

ANNUAL REPORT 2022

GEVORKYAN, a.s.



GEVORKYAN, a.s., Továrenská 504, Vlkanová

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1. Company introduction

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



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

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



Metal parts, manufactured in GEVORKYAN, a.s.

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

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



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



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



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



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

The company continues to focus on development. In 2022, approximately 10% of the total workforce was working on the development of new technologies and products for customers around the world. The work of the development department results in unique solutions for which the company regularly receives international awards.

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

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



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

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

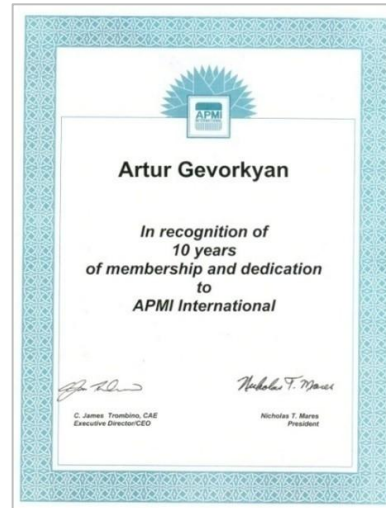


"Factory of the Year" by the Fraunhofer Institute and EXIM Bank Slovakia for a progressive business model.

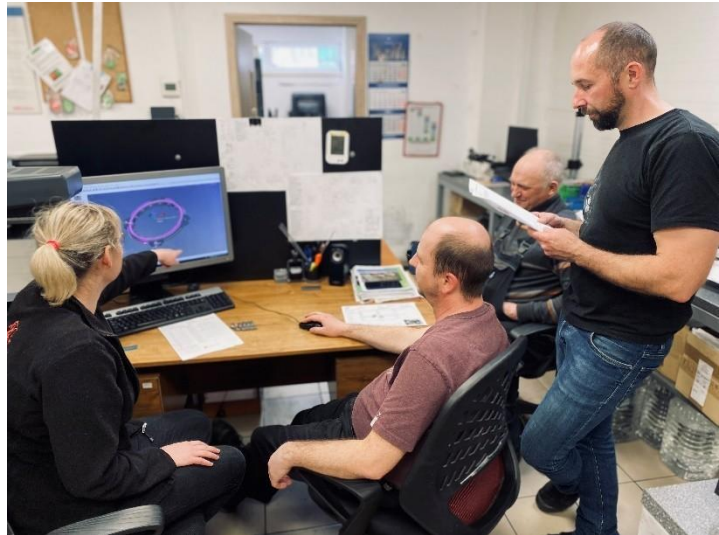


The activities of GEVORKYAN, a.s. and its activities are available on the website www.gevorkyan.sk, section *About us - Awards*.

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



Laboratory - automatic hardness tester



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

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

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

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

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

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

The financial statements for 2022 were audited by Ernst & Young Slovakia, spol. s r.o., license SKAU No. 257.

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

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

In 2014, the company employed 190 employees and generated sales of approximately EUR 17 million. Over the next 8 years, thanks mainly to the aforementioned automation, the company has managed to streamline production and reduce jobs, especially those with lower added value. In 2022, the company achieved sales of almost 60 million euros with an even **lower number of employees: 172**.

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



Own nitrogen generator

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



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

Gasbarre calibration presses

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



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

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

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

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

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

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

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



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



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

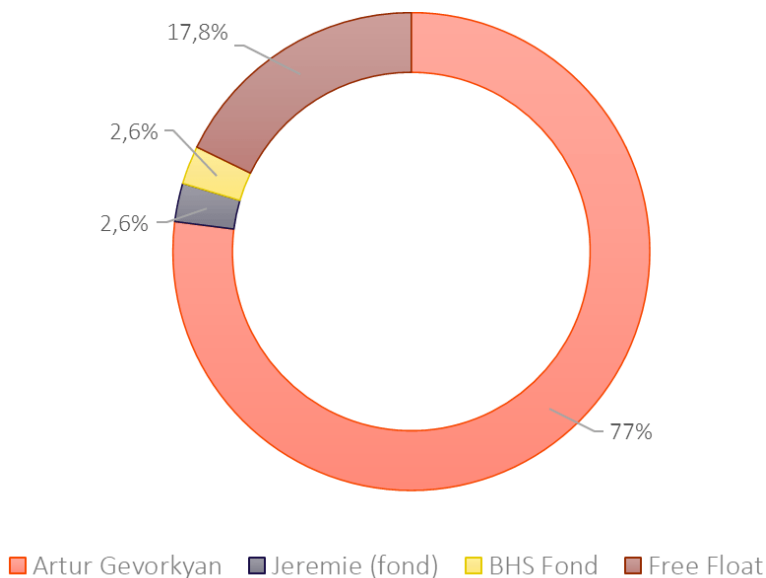


In the near future, the company plans to expand production as well as invest in the expansion of additive manufacturing (3D printing), which is already used in the three-shift operation in the development department.

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



2. Structure of the shareholders and organs of the company



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

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

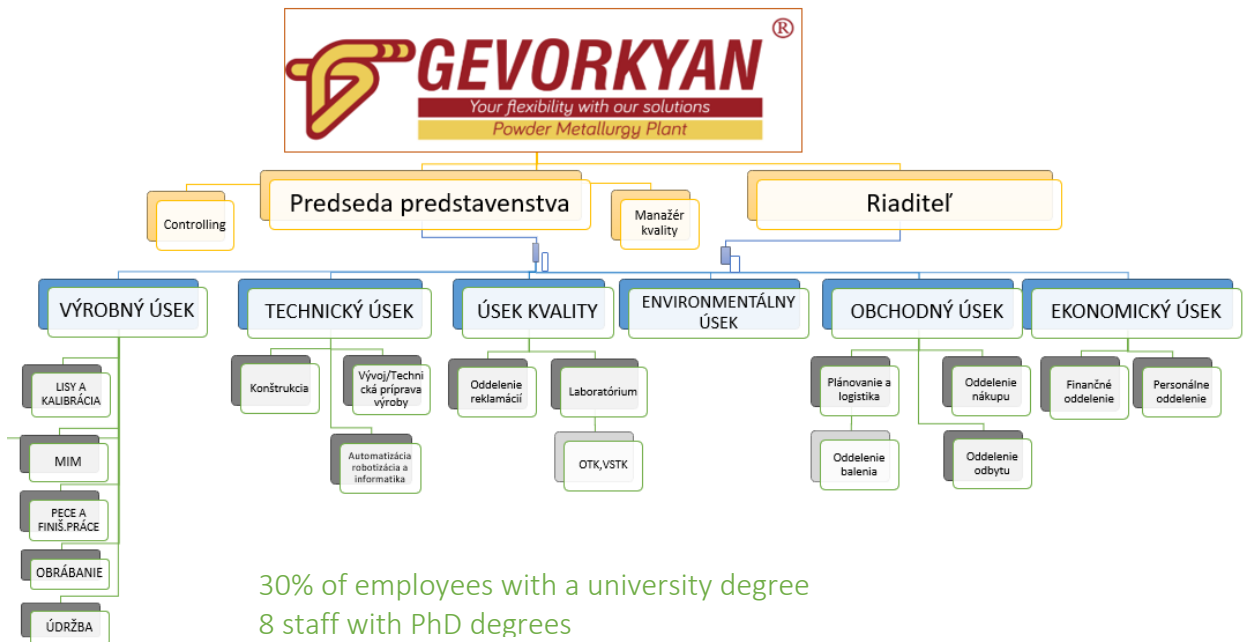
The company's strategy is determined and implemented by the company's majority shareholder Artur Gevorkyan, an aerospace engineer who has worked on the development of composite materials for military aviation.

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

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



3. Organisational structure and employment



At the end of 2022, the company employed a total of 172 employees, of whom worked in the development department. It provides attractive and stable jobs for skilled workers with relevant education. The company has a multinational team. The key managers have experience in different industries.

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

As of December 31, 2022, the company had 172 employees, of which 114 were women and 58 were men. Their average age was 38 years.

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

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

In 2022, a special programme continued to support young and talented employees, for whom the company reimburses university studies, education and various professional trainings and courses (foreign language training), and the provision of long-term loans (up to 30 years) for the purchase of an apartment, a house or the overhaul of an existing property.

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

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

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

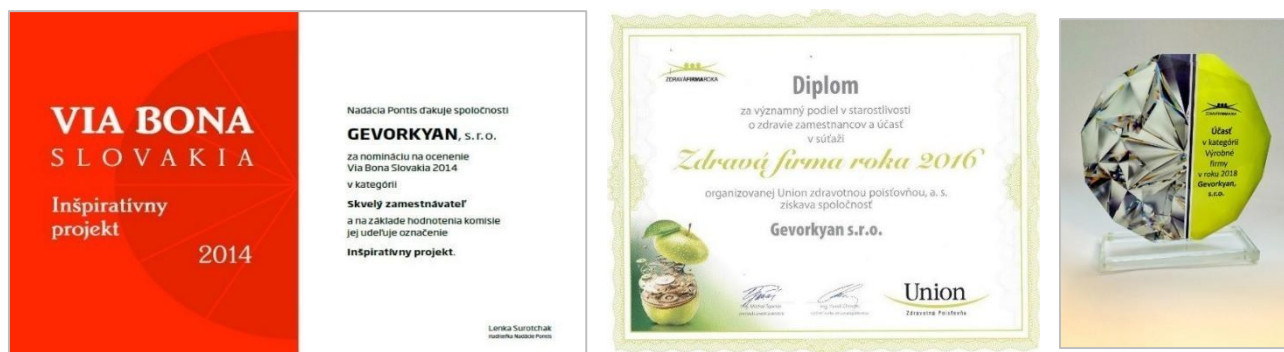
Professional training and, above all, the practical application of acquired knowledge is crucial in society. The promotion of dual training is a natural part of the company's policy. On the basis of cooperation with **the Technical University in Zvolen**, students go through all departments, from development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



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

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

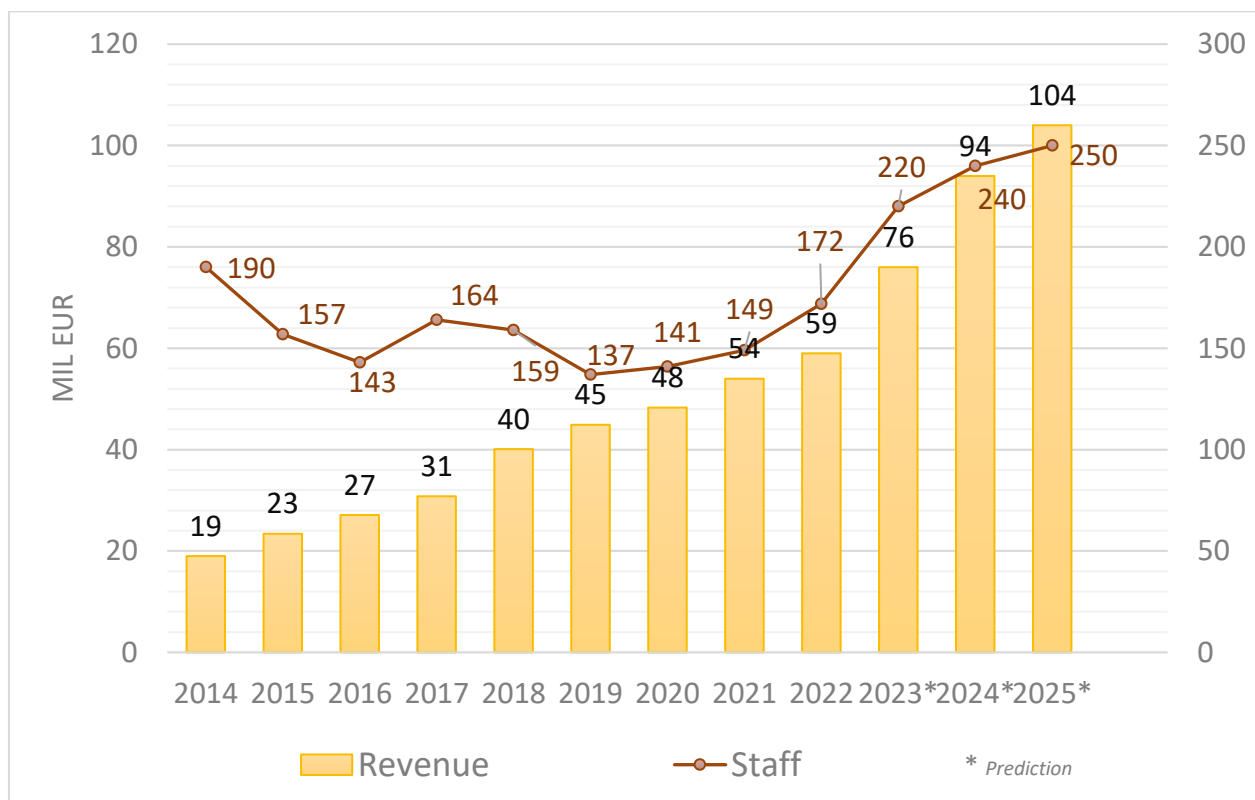
In 2016 it was awarded as **"Healthy Company of the Year"** by the health insurance company for its significant contribution to employee health care, and 2018 marked its 4th place in the **Manufacturing Companies** category in the next edition of this competition.



