased by CZK 39,660 thousand year-on-year due to a reduction in the interbank

interest rate, despite an increase in the Company's borrowing for the entire Ferona Group. Interest income of CZK 72,573 thousand consists mainly of interest income within the group of CZK 65,472 thousand. Financial expenses, such as bank fees and exchange rate losses, amounted to CZK 280,894 thousand, with exchange rate losses of CZK 253,588 thousand

representing the largest item. Other financial income of CZK 248,591 thousand consists mainly of exchange rate gains of CZK 242,020 thousand. The balance of exchange rate differences is recognized as an expense and, including spot hedging on the purchase of foreign currencies, amounts to CZK 5,168 thousand.

During the accounting period, the Company did not record any transactions affecting extraordinary results, and profit before tax amounted to CZK 10,516 thousand.

The result for the accounting period is a profit of CZK 16,650 thousand, which is significantly negatively affected by the situation on the market for metallurgical products.





# FERONA HRADEC KRÁLOVÉ



HRADEC KRÁLOVÉ  
BRANCH



STEEL SERVICE  
CENTRE



SERVICES: HEAT-CUTTING  
AND CUTTING



RETAIL  
OUTLET



## 12

COMMENTARY ON THE  
FERONA BALANCE SHEET

| Structure of assets          | Value in CZK thousand | Share in % |
|------------------------------|-----------------------|------------|
| Intangible fixed assets      | 90,678                | 2.9        |
| Tangible fixed assets        | 1,647,136             | 52.4       |
| Non-current financial assets | 1,405,629             | 44.7       |

The Company's [total assets](#) as of December 31, 2024 increased compared to the previous period and reached a book value of CZK 9,941,506 thousand. This was mainly due to an increase in the value of inventories and trade receivables, but also to a decrease in the value of financial assets.

[Fixed assets](#), representing 31.6% of the value of assets, reached CZK 3,143,443 thousand.

The largest part of [long-term tangible assets](#) consists of buildings worth CZK 510,701 thousand (31% of the total value of long-term tangible assets), movable assets worth CZK 559,867 thousand (34% of the total) and land worth CZK 507,686 thousand (30.8% of the total).

The value of [long-term financial assets](#) of CZK 1,405,629 thousand includes Ferona's shareholdings in the equity of its subsidiaries. In the case of foreign financial invest-

ments, equity was translated at the current exchange rate of the Czech National Bank for individual currencies as at December 31, 2024. The increase in the value of long-term financial assets compared to the previous period is influenced by the profit achieved by Pragmet, Ferona Slovakia, and FTP Plastics. However, in the case of foreign investments, the impact of the CZK exchange rate against the EUR and PLN must also be taken into account when converting them.

[Current assets](#) account for 68.2% of total assets and have increased by CZK 540,515 thousand since the beginning of the year to CZK 6,784,412 thousand, mainly in inventories and short-term trade receivables, with a simultaneous decrease in financial assets.

Of the total inventories, [trade goods inventories](#), represent the most significant item, increasing to CZK 2,912,291 thousand compared to the beginning of the year. The immediate turnover period of inventories, calculated from the value of goods sold at acquisition cost, reached 95 days at the end of the year, representing an increase of 21 days compared to the previous year. The increase in inventories of materials by CZK 309,528 thousand compared to the beginning of the period is due to overstocking for production as a result of fluctuations in material price levels.

The Company has [long-term receivables](#) mainly from advance payments for lease principal.

[Trade receivables](#) constitute a significant portion of short-term receivables and decreased in net terms to CZK 1,345,292 thousand compared to the previous year. All receivables more than 60 days past due are covered by provisions. Provisions are created for other receivables based on their risk assessment as of the

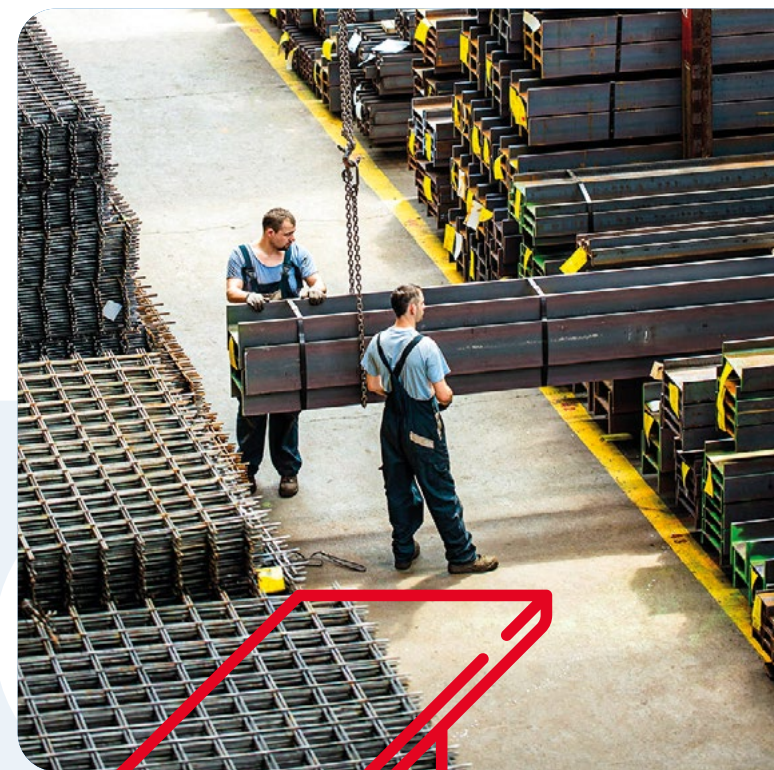
balance sheet date. The immediate turnover period for short-term trade receivables reached 40 days at the end of the year, which represents a year-on-year increase of 10 days. The item "accrued receivables" mainly represents bonuses provided for the purchase of goods that had not been invoiced as of the balance sheet date.

[Cash and cash equivalents](#) at the end of the year amounted to CZK 212,978 thousand, representing a decrease of CZK 614,591 thousand compared to the beginning of the year, taking into account the increase in the value of operating assets.

[The accrual](#) of assets reached CZK 13,651 thousand, which is 0.13% of total assets.