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



Employees of the company and traditional Hron River



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

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

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

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

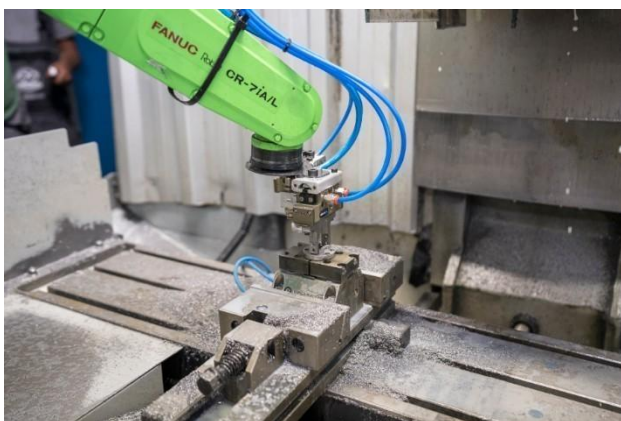
In 2019, a separate 3D printing department was created. A new industry called Additive Manufacturing (AM), which is part of powder metallurgy, is currently in the spotlight. GEVORKYAN, Inc. believes that the time of intensive use of Additive Manufacturing (AM) technology is yet to come and will be used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



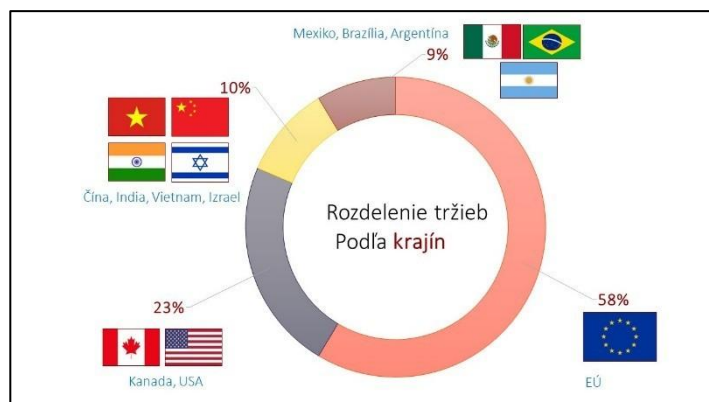
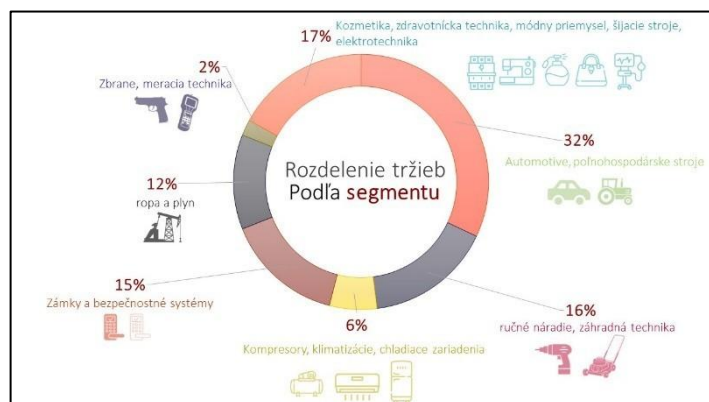
In 2020, the company launched a new high-speed quenching line for mass production, which is specific in that it can quench special powder metallurgy composite materials. It is also unique that GEVORKYAN, a.s. cooperated on the development and production together with a German manufacturer. The result of the cooperation is a **unique line for high-temperature hardening (up to 1050 °C) in the whole territory of the Czech Republic and Slovakia.**



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



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



5. Strategy of GEVORKYAN, a. s.

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

The company's products are not strictly linked to one industry sector. Parts are supplied to

automotive, hand tools, locks and protection systems, cosmetic, medical, agricultural and petroleum industries.

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

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

The total volume of **projects priced** for 2022 was nearly **47 million€** (annual revenue per project). Of this, confirmed orders from customers as well as start-up orders amounted to just under 9 million € , accounting for **19.11%**

YEAR 2022	annual turnover in €	
TOTAL	46 770 230 €	
Retrieved from	8 935 551 €	19,11%
We communicate	32 658 017 €	69,83%
Unsuccessful	5 176 662 €	11,07%
Objective of the implemented projects	6 000 000 €	

List of customers whose projects were accepted in 2022		
Customers		
<i>customer</i>	<i>country</i>	<i>sector/industry</i>
Zz1	Italy	Construction machinery
Zz2	Germany	Security systems
Zz3	Germany	Locksmith
Zz4	Belgiu	Defence systems
Zz5	Poland	Automotive
Zz6	Romania	Hand tools
Zz7	USA	automotive
Zz8	USA	Pumping stations
Zz9	Czech Republic	automotive
Zz10	Czech Republic	Construction machinery
Zz11	Hungary	Power tools
Zz12	Hungary	Energy industry
Zz13	England/Sweden	Bearing industry

Company's revenue forecast for 2023

In early 2023, the company recorded higher order volume, which was mainly due to an increase in demand for products manufactured using PM technology. The increased demand is primarily due to customers' desire for savings and thus their focus on new technologies that allow them to reduce costs as is the case with PM technology. The increase in orders due to a similar reason was experienced by the company in the context of the crisis in 2008-2009. As a consequence of this trend, the Company expects an increase in revenues compared to 2022

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

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

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

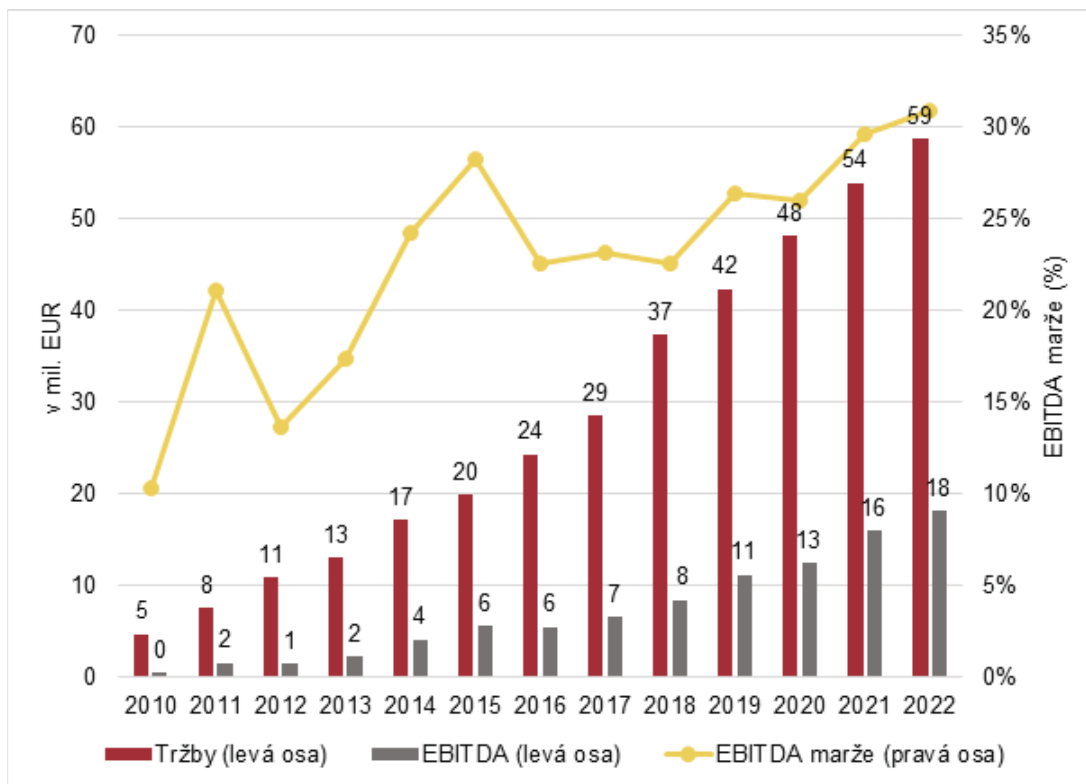
The company's experts are constantly working to make the use of natural resources more efficient. Heat from production processes is also used to heat the company's premises in winter. Another project for the coming year is the installation of heat recuperators to use waste heat from the compressor station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

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

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

7. Economic indicators and financial situation

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



8. Risks to the company's future development

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

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

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

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

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

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

Contracts for product liability insurance have also been extended.

No events of particular significance requiring disclosure in the annual report have occurred after the end of the 2022 financial year.

9. Governance Statement

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

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

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

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

10.Important events and information

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

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

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

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

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

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

The Supervisory Board of GEVORKYAN Inc. acted as the Audit Committee during the year. During the year 2022, it was composed of Ing. Andrej Bátovský (Chairman of the Committee), Robert Gevorkyan (member) and Denisa Kvasová (member). During the year, the Supervisory Board was presented with reports on the preparation of the financial statements, the audit process and the internal control system. Meetings were also held with all members of the Supervisory Board during the year. The Chairman of the Management Board of GEVORKYAN a.s. is: Dipl. Ing. Artur Gevorkyan. The shareholders of Gevorkyan are. Artur Gevorkyan (77 % shareholding), JEREMIE Co-

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

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

The financial statements of GEVORKYAN, a.s. for the year 2022 have been prepared in accordance with Act No. 431/2002 Coll. on Accounting, as amended, assuming the going concern basis and have been prepared as regular financial statements.

The Company has also prepared interim financial statements as at 31 March 2022, 30 June 2022 and 30 September 2022 during the year 2022.

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

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

Information on the activities of the General Assembly for 2022

During 2022, two meetings of the General Assembly of GEVORKYAN, Inc. were held

On 23.5.2022 the Extraordinary General Meeting was held, the subject of which was the approval of the written report of the Board of Directors, the decision on the increase of the company's share capital and the decision on the change of the company's Articles of Association.

At the second ordinary general meeting held on 30 December 2022, the report of the company's management board on the company's business activities was discussed and approved, the opinion of the company's supervisory board on the company's annual financial statements for 2021 and the company's annual report for 2021 was presented to the shareholders, the company's annual

financial statements for 2021 and the company's annual report for 2021 were discussed and approved, the company's profit distribution for 2021 was discussed and approved, and the company's auditors for 2022 were discussed and approved.

The General Meeting decided that the audit services for 2022 will be performed by Ernst & Young Slovakia, spol. s r.o.

The General Meeting, on the proposal of the Board of Directors of the Company, at its ordinary session, approved the distribution of the profit after tax for the year 2021 in the amount of EUR 2 282 998.01 as follows:

- an allocation to the legal reserve of EUR 228 299,80
- transfer to retained earnings of previous years of EUR 2 054 698,21;

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

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

Other additional data

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

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

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

As of December 31, 2022, the Company is not aware of any agreements among the holders of securities issued by it that may result in restrictions on the transferability of securities and restrictions on voting rights.

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

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

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



Management Service

CERTIFIKÁT

Certifikačné miesto
TÜV SÜD Management Service GmbH
potvrďuje, že spoločnosť

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

zaviedla a používa
systém manažérstva kvality v oblasti

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

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

IATF 16949

Prvé vydanie 2016-10-01.

Dátum vyhotovenia: **2020-09-29**

Platnosť do: **2023-09-28**

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

Číslo certifikátu IATF: **0372749**

Product Compliance Management
Mníchov, 2020-10-05

Strana 1 z 1



Management Service

CERTIFIKÁT

Certifikačné miesto
TÜV SÜD Management Service GmbH

potvrďuje, že spoločnosť

GEVORKYAN, s.r.o.

Továrenská 504
976 31 Vlkanová
Slovenská republika

zaviedla a používa
systém manažérstva kvality v oblasti

Výroba a predaj výrobkov práškovej metalurgie.
Tepelné spracovanie kovov.

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

ISO 9001:2015.

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

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

E. Koller

Product Compliance Management
Mnichov, 2020-10-05



42301-01/2019

CERTIFICAT

CERTIFICADO

CERTИФИКАТ

認證證書

CERTIFICATE

ZERTIFIKAT



CERTIFIKÁT

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



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

zaviedla a používa
 systém environmentálneho manažérstva v oblasti

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

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

bolo preukázané, že sú splnené
 požiadavky normy

STN EN ISO 14001:2016

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

Registračné číslo certifikátu **E 0181-3**

Bratislava, 2019-06-13



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



Certifikát

Tento certifikát bol udelený

GEVORKYAN, s.r.o.

Továrenská 504, 976 31 Vlkanová, Slovakia

ako osvedčenie o managemente systému BOZP v organizácii v súlade s

ISO 45001:2018

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

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

Číslo certifikátu:

205770/B/0001/UK/SK

Dátum vystavenia:(pôvodného)

10 november 2020

Dátum vystavenia:

10 november 2020

Vydanie č.:

1

Platnosť do:

9 november 2023

Vydaný:

Za certifikačný orgán



AK sa vyskytnú Akadémie pochýbností o pravosti tohto certifikátu, nevážajte sa, prečísť, spojiť a riadiť v rámci skupiny na adrese info@ros-group.com.
URS je členom spoločnosti Registrar of Standards (Holdings) Limited, Washington House, 3 Dursley Road, Bourneville, B42 5JQ, UK



2021

CERTIFICATE OF REGISTRATION

This certifies that:

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

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

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

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

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

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

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


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



VERIFICATION OF CONFORMITY

S/N: 001065

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

replaces **ICR Polska/VC/C201001**

Name and address of Applicant

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

Name and address of manufacturer:

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

Product name:

Reusable mask /
Maska medyczna wielokrotnego użytku z wymiennymi wkładami filtrującymi

Product types:

SMART KOMFORT, INDUSTRY, ULTRA

Product trademark:



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

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

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

Test reports:

- 84/2020
- 005/2020
- B24046II

Tests conducted by:

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

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

Issue date:

18.02.2021

Expiration date:

11.10.2025

Remarks

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

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



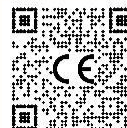
marking remarks:
mark is not sanctioned by the following verification of conformity
mark given here as reference, can be only use by the manufacturer after
applying all essential requirements from relevant directives

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



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

Director: Rafał Kalinowski
Warsaw, 18.02.2021



Edition: 4.1.1.C of 18.01.2021

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

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

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

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

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

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

Prvenstvá z Vlkanovej

„Teší ma, že na trh Start prichádza prvá zahraničná emisía. Je tiež vidieť, že kvalitný eminent nájde svojich investorov. Navyše ide o najväčšiu emisiu na trhu Start. Je takmer dvaapólkrát väčšia, než došial najväčšia emisía Píľulky.“ uviedol Petr Koblíć, generálny řídíateľ Burzy cenných papířerov Praha, pre portál Kurzy.cz.

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



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



6.6.2022

dnes 12:00

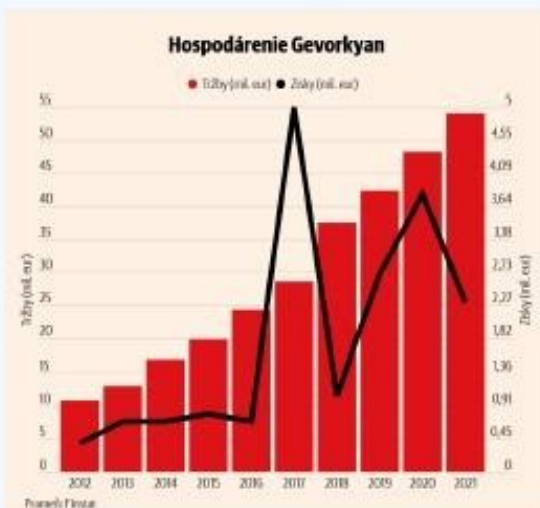
Úpis slovenskej spoločnosti v segmente menších podnikov na pražskej burze bude zrejme najväčšou emisiou v histórii



Najväčší emitent

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

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



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

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

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

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

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

Zostanú mu tri štvrtiny

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

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

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



Dopyt je enormný

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

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

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

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

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

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

4. 6. 2022 19:06 Ekonomika Regióny

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

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

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





Pomáhame ľuďom, ktorí si sami pomôcť nedokážu

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

OUR MEDIA - AD TEAM

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

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

Ľudia, ľudia, ľudia

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



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

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

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

Zrušil zbierku pre utečencov z Ukrajiny

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

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

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

Komu a ako teda pomáhať?

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

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

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

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

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

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

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Nové lisy financovali z úspešnej emisie na pražskej burze.



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



Rastíme a modernizujeme.

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

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

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

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

Tajomstvo úspechu?

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

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



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

Rekord na burze

V júni sa firma GEVORKYAN stala prvou slovenskou spoločnosťou, ktorá verejne ponúkla akcie na burze v Prahe. Trhy boli nízko, nálada na nich mizerná a majiteľ všetci vystríhali, aby dlho plánovaný krok odložil. „Kedy, ak nie teraz? Treba sa rozvíjať, investovať, rásť... Kde na to vzdať, ak nie na burze? Kríza je predsa príležitosť!“ oponoval. Vyšlo to. Spoločnosť od investorov získala takmer 30 miliónov eur. Zároveň išlo o najväčšiu emisiu roku 2022 na trhu START pražskej burzy!

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

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

Padneš? Zodvihneš ňu

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

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

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

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

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

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

Symbol nezniteľnosti, vytrvalosti a tolerance

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

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

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

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

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

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



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

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

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

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

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

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



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

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

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

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

Za dnešní úspěch může 5000 let stará technologie



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

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

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

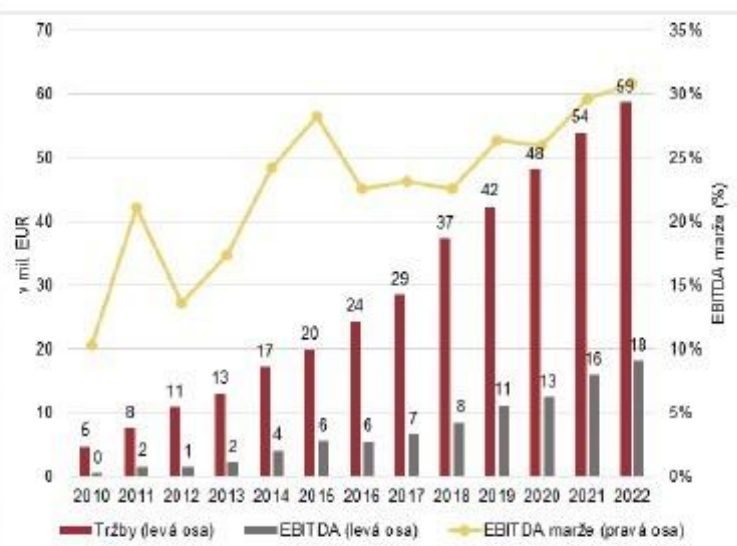
Společnost GEVORKYAN v zásadě musí řešit jeden jediný problém, který spočívá v nutnosti neustálého rozšiřování výrobních kapacit. Technologie práškové metalurgie je totiž násobně levnější než jiné metody pro výrobu kovových součástek. To zvláště v době krize, kdy se zvyšuje tlak na úsporu nákladů, vytváří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

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

GEVORKYAN pro investory

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

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



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

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



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

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

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

gevorkyan.sk

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

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



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

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

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

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

FINANCIAL STATEMENTS

of entrepreneurs in double-entry accounting

as of **3 1 . 1 2 . 2 0 2 2****Numbers should be justified to the right, other data is justified to the left. Unused rows must be left blank.**

The information should be written in block letters (see this example), using a typewriter or printer with black or dark blue ink.

Á Ā B Ć D Ě F G H Í J K L M N O P Q R Š T Ú V X Ý Ž 0 1 2 3 4 5 6 7 8 9

Tax identification number	Financial statements	Accounting unit	Month	Year
2 0 2 0 0 8 5 6 0 6				
Identification number	<input checked="" type="checkbox"/> Ordinary	small	For period from	0 1 2 0 2 2
3 6 0 1 7 2 0 5	Extraordinary	<input checked="" type="checkbox"/> large	to	1 2 2 0 2 2
SK NACE	Interim	(marked with x)	Directly preceding period	from 0 1 2 0 2 1
2 5 . 5 0 . 0			to	1 2 2 0 2 1

Enclosed components of the financial statements

<input checked="" type="checkbox"/> Stat. of financial position (Úč POD 1-01)	<input checked="" type="checkbox"/> Income statement (Úč POD 2-01)	<input checked="" type="checkbox"/> Notes (Úč POD 3-01)
(in full EUR)	(in full EUR)	(in full EUR or EUR cents)

Business name of entity

G E V O R K Y A N , a . s .**Registered seat of entity**

Street

T o v á r e n s k á

Number

5 0 4

ZIP Code

9 7 6 3 1

Town

V l k a n o v á

Indication of the commercial register and registration number of the company

O R O S B a n s k á B y s t r i c a**O d d . : S a , v l o ž k a ě . 1 2 3 2 / S**

Phone number

0 /

Fax number

0 /

E-mail

Prepared on:

2 1 . 0 4 . 2 0 2 3

Approved on:

. .

Signature of the statutory board or statutory board member or signature of the natural person, which is an accounting entity:

Tax Office records

Place for the reference number

Stamp of the Tax Office

UZPODV14_2

Balance sheet
Úč POD 1 - 01

TIN 2 0 2 0 0 8 5 6 0 6

ID number

3 6 0 1 7 2 0 5

Line a	ASSETS b	Line no. c	1	Current period		Prior period	
				Gross value - part 1 Adjustment - part 2	Net value 2	Net value 3	
	TOTAL ASSETS I. 002 + I. 030 + I. 074	001		177,623,605	152,477,923		
				25,145,682		127,531,852	
A.	Non-current assets I. 003 + I. 011 + I. 021	002		126,721,917	101,655,085		
				25,066,832		84,845,436	
A.I.	Non-current intangible assets total (I. 004 to I. 010)	003		14,576,015	11,460,768		
				3,115,247		11,735,470	
A.I.1.	Capitalized development cost (012) - /072, 091A/	004					
	2. Software (013) - /073, 091A/	005		170,597	16,337		
				154,260		2,930	
	3. Valuable rights (014) - /074, 091A/	006		13,870,996	11,060,539		
				2,810,457		11,337,959	
	4. Goodwill (015)-/075,091A/	007					
	5. Other non-current intangible assets (019, 01X) - /079, 07X, 091A 07X, 091A/	008		534,422	383,892		
				150,530		394,581	
	6. Non-current intangible assets under construction (041) - 093	009					
	7. Advance payments for non-current intangible assets (051) - 095A	010					
A.II.	Non-current tangible assets total (I. 012 to I. 020)	011		112,145,902	90,194,317		
				21,951,585		73,109,966	
A.II.1.	Land (031)-092A	012		440,784	440,784		
						440,784	
	2. Buildings (021) - /081,092A/	013		4,464,409	3,463,124		
				1,001,285		3,224,979	
	3. Plant and equipment (022) - /082, 092A/	014		99,897,905	78,947,605		
				20,950,300		65,604,730	

UZPODV14_3

Balance sheet
Úč POD 1 - 01

TIN 2 0 2 0 0 8 5 6 0 6

ID number

3 6 0 1 7 2 0 5

Line a	ASSETS b	Line no. c	Current period		Prior period	
			1	2	3	3
			Gross value - part 1 Adjustment - part 2	Net value		Net value
4.	Perennial crops (025) - /085, 092A/	015				
5.	Livestock and draught animals (026) - /086, 092A/	016				
6.	Other non-current tangible assets (029, 02X, 032) - /089, 08X, 092A	017				
7.	Non-current tangible assets under construction (042) - 094	018	5,341,865	5,341,865		
8.	Advance payments for non- current tangible assets (052) - 095A	019	2,000,939	2,000,939	3,795,692	
9.	Adjustments for assets acquired (+/- 097) +/- 098	020				43,781
A.III.	Non-current financial assets total (I. 022 to I. 032)	021				
A.III.1.	Investment in connected entities (061A, 062A, 063A) - 096A	022				
2.	Investment in group except for connected entities (062A) - 096A	023				
3.	Other non-current investments (063A) - 096A	024				
4.	Loans to connected entities (066A) - /096A	025				
5.	Loans to group except for connected entities (066A) - /096A	026				
6.	Other loans (067A) - /096A	027				
7.	Debentures and other non- current financial assets (065A, 069A, 06XA) -/096A/	028				

Line a	ASSETS b	Line no. c	Current period		Prior period	
			1	2	3	4
			Gross value - part 1 Adjustment - part 2	Net value		Net value
8.	Loans and other non-current financial assets with maturity up to one year (066A, 067A, 069A, 06XA) - /096A/	029				
9.	Term deposits exceeding one year 22XA	030				
10.	Non-current financial assets under construction (043) - 096A	031				
11.	Advance payments for non-current financial assets (053) - 095A	032				
B.	Current assets I. 034 + I. 041 + I. 053 + I. 066 + I. 071	033	50,900,080	50,821,230		
			78,850			42,678,776
B.I.	Inventory total (I. 035 to I. 040)	034	24,008,980	23,941,946		
			67,034			19,922,273
B.I.1.	Raw material (112, 119, 11X) - /191,19X/	035	607,943	607,943		
						2,131,450
2.	Work in progress and semi-finished goods (121, 122, 12X) - /192, 193, 19X/	036	14,780,061	14,737,722		
			42,339			10,864,561
3.	Finished goods (123) - 194	037	8,620,856	8,596,161		
			24,695			6,926,142
4.	Livestock (124) - 195	038	120	120		
						120
5.	Merchandise (132,133,13X,139) - /196,19X/	039				
6.	Advance payments for inventories (314A) - 391A	040				
B.II.	Long-term receivables total (I. 042 + I. 046 to I. 052)	041				
B.II.1.	Trade receivables (I. 043 to I. 045)	042				