The most significant item on the liabilities side is [equity](#), which amounted to CZK 5,935,381 thousand as of December 31, 2024, covering 59.7% of the total book value of liabilities. An overview of changes is provided in the notes to the financial statements.

[The share capital](#) amounts to 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 any of its own shares in 2023.





At the end of 2024, [external sources](#) amounted to CZK 3,985,925 thousand in the following structure:

|                                | Value in CZK thousand | Share in % |
|--------------------------------|-----------------------|------------|
| <b>Reserves</b>                | 4,151                 | 0.1        |
| <b>Long-term liabilities</b>   | 41,848                | 1.0        |
| <b>Short-term liabilities</b>  | 1,402,269             | 35.2       |
| <b>Bank loans and advances</b> | 2,537,657             | 63.7       |

[Long-term liabilities](#) mainly comprise deferred tax liabilities of CZK 29,709 thousand, the year-on-year change in which is due to a different structure of items included in the calculation.

[Trade payables](#) account for the majority of current liabilities, amounting to CZK 1,092,568 thousand at year-end, and were due within the payment period, except for invoices withheld due to complaints and liabilities ready for offsetting. Their value remained virtually unchanged year-on-year due to caution caused by constant fluctuations in the price levels of sold

commodities. Due to company-wide holidays, it was not possible to record all invoices received in the balance sheet, and therefore, as in the past, these transactions were recorded in estimated liability accounts. The Company did not delay payment of its liabilities in 2024.

[Bank loans](#) excluding factoring amounted to CZK 2,537,657 thousand at the end of the year. As at the balance sheet date, the Company drew operating loans to finance current assets. The year-on-year increase is due to the economic situation in Central European

countries, fluctuations in price levels and turnover, longer turnover periods for operating assets, and overstocking of production materials.

[Accrual](#) amounted to CZK 20,200 thousand at the end of the year, with the largest item being accrued interest and fees on bank loans and freight charges.



## 13

FINANCIAL POSITION  
OF THE COMPANY

**The results of the annual financial statements show that the Company's financial situation is stable in the long term. It ensures that all obligations are met within the agreed and specified deadlines, and the Company has not been in default.**

The Company's total debt is maintained at an acceptable level and the Company has not experienced any problems with the repayment of any of its obligations. The Company maintained the confidence of banks and insurance companies in 2024. The share of external sources and other liabilities in the Company's total assets as of December 31, 2024, was 40.2%, even though

the Company finances loans for the entire Ferona Group. Excluding this effect, the above-mentioned share of external sources is 31.9%, which represents an increase compared to the previous year despite the relatively difficult market situation.

The ratio of bank loans and assistance to sales of goods and services at the end of 2024 reached 20.7% due to a change in the financing of the group by the parent company in 2022. Excluding loans to subsidiaries, it represents 10.6%, which is an increase compared to previous year due to the increased value of operating assets.







# FERONA BRNO



## 14

# INCORPORATION OF SUBSIDIARIES IN THE FERONA GROUP CONSOLIDATION UNIT

Ferona, a.s. is the parent company that accounts for almost 68% of the sales of goods and services in the Ferona Group, which included the following controlled persons as at 31 December 2024:

| FERONA Slovakia, a.s.                |   |
|--------------------------------------|---|
| Identification number                | 364 01 137  |
| Registered office of the company     | Bytčická 12, Žilina, Slovensko                                |
| Other establishments                 | Nitra, Košice, Bratislava                                     |
| Activities                           | wholesale of metallurgical products, cutting of flat products |
| Equity                               | EUR 26,749 thousand   |
| Profit for the year 2024             | EUR 148 thousand  |
| Share of Ferona in the share capital | 100%  |
| Book value of Ferona's share (net)   | CZK 673,671 thousand  |

| FERONA POLSKA, S.A.                  |                                     |
|--------------------------------------|-------------------------------------|
| Identification number                | 240 569 429                         |
| Registered office of the company     | Mikolowska 31, Myslowice, Polsko    |
| Other establishments                 | Wroclaw, Kielce, Poznań             |
| Activities                           | wholesale of metallurgical products |
| Equity                               | PLN 36,519 thousand                 |
| Profit for the year 2024             | PLN 3,636 thousand                  |
| Share of Ferona in the share capital | 100%                                |
| Book value of Ferona's share (net)   | CZK 215,101 thousand                |



**FTP PLASTICS, s.r.o.**

|   |   |
|---|---|
| <b>Identification number</b>                | 253 54 418  |
| <b>Registered office of the company</b>     | ul. ČSA 730,<br>Velká Bystřice, Česko                                 |
| <b>Other establishments</b>                 | Králův Dvůr,<br>České Budějovice                                      |
| <b>Activities</b>                           | trade in technical plastics<br>including assembly and<br>installation |
| <b>Equity</b>                               | CZK 140,902 thousand  |
| <b>Profit for the year 2024</b>             | CZK 3,084 thousand  |
| <b>Share of Ferona in the share capital</b> | 100%  |
| <b>Book value of Ferona's share (net)</b>   | CZK 140,902 thousand  |

**PRAGMET, a.s.**

|   |   |
|---|---|
| <b>Identification number</b>                | 257 89 449  |
| <b>Registered office of the company</b>     | Havlíčková 1043/11, Praha 1,<br>Česko                   |
| <b>Other establishments</b>                 | Benátky nad Jizerou                                     |
| <b>Activities</b>                           | cutting of flat products for<br>the automotive industry |
| <b>Equity</b>                               | CZK 375,955 thousand                                    |
| <b>Profit for the year 2024</b>             | CZK 69,795 thousand                                     |
| <b>Share of Ferona in the share capital</b> | 100%  |
| <b>Book value of Ferona's share (net)</b>   | CZK 375,955 thousand                                    |



# FERONA OLMOUC



OLMOUC  
BRANCH



SERVICES: HEAT-CUTTING  
AND CUTTING



RETAIL  
OUTLET



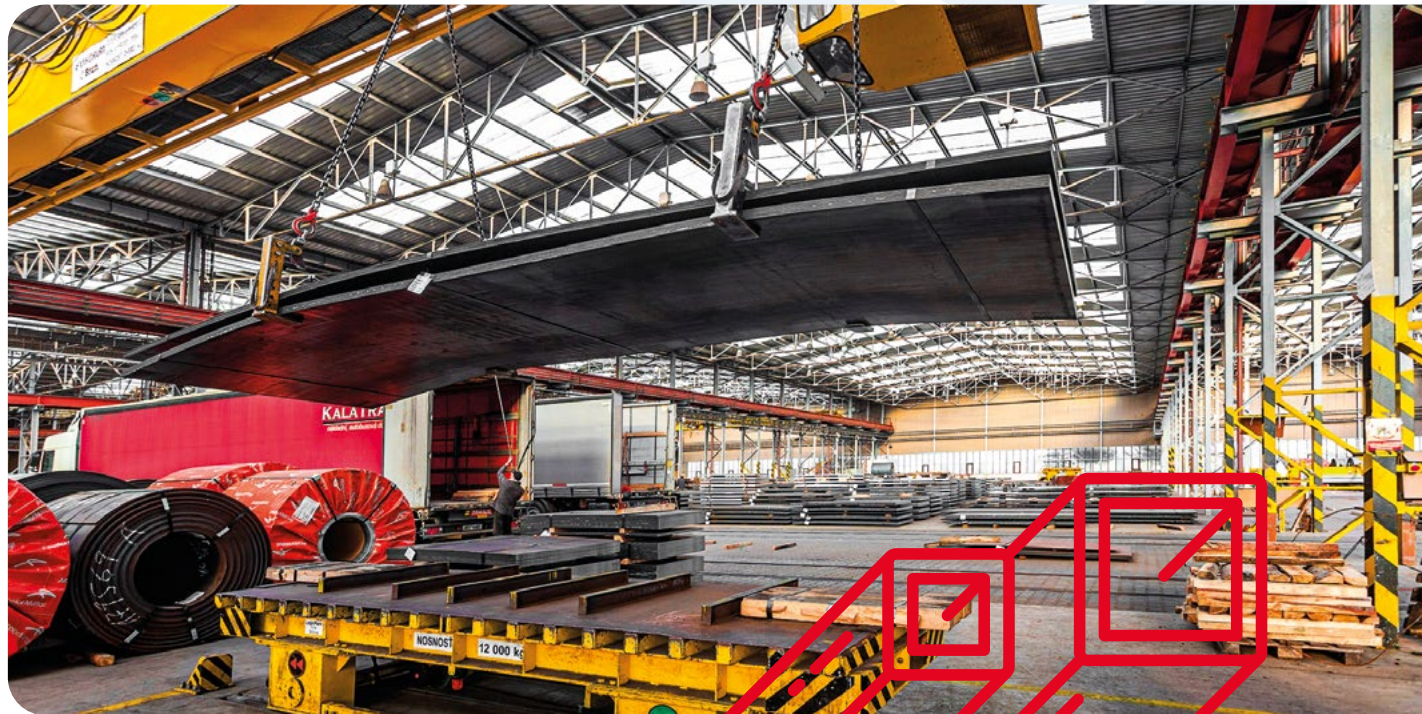
## 15

# RESULTS OF THE FERONA GROUP CONSOLIDATION UNIT

In 2024, the companies in the group achieved sales of goods of CZK 16,594,852 thousand, which is about 6% less than in the previous year. The value added amounted to CZK 1,217,245 thousand and decreased by 11% compared to the previous year. The consolidated operating result as at 31 December 2024 is a profit of CZK 246,758 thousand.

The consolidated profit for 2024 amounted to CZK 71,425 thousand.

The value of assets of the consolidation unit at the end of 2024 amounted to CZK 10,547,410 thousand and the value of equity amounted to CZK 5,932,924 thousand.







# FERONA OSTRAVA



OSTRAVA  
BRANCH



STEEL SERVICE  
CENTRE



RETAIL  
OUTLET



## 16

# EVENTS AFTER THE BALANCE SHEET DATE, MAIN OBJECTIVES, ADDITIONAL INFORMATION AND OUTLOOK FOR 2025

**Events after the balance sheet date of Ferona**

No significant events occurred after the balance sheet date.

**Continuity of the Company's operations – statement by the Company's management**

In the 2024 and 2023 financial years, the Company's performance was affected by low prices for goods sold, influenced by conflicts in Ukraine and the Middle East, energy prices, and the cyclical and structural crisis in European industry, which is leading to its non-competitiveness. This complex set of causes prolongs the instability, which is reflected in low demand not only for metallurgical products. Thanks to all the measures implemented by the

Company's Board of Directors in the product range, inventory and receivables management, and long-term excellent relations with banks and insurance companies, the Company has created the conditions for overcoming the difficult situation. The decisions and measures taken ensured a positive financial result for 2024, and the credit policy introduced provides a long-term stable volume of free financial resources to secure all the Company's needs, including its development.

It was difficult to guide the Company through all the pitfalls during 2024, but despite this, it was possible to create the conditions for the Company to enter 2025 in a strong position and with its

financial management capable of withstanding the situation. The assets that have been dealt with, the liabilities that have been paid and the volume of free financial resources are proof of this preparedness.

After evaluating all available information, negotiated business agreements, and analyzing its balance sheet, the Company's management concluded that there is no significant (material) uncertainty regarding the Company's ability to continue as a going concern. In view of this, the financial statements as of December 31, 2024, have been prepared on the assumption that the Company will be able to continue its operations.