UZPODV14_5

Balance sheet
Úč POD 1 - 01

TIN 2 0 2 0 0 8 5 6 0 6

ID number

3 6 0 1 7 2 0 5

Line a	ASSETS b	Line no. c	Current period		Prior period	
			1	2	3	3
			Gross value - part 1 Adjustment - part 2	Net value		Net value
1.a. Trade receivables from connected entities (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/		043				
1.b. Trade receivables within group except for receivables from connected entities (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/		044				
1.c. Other trade receivables (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/		045				
2. Net value of construction contracts (316A)		046				
3. Other receivables from connected entities (351A) - 391A		047				
4. Other receivables from group except from connected entities (351A) - 391A		048				
5. Receivables from partners and consortium members (354A, 355A, 358A, 35XA) - 391A		049				
6. Receivables from derivative operations (373A, 376A)		050				
7. Other receivables (335A, 336A, 33XA, 371A, 374A, 375A, 378A) - 391A		051				
8. Deferred tax asset (481A)		052				
B.III. Short-term receivables total (I. 054 + I. 056 to I. 065)		053	24,165,667	24,153,851		
			11,816		21,519,763	
B.III.1. Trade receivables (I. 055 to I. 057)		054	23,571,093	23,559,277		
			11,816		21,063,569	
1.a. Trade receivables from connected entities (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/		055				
1.b. Trade receivables within group except for receivables from connected entities (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/		056				

UZPODV14_6

Balance sheet
Úč POD 1 - 01

TIN 2 0 2 0 0 8 5 6 0 6

ID number

3 6 0 1 7 2 0 5

Line a	ASSETS b	Line no. c	Current period		Prior period	
			Gross value - part 1 Adjustment - part 2	Net value 2	Net value 3	
1.c.	Other trade receivables (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	057	23,571,093		23,559,277	
			11,816			21,063,569
2.	Net value of construction contracts (316A)	058				
3.	Other receivables from connected entities (351A) - 391A	059				
4.	Other receivables from group except from connected entities (351A) - 391A	060				
5.	Receivables from partners and consortium members (354A, 355A, 358A, 35XA, 398A) - 391A	061				
6.	Social security receivables (336A) - 391A	062				
7.	Tax receivables and subsidies (341, 342, 343, 345, 346, 347) - 391A	063	542,530		542,530	
8.	Receivables from derivative operations (373A, 376A)	064				420,327
9.	Other receivables (335A, 33XA, 371A, 374A, 375A, 378A) - 391A	065	52,044		52,044	
						35,867
B.IV. Current financial assets total (i. 067 to i. 070)		066				
B.IV.1.	Current financial assets within connected entities (251A, 253A, 256A, 257A, 25XA) - /291A, 29XA/	067				
2.	Current financial assets outside connected entities (251A, 253A, 256A, 257A, 25XA) - /291A, 29XA/	068				
3.	Own shares and interests (252)	069				
4.	Short-term financial assets under construction (259, 314A) - /291A/	070				

Line a	ASSETS b	Line no. c	Current period		Prior period	
			Gross value - part 1 Adjustment - part 2	Net value 2	Net value 3	
	B.V. Financial assets total (I. 072 to I. 073)	071	2,725,433	2,725,433		1,236,740
B.V.1. Cash (211, 213, 21X)		072	5,780	5,780		1,733
2. Bank accounts (221A, 22X +/- 261)		073	2,719,653	2,719,653		1,235,007
C. Accruals and prepayments total I. 075 and I. 078		074	1,608	1,608		7,640
C.1. Prepaid expenses long-term (381A, 382A)		075				
2. Prepaid expenses short-term (381A, 382A)		076	1,608	1,608		6,027
3. Accrued revenues long-term (385A)		077				
4. Accrued revenues short-term (385A)		078				1,613
	LIABILITIES AND EQUITY					
	SHAREHOLDERS' EQUITY AND LIABILITIES TOTAL I. 080 + I. 101 + I. 141	079		152,477,923	127,531,852	
A. Shareholders' equity I. 081+ I. 085+ I. 086 + I. 087+ I. 090 + I. 093 + I. 097 + I. 100		080		67,860,320	36,897,717	
A.I. Registered capital total (I. 082 to I. 084)		081		16,657,272	13,924,472	
A.I.1. Share capital (411 alebo +/- 491)		082		16,657,272	13,924,472	
2. Change in share capital +/- 419		083				
3. Receivables for subscribed share capital (-/+353)		084				
A.II. Share premium (412)		085		24,694,735		
A.III. Other capital funds (413)		086		11,307,079	11,307,079	
A.IV. Legal reserve funds I. 088 + I. 089		087		1,070,627	842,327	
A.IV.1. Legal reserve fund and non-distributable fund (417A, 418, 421A, 422)		088		1,070,627	842,327	
2. Reserve fund on own shares and interests (417A, 421A)		089				

Line a	LIABILITIES AND EQUITY b	Line no. c	Current period 4	Prior period 5
A.V.	Funds created from profit total (I. 091 + I. 092)	090		
A.V.1.	Statutory funds (423, 42X)	091		
2.	Other funds (427, 42X)	092		
A.VI.	Revaluation reserves total (I. 094 to I. 096)	093		
A.VI.1.	Revaluation reserve from valuation of assets and liabilities (+/- 414)	094		
2.	Investments revaluation reserve (+/- 415)	095		
3.	Revaluation reserve for mergers and demergers (+/-416)	096		
A.VII.	Retained earnings I. 098+ I. 099	097	10,595,541	8,540,841
A.VII.1.	Retained profits from previous years (428)	098	10,595,541	8,540,841
2.	Accumulated loss carried forward (-/-429)	099		
A.VIII.	Profit or loss from current period +/- I. 001 - (I. 081 + I. 085 + I. 086 + I. 087 + I. 090 + I. 093 + I. 097 + I. 101 + I. 141)	100	3,535,066	2,282,998
B.	Liabilities I. 102 + I. 118 + I. 121 + I. 122 + I. 136 + I. 139 + I. 140	101	80,378,721	87,699,941
B.I.	Non-current liabilities total (I. 103 + I. 107 to I. 117)	102	49,321,743	56,542,975
B.I.1.	Non-current trade liabilities total (I. 104 to I. 106)	103		
1.a.	Trade payables to connected entities (321A, 475A, 476A)	104		
1.b.	Trade payables to group except for connected entities (321A, 475A, 476A)	105		
1.c.	Other trade payables (321A, 475A, 476A)	106		
2.	Net value of construction contracts (316A)	107		
3.	Other long-term liabilities to connected entities (471A, 47XA)	108	30,000,000	30,000,000
4.	Other long-term liabilities within group except for connected entities (471A, 47XA)	109		
5.	Other long-term liabilities (479A, 47XA)	110		
6.	Long-term advance payments received (475A)	111		
7.	Long-term bills of exchange payable (478A)	112		
8.	Bonds and debentures issued (473A/-/255A)	113	9,999,128	18,852,417
9.	Social fund payable (472)	114	21,811	23,379
10.	Other non-current liabilities (336A, 372A, 474A, 47XA)	115	5,470,210	4,661,372
11.	Long-term liabilities from derivative operations (373A, 377A)	116		
12.	Deferred tax liability (481A)	117	3,830,594	3,005,807

Line a	LIABILITIES AND EQUITY b	Line no. c	Current period 4	Prior period 5
B.II.	Non-current provisions total (I. 119 to I. 120)	118		
B.II.1.	Legal provisions long term (451A)	119		
2.	Other long-term provisions (459A, 45XA)	120		
B.III.	Long-term bank loans (461A, 46XA)	121	5,249,964	9,719,351
B.IV.	Current liabilities total (I. 123 + I. 127 to I. 135)	122	14,484,034	15,311,197
B.IV.1.	Current trade payables (I. 124 to I. 126)	123	11,644,672	12,282,635
1.a.	Trade payables to connected entities (321A, 322A, 324A, 325A, 326A, 32XA, 475A, 476A, 478A, 47XA)	124		
1.b.	Trade payables to group except for connected entities (321A, 322A, 324A, 325A, 326A, 32XA, 475A, 476A, 478A, 47XA)	125		
1.c.	Other trade payables (321A, 322A, 324A, 325A, 326A, 32XA, 475A, 476A, 478A, 47XA)	126	11,644,672	12,282,635
2.	Net value of construction contracts (316A)	127		
3.	Payables to connected entities (361A, 36XA, 471A, 47XA)	128		
4.	Other liabilities within group except for connected entities (361A, 36XA, 471A, 47XA)	129		
5.	Payables to partners and consortium members (364, 365, 366, 367, 368, 398A, 478A, 479A)	130		
6.	Payables to employees (331, 333, 33X, 479A)	131	205,926	187,441
7.	Social security payables (336A)	132	146,383	128,988
8.	Tax liabilities and subsidies (341, 342, 343, 345, 346, 347, 34X)	133	36,412	27,983
9.	Payables from derivative operations (373A, 377A)	134		
10.	Other short-term liabilities (372A, 379A, 474A, 475A, 479A, 47XA)	135	2,450,641	2,684,150
B.V.	Current provisions total (I. 137 + I. 138)	136	209,846	225,427
B.V.1.	Legal provisions short term (323A, 451A)	137	166,517	157,035
2.	Other short term provisions (323, 32X, 459A, 45XA)	138	43,329	68,392
B.VI.	Current bank loans (221A, 231, 232, 23X, 461A, 46XA)	139	2,290,000	5,763,908
B.VII.	Short term financial borrowings (241, 249, 24x, 473A, /- /255A)	140	8,823,134	137,083
C.	Accruals and deferred income - total (I. 142 to I. 145)	141	4,238,882	2,934,194
C.1.	Accruals long term (383A)	142		
2.	Accruals short term (383A)	143		
3.	Deferred income long term (384A)	144	2,332,404	2,445,754
4.	Deferred income short term (384A)	145	1,906,478	488,440

UZPODv14_10

Income Statement
Úč POD 2 - 01

TIN 2 0 2 0 0 8 5 6 0 6

ID 3 6 0 1 7 2 0 5

Line a	Text b	Line no c	Actual result in	
			current period 1	prior period 2
*	Net turnover (part of acc. group 6 as defined by the law)	01	58,672,790	53,967,754
**	Revenues from operating activities total (I. 03 to I. 09)	02	68,307,137	57,243,287
I.	Revenues from merchandise (604,607)	03		
II.	Revenues from own products (601)	04	48,360,912	43,803,248
III.	Revenues from services (602, 606)	05	10,311,878	10,164,506
IV.	Change in stock of finished goods and work in progress (+/- acc. group 61)	06	5,543,180	254,102
V.	Own work capitalized (acc. group 62)	07		
VI.	Revenue from sale of non-current assets and material (641, 642)	08	3,860,748	2,821,633
VII.	Other operating revenues (644, 645, 646, 648, 655, 657)	09	230,419	199,798
**	Operating expenses total (I. 11 + I. 12 + I. 13 + I. 14 + I. 15 + I. 20 + I. 21 + I. 24 + I. 25 + I. 26)	10	59,221,672	49,561,695
A.	Costs of merchandise sold (504, 507)	11		
B.	Material and energy consumption and other unstorable supplies (501, 502, 503)	12	32,938,824	27,106,904
C.	Allowances to inventories (+/-) (505)	13		
D.	Services (acc. group 51)	14	8,564,390	7,561,266
E.	Personnel expenses total (I. 13 až 16)	15	4,778,288	3,718,803
E.1.	Wages and salaries (521, 522)	16	3,421,981	2,656,730
2.	Remuneration of members of the board of companies and co-operatives (523)	17		
3.	Social insurance costs (524, 525, 526)	18	1,207,272	947,557
4.	Social security costs (527, 528)	19	149,035	114,516
F.	Indirect taxes and charges (acc. group 53)	20	12,812	14,153
G.	Depreciation of and provisions for non-current tangible and intangible assets (I. 22 + I. 23)	21	8,967,944	7,670,302
G.1	Depreciation of non-current tangible and intangible assets (551)	22	8,967,944	7,670,302
2.	Provisions for non-current tangible and intangible assets (+/-) (553)	23		
H.	Net book value of non-current assets and material sold (541, 542)	24	3,805,490	3,351,497
I.	Creation and release of provisions for receivables (+/-547)	25	7,150	2,291
J.	Other operating expenses (543, 544, 545, 546, 548, 549, 555, 557)	26	146,774	136,479
***	Profit or loss from operating activities (+/-) (I.02 - I. 10)	27	9,085,465	7,681,592

UZPODv14_11

Income Statement
Úč POD 2 - 01

TIN 2 0 2 0 0 8 5 6 0 6

ID 3 6 0 1 7 2 0 5

Line a	Text b	Line no c	Actual result in	
			current period 1	prior period 2
Line a	Text b	Line no c	Actual result in	
			current period 1	prior period 2
*	Added value (I. 03 + I. 04 + I. 05 + I. 06 + I. 07) - (I. 11 + I. 12 + I. 13 + I. 14)	28	22,712,756	19,553,686
**	Revenues from financial activities I.30 + I. 31 + I. 35 + I. 39 + I. 42 + I. 43 + I. 44	29	345,269	19,640
VIII.	Revenues from sale of securities and ownership interests (661)	30		1,500
IX.	Revenues from non-current financial assets (I. 32 to I. 34)	31		
IX.1.	Income from investments in connected entities (665A)	32		
2.	Income from investments in group except for connected entities (665A)	33		
3.	Income from other long-term securities and ownership interest (665A)	34		
X.	Income from short-term financial assets (I. 36 to I. 38)	35		
X.1	Income from investments in connected entities (666A)	36		
2.	Income from investments in group except for connected entities (666A)	37		
3.	Income from other current financial assets (666A)	38		
XI.	Interest income (I. 40 + I. 41)	39	91,066	373
XI.1	Interest income from from connected entities (662A)	40		
2.	Other interest income (662A)	41	91,066	373
XII.	Foreign exchange gains (663)	42	254,201	17,738
XIII.	Income from revaluation of securities and income from transactions with derivatives (664, 667)	43		
XIV.	Other financial revenue (668)	44	2	29
**	Financial expenses total (I. 46 + I. 47 + I. 48 + I. 49 + I. 52 + I. 53 + I. 54)	45	4,786,507	4,329,074
K.	Book value of securities and ownership interest sold (561)	46		1,074,745
L.	Costs of short-term financial assets (566)	47		
M.	Creation and release of provisions for financial assets (+/-) (565)	48		
N.	Interest expense (I. 50 + I. 51)	49	3,127,513	2,230,398
N.1.	Interest expense to connected entities (562A)	50		
2.	Other interest expense (562A)	51	3,127,513	2,230,398
O.	Foreign exchange losses (563)	52	483,938	486,807
P.	Expenses for revaluation of securities and expenses for transactions with derivatives (564, 567)	53		
Q.	Other financial expenses (568, 569)	54	1,175,056	537,124

UZPODv14_12

Income Statement
Úč POD 2 - 01

TIN 2 0 2 0 0 8 5 6 0 6

ID 3 6 0 1 7 2 0 5

			Actual result in	
Line a	Text b	Line no c	current period 1	prior period 2
			Actual result in	
Line a	Text b	Line no c	current period 1	prior period 2
***	Profit/(loss) from financial activities (+/-) (I. 29 - I. 45)	55	-4,441,238	-4,309,434
****	Profit/(loss) for the period before tax (+/-) (I. 27 + I. 55)	56	4,644,227	3,372,158
R	Tax on income (I. 58 + I. 59)	57	1,109,161	1,089,160
R.1	- due (591, 595)	58	284,374	280,375
2.	- deferred (+/-) (592)	59	824,787	808,785
S.	Profit/(loss) share transferred to owners' account (+/- 596)	60		
****	Net profit/(loss) for the period after tax (+/-) (I. 56 - I. 57 - I. 60)	61	3,535,066	2,282,998

GEVORKYAN, a.s**Notes to the individual financial statements at 31 December 2022****1. COMPANY DESCRIPTION**

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

The main subject of activity is:

1. *Research and development in the natural and technical sciences*
2. *Activities in the field of powder metallurgy*
3. *Research and development in the social sciences and humanities*
4. *Purchase of goods for sale to the final consumer in the scope of free trade*
5. *Purchase of goods for sale to other traders in the scope of free trade*
6. *Mediation of trade and services in the scope of free trade*
7. *Toolmaking*
8. *Heat treatment of metals*
9. *Metal surface treatment*
10. *Repair of mechanical parts of machinery and equipment*
11. *Welding work*
12. *Design work in the field of engineering*
13. *Manufacture of medical devices*
14. *Manufacture of rubber and plastic products*
15. *Textile production*
16. *Manufacture of pulp, paper, paperboard and articles of these materials*

Information on the number of employees

Item name	Current accounting period	Immediately preceding accounting period
Average headcount	180	
Number of employees at the date of the financial statements, of which:	172	
number of senior staff	4	

Information on the structure of shareholders as of 31.12.2022

Companion	Amount of share in the share capital		Share of voting rights in %	Other share of other VI items than ZI in %
	Absolutely	v %		
Artur Gevorkyan	EUR 12 849 758	77,14%	77,14%	-
JEREMIE	EUR 437 357	2,63%	2,63%	
BHS Fund PE	EUR 437 357	2,63%	2,63%	
Free float	EUR 2 932 800	17,61%	17,61%	
Total	EUR 16 657 272	100%	100%	-

GEVORKYAN, a.s**Notes to the individual financial statements at 31 December 2022**

Information on the structure of shareholders as of 31.12.2021

Companion	Amount of share in the share capital		Share of voting rights in %	Other share of other VI items than ZI in %
	Absolutely	v %		
Artur	EUR 12 949 758	93,00%	93,00%	-
JEREMIE Co-Investment Fund, s.r.o.	EUR 487 357	3,50%	3,50%	-
BHS Fund II. - Private Equity, investment fund with variable share capital, a.s.	EUR 487 357	3,50%	3,50%	-
Total	EUR 13 924 472	100,00%	100,00%	-

The Company is not an unlimited partner in any undertaking.

Members of statutory bodies as at 31 December 2022:

Board of Directors

Dipl. Ing. Artur Gevorkyan - Chairman
of the Board

Supervisory Board

Ing. Andrej Bátovský - Chairman
Robert Gevorkyan - Member
Denisa Kvasnová - Member

The company does not have a branch abroad

2. BASIC STARTING POINTS FOR THE PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with Act No. 431/2002 Coll. on Accounting, as amended, assuming the continuity of its activities and is prepared as a regular financial statement.

The financial statements of the Company for the preceding financial year to 31 December 2021 were approved by the Annual General Meeting of the Company on 30 December 2022.

3. GENERAL ACCOUNTING PRINCIPLES AND METHODS

The accounting policies and methods used by the Company in the preparation of the 2022 and 2021 financial statements are as follows:

a) Intangible fixed assets

Purchased intangible fixed assets are measured at cost, which includes the acquisition price and the costs associated with their acquisition.

Own generated intangible fixed assets are measured at cost, which includes direct material and labour costs and production overheads (or part of administrative costs).

GEVORKYAN, a.s**Notes to the individual financial statements at 31 December 2022**

Intangible fixed assets acquired by other means are measured at the replacement cost at which the asset would have been acquired at the time it is accounted for. This cost shall be determined by professional appraisal, expert opinion or by special regulations.

Intangible fixed assets (know-how) acquired by way of a contribution in kind to the share capital are valued at their general value, which is ascertained by an expert's report or according to special regulations.

Depreciation

Intangible fixed assets are amortised to cost over the estimated useful life of the asset. The estimated useful lives, amortisation method and amortisation rate are determined for each class of intangible fixed assets as follows:

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

The Company annually assesses the existence of indicators of impairment of the valuation rights based on an updated sales forecast. If indicators of impairment of the valuation rights are identified, the Company prepares a calculation of the valuation allowance for the valuation rights.

In the event of a temporary impairment of the useful value of an intangible fixed asset, a valuation allowance shall be made for the difference between its recoverable amount and its residual value.

b) Tangible fixed assets

Purchased property, plant and equipment is valued at cost, which includes the purchase price, freight, customs duties and other acquisition-related costs.

Self-generated tangible fixed assets are valued at cost, which includes direct material and labour costs and production overheads

Tangible fixed assets acquired free of charge from a partner are measured at fair cost and credited to the other capital funds account. The fair cost of these assets has been determined on the basis of an expert's report.

The cost of technical improvements to property, plant and equipment increases its cost. Repairs and maintenance are charged to expense.

Depreciation

Tangible fixed assets are depreciated to cost over the estimated useful life of the asset. Depreciation begins in the month in which the fixed asset is brought into use. Small tangible fixed assets with a cost of EUR 1 700 or less shall be depreciated once when they are put into service.

In the event of a temporary diminution in the use value of a tangible fixed asset, a valuation allowance shall be made for the difference between its recoverable amount and its residual value.

	Estimated period of use (years)	Annual depreciation rate	Depreciation method
--	---------------------------------	--------------------------	---------------------

GEVORKYAN, a.s**Notes to the individual financial statements at 31 December 2022**

Buildings	60	1/60	evenly
Means of transport	4	1/4	evenly
Foxes	30	1/30	evenly
Furnaces	35	1/35	evenly
MIM (Metal Injection Moulding) machines	35	1/35	evenly
HIP (Hot isostatic pressing) machines	35	1/35	evenly
Machinery, apparatus and equipment	20	1/20	evenly
Tools	15	1/15	evenly

c) Financial assets

Current financial assets consist of securities, cash and cash at bank.

Non-current financial assets consist mainly of equity participations.

If there is a decline in the value of a financial asset that is not revalued to fair value at the reporting date, the difference is treated as a temporary impairment and is recognised as a valuation allowance.

d) Inventory

Purchased inventories are valued at cost using the fixed price method and valuation differences. The cost of inventories includes the purchase price and the costs associated with their acquisition (freight costs, customs duties, commissions, etc.). Discounts, rebates and discounts received reduce the cost of inventories.

Inventories generated by own activities are valued at own cost. Own costs include direct material and labour costs and indirect production costs. Production overheads include servicing and repair of machinery, consumption of electricity, water and gas, depreciation of assets, wages of foremen, internal logistics costs, etc.

In the event of a temporary diminution in the use value of inventories, a valuation allowance is made.

e) Claims

Receivables are valued at nominal value. Assigned receivables and receivables acquired by way of contribution to share capital are valued at cost. The valuation of doubtful debts is adjusted to their realisable value by an allowance.

The Company establishes allowances for past-due unliquidated accounts receivable as follows:

period	the amount of the provision
overdue	0%
overdue > 360 days < 720 days	20%
overdue > 720 days < 1080 days	50%
overdue > 1080 days	100%

f) Deferred charges and deferred income

Deferred charges and deferred income are measured at their nominal value and are recognised at the amount necessary to comply with the principle of materiality and timing of the accounting period.

GEVORKYAN, a.s**Notes to the individual financial statements at 31 December 2022**

g) Commitments

Long-term and short-term liabilities are reported at their nominal values. If, on taking stock, the amount of the liabilities is found to be different from their amount in the accounts, the liabilities shall be entered in the accounts and in the financial statements at the valuation so found.

Long-term, short-term loans and bonds are stated at nominal value. The portion of long-term loans that mature within one year of the balance sheet date is also considered to be short-term borrowings. Long-term loans and bonds are also recognised as short-term loans in the event of covenant breaches at the balance sheet date.

h) Reserves

Provisions are liabilities with an indefinite timing or amount and are made to cover known risks or losses of the business. They are measured at the expected amount of the liability.

The creation of a provision shall be charged to the relevant expense or asset account to which the liability relates. The use of the provision shall be debited to the relevant reserve account with a corresponding credit to the relevant liability account. The release of an unneeded provision or part of a provision shall be accounted for by an accounting entry opposite to the one used to account for the creation of the provision.

i) Accrued expenses and deferred income

Deferred outflows and deferred inflows are measured at their nominal value and are recognised at the amount necessary to comply with the principle of materiality and timing of the accounting period.

j) Equity

Shareholders' equity consists of share capital, share premium, other capital funds, statutory reserve fund and profit or loss subject to approval.

The share capital of the company is shown in the amount registered in the commercial register of the district court. Any increase or decrease in the share capital based on a decision of the General Meeting of Shareholders that has not been registered at the date of the financial statements is accounted for as a change in the share capital.

Other capital funds are made up of non-cash deposits representing tangible fixed assets.

The company creates a reserve fund in the amount of 10% of the net profit until the amount of the reserve fund reaches 20% of the share capital in accordance with §217 of Act 513/1991 Coll.

k) Transactions in foreign currencies

Transactions in foreign currencies are translated into euros at the reference exchange rate determined and announced by the European Central Bank or the National Bank of Slovakia on the day preceding the date of the accounting event.

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate prevailing at the date of the financial statements. Exchange differences arising are recognised in the income statement.

Purchases and sales of foreign currency are converted into euro at the rate at which they were bought or sold.

GEVORKYAN, a.s**Notes to the individual financial statements at 31 December 2022**

l) Revenue

Revenue from own performance and goods does not include value added tax. They are also net of discounts and deductions (rebates, bonuses, discounts, credit notes, etc.). Sales are accounted for on the date of completion of the delivery or service in accordance with the Commercial Code, the Incoterms or other terms agreed in the contract.

Revenue from own performance and goods also includes revenue from co-operations, where the product is sold for further processing to so-called co-operators. This processing is necessary for the resale of the product and the proceeds from the sale of products to external customers. In these sales, the rights and obligations of ownership of the products are transferred to the co-operators. At the time of the transfer of rights and obligations, the Company accounts for the proceeds of the sale.

m) Financial leasing

The Company accounts for finance leases by capitalising the asset acquired by way of finance lease on the date of receipt of the leased asset at a valuation equal to the principal amount. The lease payments are allocated between the finance charge and the reduction of the outstanding liability, i.e. the principal. The finance charge is expensed on a straight-line basis.

Assets acquired under operating leases are charged to expense over the term of the lease agreement. Rentals for assets acquired under operating leases are charged to expense on a straight-line basis over the term of the lease agreement.

n) Income tax u

Income tax expense is calculated using the enacted tax rate on accounting profit adjusted for permanent or temporary non-tax deductible expenses and non-taxable income. Deferred taxes (deferred tax asset and deferred tax liability) relate to:

- temporary differences between the carrying amounts of assets and liabilities recognised in the balance sheet and their tax bases,
- the possibility to amortise a tax loss in the future, which means the possibility to deduct a tax loss from the tax base in the future,
- the ability to carry forward unused tax credits and other tax entitlements.