### The Key Objectives of Ferona

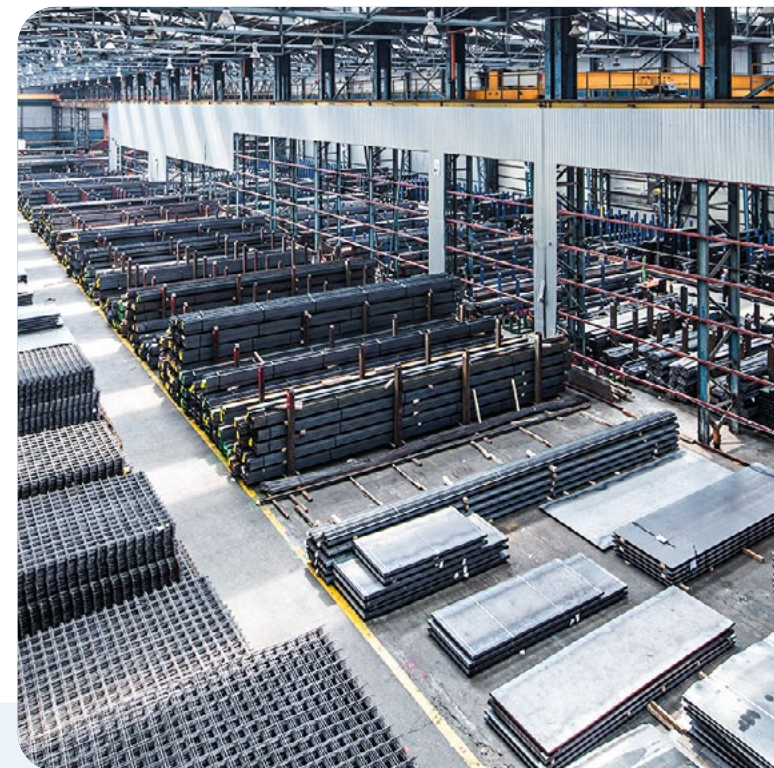
In the quality policy, which the company has set for a long time and verifies its compliance every year through an authorized company, the key objectives are defined.

**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 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 Ferona,
- efficient inventory management at Ferona 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 Ferona Group companies.







### Additional information on Feronia

The Company did not spend any funds on research and development in 2024.

The Company does not report any significant activities in the area of environmental protection, but through rationalization and cost-saving measures in the area of energy consumption, it is purposefully increasing efficiency and thus reducing its environmental impact, which it monitors and evaluates and reflects in the measures it adopts, which are issued in the form of internal regulations. Since 2021, it has been regularly measuring the carbon footprint of its direct emissions on the environment and adapting its investment plans to new environmentally friendly trends.

It regularly informs its business partners about its environmental activities, in particular about planned investment projects that will lead to a reduction in its carbon footprint in line with EU targets.

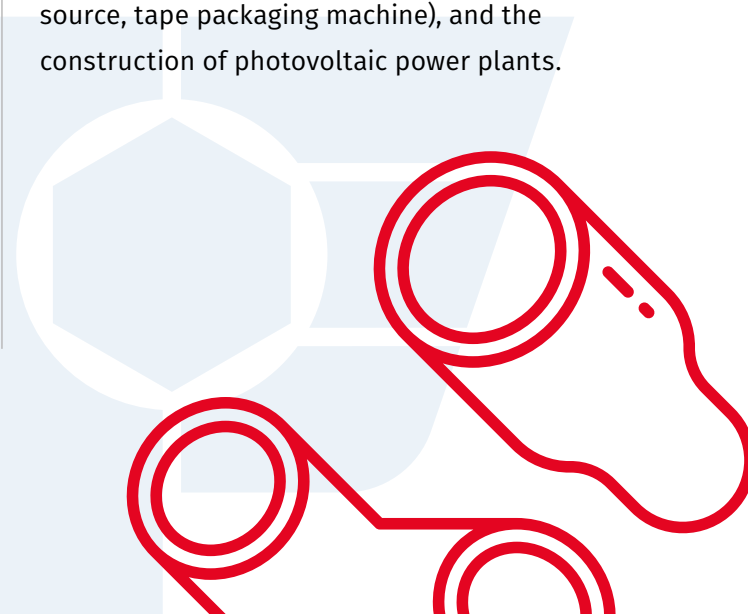
The Company has no organizational units abroad.

### Feronia financial plan for 2025

Feronia expects to achieve sales of CZK 13,373 million and a pre-tax profit of CZK 50,484 million, which realistically reflect the situation in the economic area.

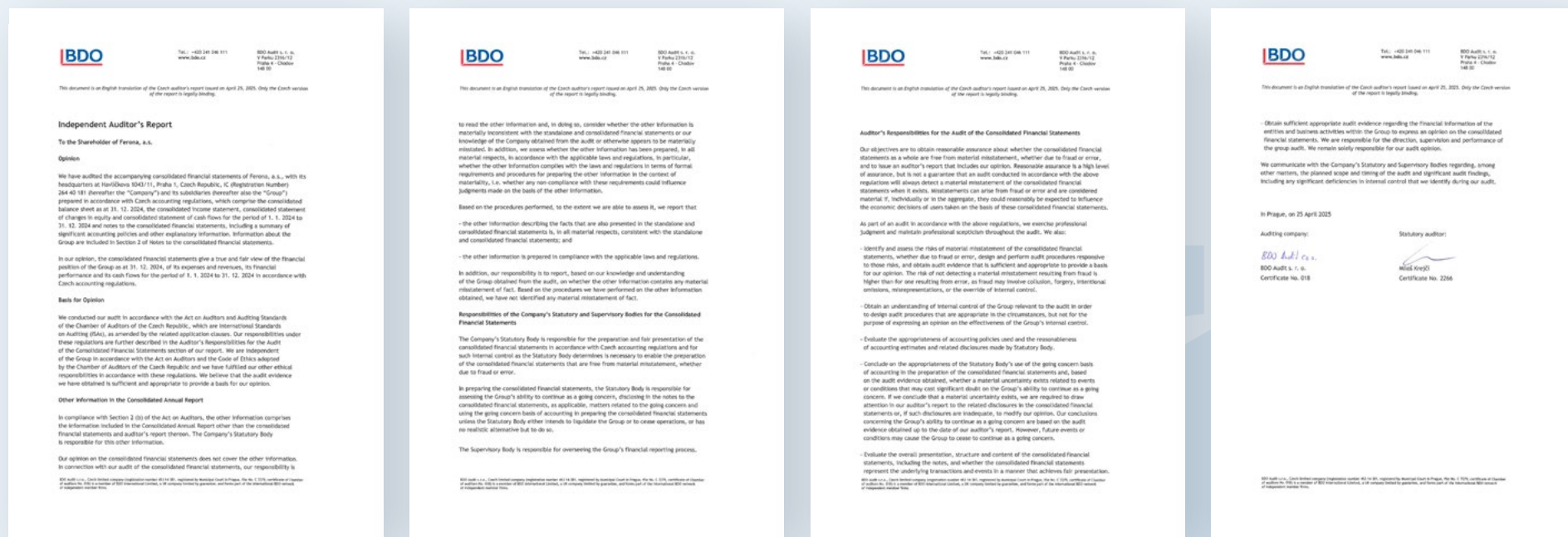
### Feronia investment plan for 2025

Feronia, a.s. will spend CZK 103 million on investments, which will be of a renewal and, above all, development nature. Development investments will focus on the commissioning of a new ERP, production and services (plasma source, tape packaging machine), and the construction of photovoltaic power plants.