The Company always accounts for a deferred tax liability, and it accounts for a receivable when it is recoverable.

o) Subsidies/Investment Offers

The company is implementing a project called "Purchase of advanced technology for the production of technological parts" supported by the Ministry of Economy of the Slovak Republic within the Operational Programme Competitiveness and Economic Growth. The main objective of the project is to increase competitiveness by installing an innovative technology enabling to improve quality and increase employment of young people. The non-repayable financial contribution was settled with the payment of the last amount on 14 March 2016.

The company implements a project called "Innovation of the production process of spatial modelling of engineering products made of combined materials" supported by the Ministry of Economy of the Slovak Republic within the Operational Programme Research and Innovation. The main objective of the project is to support research, development and innovation. The non-repayable financial contribution was settled by several reimbursements during the calendar year 2019.

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Notes to the individual financial statements at 31 December 2022

p) Corrections of errors of previous accounting periods

The Company has not accounted for the correction of material errors of prior periods.

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GEVORKYAN, a.s**Notes to the individual financial statements at 31 December 2022****4. FIXED ASSETS****(a) Intangible fixed assets**

Information on intangible fixed assets

Intangible fixed assets	Current accounting period							
	Activated development costs	Software	Appreciable rights	Goodwill	Other DNM	Purchased DNM	Advances granted for DNM	Total
Initial award								
Situation at the beginning of the accounting period	0	152 057	13 870 996	0	534 422	0	0	14 557 475
Additions		18 540						18 540
Outflows								0
Transfers								0
Situation at the end of the accounting period	0	170 597	13 870 996	0	534 422	0	0	14 576 015
Corrections								
Situation at the beginning of the accounting period	0	149 127	2 533 037	0	139 841	0	0	2 822 005
Additions		5 134	277 420		10 688			293 242
Outflows								0
Transfers								0
Situation at the end of the accounting period	0	154 260	2 810 457	0	150 530	0	0	3 115 247
Allowances								
Situation at the beginning of the accounting period	0	0	0	0	0	0	0	0
Additions								0

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GEVORKYAN, a.s**Notes to the individual financial statements at 31 December 2022**

Outflows								0
Transfers								0
Situation at the end of the accounting period	0	0	0	0	0	0	0	0
Residual value								
Situation at the beginning of the accounting period	0	2 930	11 337 959	0	394 581	0	0	11 735 470
Situation at the end of the accounting period	0	16 337	11 060 539	0	383 892	0	0	11 460 768

Valuable rights are know-how, and specifically:

1) for powder metallurgy, which represents scientific, production and technical, technological knowledge and business information used in the processing and sale of powder metals. The know-how was contributed to the company (share capital) as a contribution in kind in 2004 and its initial valuation of EUR 2 164 376 represents the general value of the assets on the basis of an expert's report drawn up as at 26 July 2004. Until 31 December 2015, this intangible asset had not been amortised.

2) for Metal injection molding (MIM) which is the most advanced method of joining metals by powder metal injection molding on injection molding machines. The know-how was contributed to the company (share capital) as a contribution in kind in 2014 and its initial valuation of EUR 11 706 620 represents the general value of the assets based on an expert's report prepared as at 30 June 2014. This intangible asset has not been amortised in the accounts up to 31 December 2015.

In determining the amortisation period for the know-how, the Company took into account the fact that powder metallurgy as an industry is one of the most progressive technical sectors in the world. The company expects to use the know-how for at least the next 50 years due to the global growth of the electric vehicle and aerospace industries, as well as emerging industries such as 3D printing, which will provide a high demand for powder metallurgy products

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GEVORKYAN, a.s**Notes to the individual financial statements at 31 December 2022**

Intangible fixed assets	Immediately preceding accounting period							
	Activated development costs	Software	Appreciable rights	Goodwill	Other DNM	Purchased DNM	Advances granted for DNM	Total
Initial award								
Situation at the beginning of the accounting period	0	152 057	13 870 996	0	534 422	0	0	14 557 475
Additions								0
Outflows								0
Transfers								0
Situation at the end of the accounting period	0	152 057	13 870 996	0	534 422	0	0	14 557 475
Corrections								
Situation at the beginning of the accounting period	0	145 853	2 255 617	0	129 153	0	0	2 530 623
Additions		3 274	277 420		10 688			291 382
Outflows								0
Transfers								0
Situation at the end of the accounting period	0	149 127	2 533 037	0	139 841	0	0	2 822 005
Allowances								
Situation at the beginning of the accounting period	0	0	0	0	0	0	0	0
Additions								0
Outflows								0
Transfers								0
Situation at the end of the accounting period	0	0	0	0	0	0	0	0
Residual value								

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GEVORKYAN, a.s**Notes to the individual financial statements at 31 December 2022**

Situation at the beginning of the accounting period	0	6 204	11 615 379	0	405 269	0	0	12 026 852
Situation at the end of the accounting period	0	2 930	11 337 959	0	394 581	0	0	11 735 470

Intangible fixed assets	Value for the current accounting period
Intangible fixed assets subject to a pledge	
Intangible fixed assets for which the entity has a restricted right of disposal	

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

- research costs of EUR 815 405,
- non-activated development costs of EUR 1 334 300,
- EUR 0 development costs capitalised.

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GEVORKYAN, a.s**Notes to the individual financial statements at 31 December 2022****(b) Tangible fixed assets**

Information on tangible fixed assets

Tangible fixed assets	Current accounting period								
	Land	Buildings	Separate movables and sets of movables	Growing units of permanent crops	Basic herd and draft animals	Other DHM	DHM to be acquired	Advances granted for DHM	Total
Initial award									
Situation at the beginning of the accounting period	440 784	4 161 050	82 110 604	0	0	0	3 795 692	43 781	90 551 911
Additions		303 359	23 353 371				3 807 200	2 000 939	29 464 870
Outflows			7 800 158						7 800 158
Transfers			2 234 088				-2 190 307	-43 781	0
Situation at the end of the accounting period	440 784	4 464 409	99 897 905	0			5 412 585	2 000 939	112 216 622
Corrections									
Situation at the beginning of the accounting period	0	936 071	16 505 874	0	0	0	0	0	17 441 945
Additions		65 215	9 475 720						9 540 934
Outflows			5 031 293						5 031 293
Transfers									0
Situation at the end of the accounting period	0	1 001 285	20 950 300	0	0	0	0	0	21 951 586
Allowances									

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GEVORKYAN, a.s**Notes to the individual financial statements at 31 December 2022**

Situation at the beginning of the accounting period	0	0	0	0	0	0	0	0	0
Additions									
Outflows									
Transfers									
Situation at the end of the accounting period	0	0	0	0	0	0	0	0	0
Residual value									
Situation at the beginning of the accounting period	440 784	3 224 979	65 604 730	0	0	0	3 795 692	43 781	73 109 966
Situation at the end of the accounting period	440 784	3 463 124	78 947 604	0	0	0	5 412 585	2 000 939	90 265 037

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GEVORKYAN, a.s**Notes to the individual financial statements at 31 December 2022**

Tangible fixed assets	Immediately preceding accounting period								
	Land	Buildings	Separate movables and sets of movables	Growing units of permanent crops	Basic herd and draft animals	Other DHM	DHM to be acquired	Advances granted for DHM	Total
Initial award									
Situation at the beginning of the accounting period	440 784	4 138 237	65 040 115	0	0	0	3 391 149	35 000	73 045 285
Additions		22 813	19 991 034				3 795 692	43 781	23 853 220
Outflows			6 346 694						6 346 694
Transfers			3 426 149				-3 391 149	-35 000	0
Situation at the end of the accounting period	440 784	4 161 050	82 110 604	0	0	0	3 795 692	43 781	90 551 911
Corrections									
Situation at the beginning of the accounting period	0	873 772	12 327 570	0	0	0	0	0	13 201 342
Additions		62 299	7 330 806						7 393 105
Outflows			3 152 502						3 152 502
Transfers									0
Situation at the end of the accounting period	0	936 071	16 505 874	0	0	0	0	0	17 441 945
Allowances									
Situation at the beginning of the accounting period									0
Additions									0
Outflows									0

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GEVORKYAN, a.s**Notes to the individual financial statements at 31 December 2022**

Transfers									0
Situation at the end of the accounting period	0	0	0	0	0	0	0	0	0
Residual value									
Situation at the beginning of the accounting period	440 784	3 264 465	52 712 545	0	0	0	3 391 149	35 000	59 843 943
Situation at the end of the accounting period	440 784	3 224 979	65 604 730	0	0	0	3 795 692	43 781	73 109 966

Tangible fixed assets	Value for the current accounting period
Fixed tangible assets subject to a pledge	17 132 875
Tangible fixed assets for which the entity has a restricted right of disposal	

In 2022 and 2021, the Company did not acquire any property, plant and equipment for no consideration.

Property insurance

Fixed assets are insured by UNIQA and Allianz-Slovenská poisťovňa. Property insurance includes mainly insurance of production machinery (machine breakage and elemental damage) and motor vehicle insurance (accident insurance). The annual limit of indemnity is EUR 43 340 782,20 for all insurance locations in the territory of the Slovak Republic. The company's property is insured for the new value.

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GEVORKYAN, a.s**Notes to the individual financial statements at 31 December 2022****(c) Non-current financial assets**

Information on non-current financial assets

Non-current financial assets	Current accounting period								
	Unit-linked CPs and shares in UITs	Unit-linked CPs and shares in the company with substantial influence	Other long-term CP and shares	Loans to the UU in cons. whole	Other DFM	Loans with a maximum maturity of one year	DFM procured	Advances made to the DFM	Total
Initial award									
Situation at the beginning of the accounting period	0	0	0	0	0	0	0	0	0
Additions									0
Outflows									
Transfers									0
Situation at the end of the accounting period	0	0	0	0	0	0	0	0	0
Allowances									
Situation at the beginning of the accounting period	0	0	0	0	0	0	0	0	0
Additions									0
Outflows									
Transfers									0
Situation at the end of the accounting period	0	0	0	0	0	0	0	0	0
Book value									

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GEVORKYAN, a.s**Notes to the individual financial statements at 31 December 2022**

Situation at the beginning of the accounting period	0	0	0	0	0	0	0	0	0
Situation at the end of the accounting period	0	0	0	0	0	0	0	0	0
Non-current financial assets	Immediately preceding accounting period								
	Unit-linked CPs and shares in UITs	Unit-linked CPs and shares in the company with substantial influence	Other long-term CP and shares	Loans to the UU in cons. whole	Other DFM	Loans with a maximum maturity of one year	DFM procured	Advances made to the DFM	Total
Initial award									
Situation at the beginning of the accounting period			2 247 654						2 247 654
Additions									0
Outflows			2 247						2 247 654
Transfers									0
Situation at the end of the accounting period	0	0	0	0	0	0	0	0	0
Allowances									
Situation at the beginning of the accounting period			1 172 909						1 172 909
Additions									0
Outflows			1 172 909						1 172 909
Transfers									0
Situation at the end of the accounting period	0	0	0	0	0	0	0	0	0
Book value									

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GEVORKYAN, a.s

Notes to the individual financial statements at 31 December 2022

Situation at the beginning of the accounting period	0	0	1 074 745	0	0	0	0	0	1 074 745
Situation at the end of the accounting period	0	0	0	0	0	0	0	0	0

GEVORKYAN, a.s**Notes to the individual financial statements at 31 December 2022**

Non-current financial assets	Value for the current accounting period
Fixed financial assets subject to a pledge	0
Non-current financial assets for which the entity has a restricted right of disposal	0

At the end of 2021, the Company sold its interest in GPM Tools, Ltd. The interest was 0.049% of the share capital, which represented an 18% interest in the decision-making rights.

5. INVENTORY

The valuation of surplus, obsolete and low-turnover inventories is reduced to a lower value in use through write-downs. The valuation allowance was determined by the Company's management based on the expected ratio of the realised cost of inventories compared to the cost or purchase price.

Information on inventory valuation allowances

Inventory	Current accounting period				
	IP balance at the beginning of the accounting period	Creating OP	Clearance of OPs due to the cessation of just-Eligibility	Clearance of OPs due to asset retirement off the books	IP balance at the end of the accounting period
Material	0	0	0	0	0
Work in progress and semi-finished products of own production	38 160			0	
Products	24 327			0	
Total stocks	62 487			0	

On the basis of previous experience with product recycling (note 18), the management decided, on the basis of the precautionary principle, to make a general provision for work in progress, own semi-finished goods and finished goods in the amount of EUR 62 thousand for a possible future reduction in the economic benefits from these assets.

As at 31 December 2022, a lien on the inventories is established in favour of UniCredit Bank Czech Republic and Slovakia, a.s., a branch of a foreign bank.

Inventory	Value for the current accounting period
Stocks on which a lien is established	24 008 859
Inventories for which the entity has a restricted right of disposal	0

GEVORKYAN, a.s**Notes to the individual financial statements at 31 December 2022****6. BENEFITS**

Information on the development of the allowance for doubtful debts

Claims	Current accounting period				
	IP balance at the beginning of the accounting period	Formation of the OP	Clearance of OPs due to the cessation of just-Eligibility	Clearance of OPs due to asset retirement off the books	IP balance at the end of the accounting period
Trade receivables	6 291	7 150	1 625	0	11 816
Receivables due from subsidiary and parent	0	0	0	0	0
Other receivables within the consolidated entity	0	0	0	0	0
Receivables from shareholders, members and the association	0	0	0	0	0
Other receivables	0	0	0	0	0
Total receivables	6 291	7 150	1 625	0	11 816

The Company makes allowances for past due receivables depending on their age structure. Further details are provided in section 3. e) Receivables.

The receivables are insured by Atradius and Respect.

Receivables due from related parties (note 19).

Information on the age structure of claims

Item name	Past due	Overdue	Total receivables
Short-term receivables			
Trade receivables, of which:	21 429 817	2 141 865	23 571 682
<i>Co-operators</i>	7 013 928	18 691	7 032 619
<i>External customers</i>	5 157 149	742 944	5 899 890
<i>Related parties (point 19)</i>	9 258 740	1 380 230	10 638 970
Tax receivables and subsidies	822 886	0	822 886
Other receivables	52 026	0	52 026
Total short-term receivables	22 304 729	2 141 865	24 446 594

GEVORKYAN, a.s**Notes to the individual financial statements at 31 December 2022**

Information on claims secured by a pledge or other form of security

Description of the subject of the pledge	Current accounting period	
	Value of the object	Claim value
Receivables covered by a pledge or other form of security	0	0
Value of claims on which a pledge has been established	13 746 092	13 746 092
The value of receivables for which the right of disposal is restricted	0	0

7. FINANCIAL ACCOUNTS

Information on short-term financial assets

Item name	Current accounting period	Immediately preceding accounting period
Treasury, valuables	1 884	1 733
Current accounts with a bank or branch of a foreign bank	2 719 653	1 235 007
Deposit accounts with a bank or branch of a foreign bank term	0	0
Money on the way	0	0
Total	2 721 537	1 236 740

The company has an overdraft account with UniCredit Bank Czech Republic and Slovakia, a.s., which allows it to draw on a loan of up to EUR 12 273 000. As at 31 December 2022, the overdraft balance (in accordance with the agreed credit facility) was EUR 0

The company has an overdraft account with Komerční banka, a.s., which allows it to draw a loan of up to EUR 2 392 656. As at 31 December 2022, the overdraft balance (in accordance with the agreed credit facility) was EUR 0.

8. TIME RESOLUTION

Information on significant accruals

Description of the accrual item	Current accounting period	Immediately preceding accounting period
Current deferred charges, of which:	1 608	6 027
Insurance	1 608	6 027
Deferred income, current, of which:	0	1 613
Sale of goods	0	1 613

GEVORKYAN, a.s**Notes to the individual financial statements at 31 December 2022****9. HAIR PROPERTY**

The company's share capital is composed of 16 657 272 fully subscribed and paid-up shares with a nominal value of EUR 1.

Information on the distribution of an accounting profit or the settlement of an accounting loss

Item name	Immediately preceding accounting period
Accounting profit	2 282
Distribution of accounting profit	Current accounting period
Allocation to the legal reserve	228 300
Contribution to statutory and other funds	
Contribution to the social fund	
Allocation for capital increase	
Reimbursement of past losses	
Transfer to retained earnings of previous years	2 054 698
Distribution of profit share to shareholders, members	
Other	
Total	2 282 998

10. RESERVES

Information on reserves

Item name	Current accounting period				
	Situation at the beginning of the accounting period	Creating	Use	Cancel	Situation at the end of the accounting period
Short-term provisions, of which:	225 427	189 999	-157 035	0	189 999
Untaken leave	157 035	166 499	-157 035	0	166 499
Audit	18 963	23 500	-18 963	0	23 500
Other	49 429	0	-49 429	0	0

GEVORKYAN, a.s**Notes to the individual financial statements at 31 December 2022**

Item name	Immediately preceding accounting period				
	Situation at the beginning of the accounting period	Creating	Use	Cancel	Situation at the end of the accounting period
Short-term reserves, of which:	151 328	225 427	-151 328	0	225 427
Untaken leave	132 377	157 035	-132 377	0	157 035
Audit	18 951	18 963	-18 951	0	18 963
Other	0	49 429	0	0	49 429

The Company expects to use the reserves in 2023.

11. THE BRACKETS

Information on commitments

Item name	Current accounting period	Immediately preceding accounting period
Total non-current liabilities	51 872 723	56 542 975
Liabilities with a remaining maturity of more than five years		229 237
Liabilities with a residual maturity of one to five years	51 872 723	56 313 738
Total current liabilities	19 895 811	15 311 215
Liabilities with residual maturity up to and including one year	18 288 768	13 540 062
Overdue accounts payable	1 607 043	1 771 153

Payables to related parties (note 19).

GEVORKYAN, a.s**Notes to the individual financial statements at 31 December 2022****12. DEFERRED INCOME TAX**

Information on deferred tax liability

Item name	Current accounting period	Immediately preceding accounting period
Temporary differences between the carrying amount of assets and the tax base, of which:		-15 881 267
Deductible		62 487
Taxable		-15 943 754
Temporary differences between the carrying amount of liabilities and the tax base, of which:		1 567 900
Deductible		1 567 900
Taxable		
Ability to amortise tax losses in the future		
Possibility to transfer unused tax deductions		0
Income tax rate (%)		21%
Deferred tax asset		
Tax claim applied		
Recognised as an expense		
Charged to equity		
Deferred tax liability		3 005 807
Change in deferred tax liability		808 785
Recognised as an expense		808 785
Charged to equity		
Other		

The Company has recognised a deferred tax liability of EUR 3 005 807.

GEVORKYAN, a.s**Notes to the individual financial statements at 31 December 2022****13. INFORMATION ON SOCIAL FUND COMMITMENTS**

Information on social fund liabilities

Item name	Current accounting period	Immediately preceding accounting period
Initial state of the social fund	23 379	26 702
Formation of a social fund charged to expenses	16 970	13 442
Creation of a social fund from profit		
Other social fund formation		
Total social fund formation	16 970	13 442
Social Fund disbursement	18 538	-16 765
Final balance of the Social Fund	21 811	23 379

14. BANK LOANS AND FINANCIAL ASSISTANCE

Information on Bonds Issued as at 31 December 2022 (Bonds Issued)

Name of the issued bond	Nominal value	Number of	Issue price	Interest	Maturity	Amortised cost
GEVORKYAN 6.25/2023	209 400 000 CZK	209 400	100%	6,25%	2023	8 683 440
GEVORKYAN 4.70/2024	EUR 10 000 000	10 000	100%	4,70%	2024	10 139 033
Total						18 822 473

GEVORKYAN 6.25/23 bonds issued in CZK:

As at 31 December 2022, the Company must comply with several non-financial covenants related to the issue of GEVORKYAN 6.25/2023 bonds (ISIN CZ0000001037) issued in Czech crowns. As at 31 December 2022, the Company was in breach of one covenant. The Company breached the covenant by changing its legal form. This breach allowed the bondholders to apply for early redemption. A total of 6 bondholders requested redemption of the bonds, resulting in a decrease in the number of bonds issued by 10,600 units. The total change in nominal value represents a decrease of CZK 10 600 000. All obligations under the bonds in question are being discharged on time and in full.

GEVORKYAN 4.70/2024 bonds issued in EUR:

The Company is required to comply with a number of financial and non-financial covenants relating to the GEVORKYAN 4.70/2024 bond issue (ISIN SK4120014994) as at 31 December 2022. As at 31 December 2022, the Company was in compliance with all defined covenants. All obligations under the bonds in question are being discharged on time and in full.

GEVORKYAN, a.s**Notes to the individual financial statements at 31 December 2022**

Information on bonds issued As at 31 December 2021

Name of the issued bond	Nominal value	Number of	Issue price	Interest	Maturity	Amortised cost
GEVORKYAN 6.25/2023	220 000 000 CZK	220 000	100%	6,25%	2023	8 850 270
GEVORKYAN 4.70/2024	EUR 10 000 000	10 000	100%	4,70%	2024	10 139 230
Total						18 989 500

Information on bank credits, loans and short-term financial assistance

Item name	Currency	Interest p.a. in %	Due date	Principal amount in the relevant currency for the current accounting period	Principal amount in euro for the current accounting period	Principal amount in the relevant currency for the immediately preceding accounting period
Long-term bank loans						
Slovak Guarantee and Development Bank, a. s.	EUR	3,30%	21.10.2027	0	0	902 720
Slovak Guarantee and Development Bank, a. s.	EUR	1,90%	31.12.2026	0	0	1 480 000
Komerční banka, a.s.	EUR	3M EURIBOR + 2.30%	21.9.2025	1 837 500	1 837 500	2 887 500
Komerční banka, a.s.	EUR	3M EURIBOR + 2.30%	30.9.2026	1 979 131	1 979 131	2 819 131
BKS Bank AG	EUR	1,90%	20.6.2027	1 433 333	1 433 333	1 630 000
Total long-term bank loans					5 249 964	9 719 351

Short-term bank loans						
UniCredit Bank Czech Republic and Slovakia, a.s.	EUR	1M EURIBOR +1.90%	6.11.2022	0	0	3 117 188
Slovak Guarantee and Development Bank, a. s.	EUR	3,30%	31.12.2022	0	0	186 720
Slovak Guarantee and Development Bank, a. s.	EUR	1,90%	31.12.2022	0	0	370 000
Komerční banka, a.s.	EUR	3M EURIBOR + 2.30%	31.12.2022	1 050 000	1 050 000	1 050 000
Komerční banka, a.s.	EUR	3M EURIBOR + 2.30%	31.12.2022	840 000	840 000	840 000
BKS Bank AG	EUR	1,90%	31.12.2022	400 000	400 000	200 000
Total short-term bank loans					2 290 000	5 763 908

During 2022, the Company repaid loans granted by the following lenders:

GEVORKYAN, a.s**Notes to the individual financial statements at 31 December 2022**

- UniCredit Bank Czech Republic and Slovakia, a.s.
- Slovak Guarantee and Development Bank, a. s.

The loan agreement with Komerční banka, a.s. contains the following specific terms and conditions that must be complied with by the company:

1. Debt service coverage ratio greater than 120%.
2. A ratio of equity to balance sheet total (total assets) greater than 30%.
3. Net financial debt to EBITDA on an annual basis below 4.5.

As of December 31, 2022, the Company was not in compliance with the debt service coverage ratio covenants. The Company has communicated this non-performance to the Bank in a timely manner and has received written notice from Komerční banka, a.s. in which the Bank accepts the non-performance of these covenants as of December 31, 2022 and also confirms that it will not exercise any of its rights arising from the covenant non-performance.

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

1. Ratio of equity to total assets greater than 25%

As of December 31, 2022, the Company was in compliance with these covenants.

GEVORKYAN, a.s**Notes to the individual financial statements at 31 December 2022****15. TIME RESOLUTION**

Information on significant accruals on the liability side

Item name	Current accounting period	Immediately preceding accounting period
Non-current deferred expenses, of which:		
Current deferred expenses, of which:		
Interest		
Deferred income long-term, of which:	2 332 404	2 445 754
Non-returnable financial contribution	2 332 404	2 445 754
Short-term deferred income, of which:	1 906 213	488 440
Non-returnable financial contribution	113 351	113 351
Other	1 792 863	375 089

The Contract for the Provision of Non-Grantable Financial Contribution No. KaHR-111SP-1201/1171/168 concluded between the Company and the Ministry of Economy of the Slovak Republic represented by the Slovak Innovation and Energy Agency contains several financial and non-financial covenants that the Company must comply with. In the event of non-compliance with these conditions, there is a risk of repayment of the non-repayable financial contribution. As at 31 December 2022 and 31 December 2021, the company complied with these conditions. The company is regularly audited by the Slovak Innovation and Energy Agency to ensure compliance with the contract.

The Contract for the Provision of Non-returnable Financial Contribution No.Val/DP/2016/1.2.2-02/D379 concluded between the Company and the Ministry of Education, Science, Research and Sport of the Slovak Republic represented by the Ministry of Economy of the Slovak Republic acting through the Slovak Innovation and Energy Agency contains several financial and non-financial covenants that the Company must comply with. In the event of non-compliance with these conditions, there is a risk of the non-repayment of the non-repayable financial contribution. As at 31 December 2022 and 31 December 2021, the Company complied with these conditions. The company is regularly audited by the Slovak Innovation and Energy Agency to ensure compliance with the contract.

GEVORKYAN, a.s**Notes to the individual financial statements at 31 December 2022****16. LEASING (THE COMPANY IS THE TENANT)**

Information on assets leased under finance lease

Item name	Current accounting period			Immediately preceding accounting period		
	Maturity			Maturity		
	up to and including one year	from one year to five years inclusive	more than five years	up to and including one year	from one year to five years inclusive	more than five years
History	2 087 868	4 979 384	343 204	2 378 375	3 991 195	229 237
Financial cost	192 898	318 439	7 021	142 938	164 165	2 000
Total	2 280 766	5 297 823	350 224	2 521 313	4 155 360	231 237

Assets leased under finance leases are mainly presses, furnaces and cars.