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# INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF THE COMPANY'S NON-CONSOLIDATED FINANCIAL STATEMENTS





## 18

# NON-CONSOLIDATED FINANCIAL STATEMENTS

## BALANCE SHEET UNABRIDGED AS OF 31. 12. 2024 – ASSETS

(IN CZK THOUSAND)

|                     |   | Current period    |                   |                     | Balance as<br>of 31.12.2023 |
|---------------------|---|-------------------|-------------------|---------------------|-----------------------------|
|                     |   | Gross             | Correction        | Net                 | Net                         |
| <b>TOTAL ASSETS</b> |   | <b>13 658 402</b> | <b>–3 716 896</b> | <b>9 941 506</b>    | <b>9 315 225</b>            |
| <b>B.</b>           | <b>Fixed assets</b>   | <b>6 758 762</b>  | <b>–3 615 319</b> | <b>3 143 443</b>    | <b>3 057 715</b>            |
| <b>B.I.</b>         | <b>Intangible assets</b>                                      | <b>188 908</b>    | <b>–98 230</b>    | <b>90 678</b>       | <b>59 762</b>               |
| B.I.2.              | Valuable rights   | 99 321            | –98 230           | 1 091               | 1 638                       |
| B.I.2.1.            | Software  | 99 321            | –98 230           | 1 091               | 1 638                       |
| B.I.5.              | Advances to intangible assets + intangible assets in progress | 89 587            | 0                 | 89 587              | 58 124                      |
| B.I.5.2.            | Intangible assets in progress                                 | 89 587            | 0                 | 89 587              | 58 124                      |
| <b>B.II.</b>        | <b>Tangible assets</b>  | <b>5 164 225</b>  | <b>–3 517 089</b> | <b>1 647 136</b>    | <b>1 667 625</b>            |
| B.II.1.             | Lands and buildings   | 3 004 599         | –1 986 212        | 1 018 387           | 1 059 171                   |
| B.II.1.1.           | Lands   | 507 686           | 0                 | 507 686             | 507 820                     |
| B.II.1.2.           | Buildings   | 2 496 913         | –1 986 212        | 510 701             | 551 351                     |
| B.II.2.             | Tangible movable things and sets of movable things            | 2 090 744         | –1 530 877        | 559 867             | 538 447                     |
| 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     | 68 568            | 0                 | 68 568              | 69 693                      |
| B.II.5.1.           | Advances to tangible assets                                   | 47 478            | 0                 | 47 478              | 14 293                      |
| B.II.5.2.           | Tangible assets in progress                                   | 21 090            | 0                 | 21 090              | 55 400                      |
| <b>B.III.</b>       | <b>Financial investments</b>                                  | <b>1 405 629</b>  | <b>0</b>          | <b>1 405 629,00</b> | <b>1 330 328</b>            |
| B.III.1.            | Shares – controlled or controlling person                     | 1 405 629         | 0                 | 1 405 629,00        | 1 330 328                   |

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## BALANCE SHEET UNABRIDGED AS OF 31. 12. 2024 – ASSETS

(IN CZK THOUSAND)

|              |   | Current period   |                 |                  | Balance as of 31.12.2023 |
|--------------|---|------------------|-----------------|------------------|--------------------------|
|              |   | Gross            | Correction      | Net              | Net                      |
| <b>C.</b>    | <b>Current assets</b>                           | <b>6 885 989</b> | <b>-101 577</b> | <b>6 784 412</b> | <b>6 243 897</b>         |
| <b>C.I.</b>  | <b>Inventory</b>                                | <b>3 858 193</b> | <b>-1 274</b>   | <b>3 856 919</b> | <b>2 985 187</b>         |
| C.I.1.       | Material  | 920 989          | 0               | 920 989          | 611 461                  |
| C.I.2.       | Work in progress and semi-finished products     | 12 517           | 0               | 12 517           | 3 048                    |
| C.I.3.       | Finished products and goods                     | 2 913 565        | -1 274          | 2 912 291        | 2 369 299                |
| C.I.3.2.     | Goods   | 2 913 565        | -1 274          | 2 912 291        | 2 369 299                |
| C.I.5.       | Advances for inventory                          | 11 122           | 0               | 11 122           | 1 379                    |
| <b>C.II.</b> | <b>Receivables</b>                              | <b>2 814 818</b> | <b>-100 303</b> | <b>2 714 515</b> | <b>2 431 141</b>         |
| C.II.1.      | Long-term receivables                           | 3 229            | 0               | 3 229            | 3 236                    |
| C.II.1.5.    | Other receivables                               | 3 229            | 0               | 3 229            | 3 236                    |
| C.II.1.5.2.  | Long-term advances – paid                       | 3 229            | 0               | 3 229            | 3 236                    |
| C.II.2.      | Short-term receivables                          | 2 811 589        | -100 303        | 2 711 286        | 2 427 905                |
| C.II.2.1.    | Accounts receivable                             | 1 445 595        | -100 303        | 1 345 292        | 1 067 643                |
| C.II.2.2.    | Receivables – controlled and controlling person | 1 230 355        | 0               | 1 230 355        | 1 230 095                |
| C.II.2.4.    | Other receivables                               | 135 639          | 0               | 135 639          | 130 167                  |
| C.II.2.4.3.  | State – tax assets                              | 0                | 0               | 0                | 22 400                   |
| C.II.2.4.4.  | Short-term advances – paid                      | 7 363            | 0               | 7 363            | 3 559                    |
| C.II.2.4.5.  | Estimated assets                                | 127 592          | 0               | 127 592          | 103 882                  |
| C.II.2.4.6.  | Other receivables                               | 684              | 0               | 684              | 326                      |
| <b>C.IV.</b> | <b>Cash</b>                                     | <b>212 978</b>   | <b>0</b>        | <b>212 978</b>   | <b>827 569</b>           |
| C.IV.1.      | Petty cash                                      | 1 711            | 0               | 1 711            | 1 615                    |
| C.IV.2.      | Bank accounts                                   | 211 267          | 0               | 211 267          | 825 954                  |
| <b>D.</b>    | <b>Accruals and deferrals</b>                   | <b>13 651</b>    | <b>0</b>        | <b>13 651</b>    | <b>13 613</b>            |
| <b>D.1.</b>  | <b>Prepaid expenses</b>                         | <b>11 610</b>    | <b>0</b>        | <b>11 610</b>    | <b>10 898</b>            |
| <b>D.3.</b>  | <b>Accrued income</b>                           | <b>2 041</b>     | <b>0</b>        | <b>2 041</b>     | <b>2 715</b>             |



## BALANCE SHEET UNABRIDGED AS OF 31. 12. 2024 – LIABILITIES

(IN CZK THOUSAND)

|                |   | Current accounting period | Balance as of 31.12.2023 |
|----------------|---|---------------------------|--------------------------|
|                | <b>TOTAL LIABILITIES AND EQUITY</b>           | <b>9 941 506</b>          | <b>9 315 225</b>         |
| <b>A.</b>      | <b>Equity</b>                                 | <b>5 935 381</b>          | <b>5 843 432</b>         |
| <b>A.I.</b>    | <b>Registered capital</b>                     | <b>3 000 000</b>          | <b>3 000 000</b>         |
| A.I.1.         | Registered capital                            | 3 000 000                 | 3 000 000                |
| <b>A.II.</b>   | <b>Share premium and capital funds</b>        | <b>710 241</b>            | <b>634 941</b>           |
| A.II.2.        | Capital funds                                 | 710 241                   | 634 941                  |
| A.II.2.1.      | Other capital funds                           | 230 542                   | 230 542                  |
| A.II.2.2.      | Adjustments to assets and liabilities         | 479 699                   | 404 399                  |
| <b>A.III.</b>  | <b>Funds from profit</b>                      | <b>392 139</b>            | <b>388 953</b>           |
| A.III.1.       | Other reserve funds                           | 392 139                   | 388 953                  |
| <b>A.IV.</b>   | <b>Retained earnings / (accumulated loss)</b> | <b>1 816 351</b>          | <b>1 755 823</b>         |
| A.IV.1.        | Retained earnings / loss                      | 1 816 351                 | 1 755 823                |
| <b>A.V.</b>    | <b>Net profit for the period</b>              | <b>16 650</b>             | <b>63 715</b>            |
| <b>B. + C.</b> | <b>Liabilities</b>                            | <b>3 985 925</b>          | <b>3 460 303</b>         |
| <b>B.</b>      | <b>Reserves</b>                               | <b>4 151</b>              | <b>3 275</b>             |
| B.4.           | Other reserves                                | 4 151                     | 3 275                    |

☑ Table continues on the following page

✓ Table continued from the previous page

## BALANCE SHEET UNABRIDGED AS OF 31. 12. 2024 – LIABILITIES

(IN CZK THOUSAND)

|              |  | Current accounting period | Balance as of 31.12.2023 |
|--------------|--|---------------------------|--------------------------|
| <b>C.</b>    | <b>Payables</b>                              | <b>3 981 774</b>          | <b>3 457 028</b>         |
| <b>C.I.</b>  | <b>Long-term payables</b>                    | <b>41 848</b>             | <b>42 732</b>            |
| C.I.8.       | Deferred tax liability                       | 29 709                    | 35 843                   |
| C.I.9.       | Other payables                               | 12 139                    | 6 889                    |
| C.I.9.3.     | Other payables                               | 12 139                    | 6 889                    |
| <b>C.II.</b> | <b>Short-term payables</b>                   | <b>3 939 926</b>          | <b>3 414 296</b>         |
| C.II.2.      | Payables to credit institutions              | 2 537 657                 | 1 831 795                |
| C.II.3.      | Short-term advances receives                 | 1 490                     | 3 611                    |
| C.II.4.      | Accounts payable                             | 1 092 568                 | 1 165 151                |
| C.II.8.      | Other payables                               | 308 211                   | 413 739                  |
| C.II.8.2.    | Short-term borrowings                        | 0                         | 731                      |
| C.II.8.3.    | Payables to employees                        | 34 871                    | 42 389                   |
| C.II.8.4.    | Social security and health insurance payable | 18 801                    | 20 545                   |
| C.II.8.5.    | Stát – daňové závazky a dotace               | 31 281                    | 31 104                   |
| C.II.8.6.    | State – tax liabilities and subsidies        | 221 661                   | 317 402                  |
| C.II.8.7.    | Other payables                               | 1 597                     | 1 568                    |
| <b>D.</b>    | <b>Accruals and deferrals</b>                | <b>20 200</b>             | <b>11 490</b>            |
| D.1.         | Accrued expenses                             | 20 071                    | 11 382                   |
| D.2.         | Deferred income                              | 129                       | 108                      |



## PROFIT AND LOSS ACCOUNT UNABRIDGED, BY TYPE AS OF 31. 12. 2024

(IN CZK THOUSAND)

|             |  | Actual in accounting period |                   |
|-------------|--|-----------------------------|-------------------|
|             |  | Current                     | Past              |
| <b>I.</b>   | <b>Income from sale of goods and services</b>              | <b>202 030</b>              | <b>222 648</b>    |
| <b>II.</b>  | <b>Income from sale of goods</b>                           | <b>12 077 365</b>           | <b>12 599 022</b> |
| <b>A.</b>   | <b>Production consumption</b>                              | <b>14 718 680</b>           | <b>15 108 154</b> |
| A.1.        | Cost of goods sold   | 11 214 262                  | 11 653 531        |
| A.2.        | Material and energy consumption                            | 3 210 076                   | 3 175 867         |
| A.3.        | Services   | 294 342                     | 278 756           |
| <b>B.</b>   | <b>Change of balance of internally developed inventory</b> | <b>-11 412</b>              | <b>-87</b>        |
| <b>C.</b>   | <b>Capitalisation</b>                                      | <b>-3 216 051</b>           | <b>-3 235 135</b> |
| <b>D.</b>   | <b>Personnel expenses</b>                                  | <b>590 967</b>              | <b>619 919</b>    |
| D.1.        | Payroll  | 440 053                     | 464 775           |
| D.2.        | Social security, health insurance and other expenses       | 150 914                     | 155 144           |
| D.2.1.      | Social security and health insurance expenses              | 142 430                     | 146 523           |
| D.2.2.      | Other expenses   | 8 484                       | 8 621             |
| <b>E.</b>   | <b>Adjustments to operations</b>                           | <b>60 970</b>               | <b>114 454</b>    |
| E.1.        | Adjustments to tangible and intangible assets              | 150 781                     | 149 149           |
| E.1.1.      | Adjustments to tangible and intangible assets-permanent    | 150 781                     | 149 149           |
| E.2.        | Adjustments to inventory                                   | 750                         | -442              |
| E.3.        | Adjustments to receivables                                 | -90 561                     | -34 253           |
| <b>III.</b> | <b>Other operating income</b>                              | <b>1 588 437</b>            | <b>1 627 643</b>  |
| III.1.      | Income from sold fixed assets                              | 7 502                       | 5 627             |
| III.2.      | Income from sold materials                                 | 23 835                      | 20 608            |
| III.3.      | Other operating income                                     | 1 557 100                   | 1 601 408         |

✓ Table continues on the following page

Table continued from the previous page

## PROFIT AND LOSS ACCOUNT UNABRIDGED, BY TYPE AS OF 31. 12. 2024

(IN CZK THOUSAND)

|             |  | Actual in accounting period |                  |
|-------------|--|-----------------------------|------------------|
|             |  | Current                     | Past             |
| <b>F.</b>   | <b>Other operating expenses</b>                    | <b>1 629 454</b>            | <b>1 660 776</b> |
| F.1.        | Residual price of sold assets                      | 1 280                       | 1 192            |
| F.2.        | Residual price of sold material                    | 14 326                      | 8 532            |
| F.3.        | Taxes and charges                                  | 21 868                      | 14 429           |
| F.4.        | Operating reserves and complex prepaid expenses    | 876                         | 572              |
| F.5.        | Other expenses                                     | 1 591 104                   | 1 636 051        |
| <b>*</b>    | <b>Profit / (loss) from operations</b>             | <b>95 224</b>               | <b>181 232</b>   |
| <b>VI.</b>  | <b>Interest and other similar income</b>           | <b>72 573</b>               | <b>69 174</b>    |
| VI.1.       | Interest income – controlled or controlling person | 65 472                      | 68 885           |
| VI.2.       | Interest and other similar income                  | 7 101                       | 289              |
| <b>J.</b>   | <b>Interest and other similar expense</b>          | <b>124 978</b>              | <b>164 638</b>   |
| J.2.        | Other interest and other similar expense           | 124 978                     | 164 638          |
| <b>VII.</b> | <b>Other financial gains</b>                       | <b>248 591</b>              | <b>207 077</b>   |
| <b>K.</b>   | <b>Other financial losses</b>                      | <b>280 894</b>              | <b>251 868</b>   |
| <b>*</b>    | <b>Financial profit (loss)</b>                     | <b>-84 708</b>              | <b>-140 255</b>  |
| <b>**</b>   | <b>Profit before taxes</b>                         | <b>10 516</b>               | <b>40 977</b>    |
| <b>L.</b>   | <b>Income tax</b>                                  | <b>-6 134</b>               | <b>-22 738</b>   |
| L.1.        | – due  | 0                           | -498             |
| L.2.        | – deferred   | -6 134                      | -22 240          |
| <b>**</b>   | <b>Profit/(loss) after taxes</b>                   | <b>16 650</b>               | <b>63 715</b>    |
| <b>***</b>  | <b>Profit for the period</b>                       | <b>16 650</b>               | <b>63 715</b>    |
| <b>XII.</b> | <b>Net turnover for the period (group 6)</b>       | <b>12 279 395</b>           | <b>0</b>         |



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# INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF THE COMPANY'S CONSOLIDATED FINANCIAL STATEMENTS

## Independent Auditor's Report To the Shareholder of Ferona, a.s.

### Opinion

We have audited the accompanying financial statements of Ferona, a.s., with its headquarters at Havlíčkova 1043/11, Praha 1, Czech Republic, IC (Registration Number) 264 40 181 (hereafter the "Company") prepared in accordance with Czech accounting regulations, which comprise the balance sheet as at 31. 12. 2024, the income statement, statement of changes in equity and statement of cash flows for the period of 1. 1. 2024 to 31. 12. 2024 and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31. 12. 2024, of its expenses and revenues, its financial performance and its cash flows for the period of 1. 1. 2024 to 31. 12. 2024 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 Financial Statements. In

accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic, we are independent of the Company and have fulfilled other ethical requirements applicable to us. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information in the Annual Report

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

As stated in paragraph 1.2 Major owners of the company in the notes to the financial statements, Ferona, a.s. does not prepare an Annual Report because it intends to include the relevant information in its Consolidated Annual Report. For this reason, our opinion on other information is not included in this auditor's report.

### **Responsibilities of the Company's Statutory and Supervisory Bodies for the Financial Statements**

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

In preparing the financial statements, the Statutory Body is responsible for assessing the Company's ability to continue as a going concern, disclosing in the notes to the financial statements, as applicable, matters related to the going concern and using the going concern

basis of accounting in preparing the financial statements unless the Statutory Body either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Supervisory Body is 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 the above regulations will always detect a material misstatement of the 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 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 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 Company 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 made, and the information provided by the Company's statutory body in the notes to the financial statements in this regard.
- Conclude on the appropriateness of the Statutory Body's use of the going concern basis of accounting in the preparation of the 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 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 concerning the Company'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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the notes, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Company's Statutory and Supervisory Bodies 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 7 March 2025

**Auditing company:**

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

**Statutory auditor:**

Miloš Krejčí, Certificate No. 2266

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# CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED BALANCE SHEET – ASSETS

(IN CZK THOUSAND)

|  | Current as of<br>31.12.2024 | Current as of<br>31.12.2023 | Previous as of<br>31.12.2022 |
|--|-----------------------------|-----------------------------|------------------------------|
| <b>TOTAL ASSETS</b>                                    | <b>10 547 410</b>           | <b>10 183 257</b>           | <b>10 822 793</b>            |
| <b>B. Fixed assets</b>                                 | <b>2 625 975</b>            | <b>2 606 115</b>            | <b>2 557 637</b>             |
| B.I. Intangible assets                                 | 92 430                      | 60 552                      | 36 562                       |
| B.II. Tangible assets                                  | 2 533 545                   | 2 545 563                   | 2 521 075                    |
| B.III. Financial investments                           | 0                           | 0                           | 0                            |
| B.IV. Consolidation balance – active “+”, negative “-“ | 0                           | 0                           | 0                            |
| B.V. Equity securities                                 | 0                           | 0                           | 0                            |
| <b>C. Current assets</b>                               | <b>7 901 343</b>            | <b>7 558 226</b>            | <b>8 247 325</b>             |
| C.I. Inventory   | 5 146 391                   | 4 280 343                   | 4 993 324                    |
| C.II. Receivables                                      | 2 273 006                   | 2 179 386                   | 2 489 977                    |
| C.IV. Financial assets                                 | 481 946                     | 1 098 497                   | 764 024                      |
| <b>D. Prepaid expenses and accrued revenue</b>         | <b>20 092</b>               | <b>18 916</b>               | <b>17 831</b>                |



## CONSOLIDATED BALANCE SHEET – LIABILITIES

(IN CZK THOUSAND)

|   | Current as of<br>31.12.2024 | Current as of<br>31.12.2023 | Previous as of<br>31.12.2022 |
|---|-----------------------------|-----------------------------|------------------------------|
| <b>TOTAL LIABILITIES AND EQUITY</b>                           | <b>10 547 410</b>           | <b>10 183 257</b>           | <b>10 822 793</b>            |
| <b>A. Equity</b>  | <b>5 932 924</b>            | <b>5 841 393</b>            | <b>5 979 372</b>             |
| A.I. Registered capital                                       | 3 000 000                   | 3 000 000                   | 3 000 000                    |
| A.II. Share premium and capital funds                         | 115 042                     | 96 277                      | 67 302                       |
| A.III. Funds from profit                                      | 465 572                     | 459 369                     | 412 016                      |
| A.IV. Retained earnings                                       | 2 280 885                   | 2 173 047                   | 1 842 507                    |
| A.V. Current profit minus minority shares                     | 71 425                      | 112 700                     | 657 547                      |
| 1. Current profit / (loss)                                    | 71 425                      | 112 700                     | 657 547                      |
| 2. Profit share in equity (+/-)                               | 0                           | 0                           | 0                            |
| A.VI. Consolidation reserve fund                              | 0                           | 0                           | 0                            |
| <b>B.+C. Liabilities</b>                                      | <b>4 593 578</b>            | <b>4 330 228</b>            | <b>4 829 321</b>             |
| <b>B. Reserves</b>  | <b>10 477</b>               | <b>20 661</b>               | <b>29 000</b>                |
| C.I. Long-term liabilities                                    | 47 392                      | 46 584                      | 62 000                       |
| C.II. Short-term liabilities                                  | 4 535 709                   | 4 262 983                   | 4 738 321                    |
| <b>D. Deferred expenses and accrued revenue</b>               | <b>20 908</b>               | <b>11 636</b>               | <b>14 100</b>                |
| <b>E. Minority equity</b>                                     | <b>0</b>                    | <b>0</b>                    | <b>0</b>                     |
| 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<br>31.12.2024     | Current as of<br>31.12.2023 | Previous as of<br>31.12.2022 |
| <b>I. Revenue from sale of products and services</b>               | <b>2 590 194</b>                | <b>2 069 940</b>            | <b>1 954 248</b>             |
| <b>II. Revenue from sale of goods</b>                              | <b>16 594 852</b>               | <b>17 694 407</b>           | <b>23 228 676</b>            |
| A. Production consumption  | 22 757 998                      | 23 374 246                  | 28 557 719                   |
| B. Change in internally developed inventory balance                | -50 091                         | 14 054                      | -29 761                      |
| C. Capitalisation  | -4 740 106                      | -4 990 428                  | -5 757 770                   |
| D. Personnel expenses  | 816 259                         | 832 641                     | 851 064                      |
| E. Adjustments of operation  | 86 518                          | 168 735                     | 91 899                       |
| of which – adjustments to tangible and intangible assets-permanent | 208 038                         | 202 802                     | 199 454                      |
| Deduction of the consolidation balance                             | 0                               | 0                           | 0                            |
| <b>III. Other operating income</b>                                 | <b>2 365 699</b>                | <b>2 378 723</b>            | <b>3 252 121</b>             |
| F. Other operating expenses  | 2 433 409                       | 2 412 552                   | 3 645 870                    |
| <b>* Consolidated operating profit</b>                             | <b>246 758</b>                  | <b>331 270</b>              | <b>1 076 024</b>             |
| <b>VI. Interest received and similar income</b>                    | <b>8 525</b>                    | <b>349</b>                  | <b>95</b>                    |
| J. Interest expense and similar expenses                           | 130 387                         | 173 872                     | 141 456                      |
| <b>VII. Other financial gains</b>                                  | <b>274 962</b>                  | <b>233 407</b>              | <b>328 021</b>               |
| K. Other financial losses  | 308 382                         | 281 072                     | 386 071                      |
| <b>* Consolidated financial profit/(loss)</b>                      | <b>-155 282</b>                 | <b>-221 188</b>             | <b>-199 411</b>              |
| <b>** Consolidated profit before taxes</b>                         | <b>91 476</b>                   | <b>110 082</b>              | <b>876 613</b>               |
| L. Income tax  | 20 051                          | -2 618                      | 219 066                      |
| <b>** Consolidated profit after taxes</b>                          | <b>71 425</b>                   | <b>112 700</b>              | <b>657 547</b>               |
| <b>*** Consolidated profit for the period</b>                      | <b>71 425</b>                   | <b>112 700</b>              | <b>657 547</b>               |
| – Profit for the period  | 71 425                          | 112 700                     | 657 547                      |
| – Minority profit for the period                                   | 0                               | 0                           | 0                            |
| Profit share in equity   | 0                               | 0                           | 0                            |
| <b>**** Consolidated profit for the period</b>                     | <b>71 425</b>                   | <b>112 700</b>              | <b>657 547</b>               |