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

1. Aggregate DEBT/EBITDA ratio below 5.
2. Aggregate DSCR greater than 1.3.
3. A ratio of equity to total liabilities greater than 30%.

As of December 31, 2022, the Company was in compliance with these covenants.

As of December 31, 2021, the Company was not in compliance with the equity to total liabilities ratio covenant and, therefore, has recorded the obligations under this contract as current.

17. CONTINGENT LIABILITIES AND ASSETS, OFF-BALANCE SHEET ITEMS

Given that several areas of Slovak tax law (e.g. transfer pricing legislation) have not yet been sufficiently tested in practice, there is uncertainty as to how the tax authorities will apply them. The extent of this uncertainty cannot be quantified and will only disappear once legal precedents or official interpretations of the competent authorities are available. Management is not aware of any circumstances that would result in the Company incurring a material expense.

18. REVENUE AND COSTS**Revenue**

Sales information

GEVORKYAN, a.s**Notes to the individual financial statements at 31 December 2022**

Item name	Current accounting period	Immediately preceding accounting period	Year-on-year change	%
Sales of own products of which:	48 360 912	43 803 248	4 617 319	11%
External customers or final sales	26 943 200	22 555 582	4 447 272	20%
Cooperation products	13 150 637	12 939 687	210 950	2%
Related persons	8 267 075	8 307 979	-40 904	0%
Revenue from the sale of services of which:	10 311 878	10 164 506	147 372	1%
Related persons	5 234 085	6 083 213	-849 128	-14%
Sales of goods of which:				
Related persons				
Total net turnover	58 672 790	53 967 754	4 764 691	9%

Revenue from co-operative products represents revenue from the sale of work-in-process products that require further processing (densification, electroplating, metalworking, etc.) necessary to complete the powder metallurgy products to their final state. On sale, the rights and obligations of ownership of the work-in-process products are transferred from the company to the co-operators and the revenue is accounted for. The Company uses this method of cooperation to eliminate the costs associated with the delivery of damaged finished products.

Data on the change in the stock of intra-company inventories

Information on changes in intra-organisational inventories

Item name	Current accounting period	Immediately preceding accounting period		Change in intra-organisational inventories	
	Final balance	Final balance	Initial state	Current accounting period	Immediate- immediately preceding- preceding accounting period
Work in progress and semi-finished products of own production		10 864 561			1 040 124
Products		6 926 142			-786 022
Animals		120			0
Total		17 790 823			254 102
Change in intra-organisation inventories in the income statement		x			254 102

In 2022, the Company continued to implement non-destructive product inspection methods. It implemented new fully automated workstations using state-of-the-art robots and camera systems to discover any defects on products.

GEVORKYAN, a.s**Notes to the individual financial statements at 31 December 2022**

As a result of these measures, in 2022, the company caught a non-conformity at an exit inspection related to products that can be easily damaged during handling. These products were recycled. All recycled material was used to manufacture new products that were sold during the year or were reported as inventory at December 31, 2022. The Company evaluates the option to reuse all recycled material in production as the best and least costly way to avoid the risk of major customer complaints.

Thanks to the early detection of potential risks, for which the company uses state-of-the-art non-destructive inspection methods, the total number of non-conforming products claimed by customers for 2022 was at PPM 150, which means 150 bad products per 1,000,000 units shipped, or only 0.015%. As part of the continuation of the long-term quality improvement process, the Company has established an automation and robotics department that is specifically dedicated to, among other things, detecting hidden defects in products using camera systems, robotic lines, etc., thereby significantly reducing manual handling of parts during the production process and minimizing the risk of internal defects and cracks.

Revenue from economic activity, financial activity and extraordinary activity

Information on revenue on capitalisation of costs and on revenue from economic and financial activities

Item name	Current accounting period	Immediately preceding accounting period
Significant items on capitalization of costs, of which	0	0
Activation of machinery and equipment	0	0
Other significant items of income from economic activities, of which:	4 091	3 021 431
Proceeds from the sale of fixed assets and materials	3 860 748	2 821 633
Compensation insurance company	79	66 255
Revenue from the subsidy	113 351	113 351
Other	37 148	20 192
Financial income, of which:	385 736	19 640
<i>Exchange gains, of which:</i>	<i>294 668</i>	<i>17 738</i>
foreign exchange gains at the date of the financial statements	294 668	17 336
<i>Other significant items of financial income, of which:</i>	<i>91 068</i>	<i>402</i>
Interest	91 066	373
Other	2	29

GEVORKYAN, a.s**Notes to the individual financial statements at 31 December 2022****Cost**

Cost information

Item name	Current accounting period	Immediately preceding accounting period
Cost of services rendered, of which:	8 564 390	7 561 266
Costs due to auditor, audit firm, of which:	66 000	117 500
<i>the cost of auditing individual financial statements</i>	<i>60 000</i>	<i>47 500</i>
<i>other related services</i>	<i>6 000</i>	<i>70 000</i>
tax consultancy		2 708
repairs and maintenance	407 339	1 019 480
travel and representation	62 200	62 481
Rent	350 439	439 980
transport	220 394	471 667
legal, economic and other consultancy services	111 341	166 256
personal leasing	51 759	239 669
external machining of products - GPM Tools, s.r.o.	1 454 663	998 565
external processing of products	5 277 493	3 627 309
software services	147 548	154 085
mask manufacturing services	1 284	41 246
Other	413 930	220 320
Other significant items of expense from economic activity, of which:		136 479
the residual value of lease contracts assigned	0	0
Insurance	133 965	130 981
Other	11 689	5 498
Financial costs, of which:	4 757 265	4 329 074
<i>Foreign exchange losses, of which:</i>	<i>454 696</i>	<i>486 807</i>
foreign exchange losses at the date of the financial statements	414 258	449 000
<i>Other significant finance cost items, of which:</i>	<i>4 302 569</i>	<i>3 842 267</i>
Other costs of financial activities	1 175 056	537 124

GEVORKYAN, a.s**Notes to the individual financial statements at 31 December 2022**

Carrying amount of securities and equity interests sold	0	1 074 745
interest cost	3 127 513	2 230 398
Valuation allowances on financial assets	0	0

Other related services provided by the audit firm in 2022 include performing agreed-upon procedures related to financial information in accordance with International Standard on Related Services ISRS 4400.

Income taxes

Information on income taxes

Item name	Current accounting period	Immediately preceding accounting period
Amount of deferred tax asset recognised as an expense or income resulting from a change in the income tax rate		
Amount of deferred tax liability recognised as an expense or income as a result of a change in the income tax rate		
The amount of deferred tax assets relating to the amortisation of tax losses, unused tax credits and other claims and temporary differences of prior accounting periods for which no deferred tax asset was recognised in prior accounting periods		
The amount of the deferred tax liability that arises from not recognising in the current accounting period that part of the deferred tax asset that was accounted for in previous accounting periods		
Amount of unused tax loss amortisation, unused tax credits and other entitlements and deductible temporary differences for which no deferred tax asset has been recognised		
Amount of deferred income tax relating to items charged directly to the equity accounts without being charged to the expense and income accounts		

GEVORKYAN, a.s**Notes to the individual financial statements at 31 December 2022**

Information on income taxes

Item name	Current accounting period			Immediately preceding accounting period		
	Tax base	Tax	Tax in %	Tax base	Tax	Tax in %
Profit before tax, of which:		x	x	3 372 159	x	x
theoretical tax	x		21%	x	708 153	21%
Costs not recognised for tax purposes				2 336 761	490 720	15%
Non-taxable income				-4 373 803	-918 499	-27%
Effect of an unrecognised deferred tax asset						
Amortisation of tax loss						
Changing the tax rate						
Other						
Total				1 335 117	280 375	8%
Income tax payable	x			x	280 375	8%
Deferred income tax	x			x	808 785	24%
Total income tax	x			x	1 089 160	32%

19. INFORMATION ON RELATED PARTIES

Information about economic relationships between the entity and related parties

Related person	Code of the type of trade	Value expression of trade	
		Current accounting period	Immediately preceding accounting period
GPM Tools, s.r.o.			
Sales of own products (yield)	2	8 267 075	8 307 979
Revenue from the sale of services (yield)	3	5 234 085	6 083 213
Proceeds from the sale of intangible fixed assets and tangible fixed assets (income)	2	854 660	0

GEVORKYAN, a.s**Notes to the individual financial statements at 31 December 2022**

Proceeds from the sale of unwanted material (yield)	2	95 116	27 754
Purchase of fixed assets	1	11 760 462	12 308 954
Purchase of stocks	1	2 101 904	1 209 083
Procurement of services and other costs (expense)	1	1 555 223	1 993 698
GEVORKYAN CZ, s.r.o.			
Interest expense on borrowings (expense)	8	1 515 000	3 699
Borrowing fees (expense)	8	0	268 900

Information on receivables and payables with related parties

Related person		Value expression	
		Current accounting period	Immediately preceding accounting period
GPM Tools, s.r.o.			
Trade receivables		10 638 970	10 712 726
Trade payables		5 477 882	7 793 062
GEVORKYAN CZ, s.r.o.			
Other liabilities		30 071 653	30 008 699

The Company records trade receivables from related parties. The Company does not record other receivables

The Company records trade payables and loan payables to related parties.

20. INFORMATION ON CHANGES IN EQUITY

Equity item	Current accounting period				
	Situation at the beginning of the accounting period	Additions	Outflows	Transfers	Situation at the end of the accounting period
Share capital	13 924 472	2 732 800			16 657 272
Issue premium	0	24 694 735			24 694 735
Other capital funds	11 307 079				11 307 079
Legal reserve fund	842 327			228 300	1 070 627
Retained earnings of previous years	8 540 841			2 054 698	10 595 541
Unreimbursed loss of previous years	0				0
Economic result for the current accounting period	2 282 998			-2 282 998	

GEVORKYAN, a.s**Notes to the individual financial statements at 31 December 2022**

Total	36 897 699		0	0	69 106 205
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Equity item	Immediately preceding accounting period				
	Situation at the beginning of the accounting period	Additions	Outflows	Transfers	Situation at the end of the accounting period
Share capital	13 924 472				13 924 472
Other capital funds	11 307 079				11 307 079
Legal reserve fund	654 488			187 839	842 327
Retained earnings of previous years	4 971 890			3 568 951	8 540 841
Unreimbursed loss of previous years	0				0
Economic result for the current accounting period	3 756 790	2 282 998		-3 756 790	2 282 998
Total	34 614 720	2 282 980	0	0	36 897 699

The General Meeting of the Company held on 30 December 2022 approved the distribution of the 2021 profit

On 13 May 2022, the Company changed its legal form from the original limited liability company to the current joint stock company with a number of shares of 13,924,472 with a nominal value of 1 euro. On 22 May 2022, the Company resolved to subscribe for 2,732,800 new shares with a nominal value of 1 euro. In the month of June 2022, the Company listed on the PX Start market of the Prague Stock Exchange. As a result of the above transactions, the share capital was increased and a share premium was created in the amounts shown in the table above.

21. OVERVIEW OF CASH FLOWS

The cash flow statement was prepared using the indirect method.

22. SIGNIFICANT EVENTS THAT OCCURRED AFTER THE DATE ON WHICH THE FINANCIAL STATEMENTS ARE PREPARED

There have been no other events subsequent to December 31, 2022 that require disclosure or recognition in the 2022 financial statements.

Report of the independent auditor

To the shareholders, the Supervisory Board and the Management Board of GEVORKYAN, a.s.:

Recognitions from the financial statements

Opinion

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

In our , the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2022 and of its financial performance for the year then ended in accordance with Act No. 431/2002 Coll. Accounting Act, as amended (hereinafter referred to as the "Accounting Act").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 2014 on specific requirements for statutory audit of public-interest entities (hereinafter referred to as "Regulation (EU) No 537/2014 of the European Parliament and of the Council"). Our responsibilities under these standards are set out in the paragraph Responsibilities of the auditor for the audit of the financial statements. We are independent of the Company in accordance with the provisions of Act . 423/2015 on Statutory Audit and on Amendments to Act . 431/2002 Coll. on Accounting, as amended (the "Statutory Audit Act") relating to ethics, including the Auditor's Code of Ethics, relevant to our audit of the financial statements, and we have complied with the other requirements of these provisions relating to ethics. We believe that the audit evidence we have obtained provides a sufficient and appropriate basis for our opinion.

Key Audit matters

Audit matters are those matters that, in our professional judgement, are the most significant in our audit of the current period financial statements. We have considered these matters in connection with our audit of the financial statements as a whole and in forming our opinion on them, but we do not express an independent opinion on them. For each matter listed below, we provide a description of how we addressed the matter in our audit.

We have complied with our responsibilities as set out in the auditor's responsibility for the audit of the financial statements paragraph of our report, including in relation to the referred to above. Accordingly, our audit included procedures designed to enable us to assess the risks of material misstatement of the financial statements. The results of our audit procedures, including those performed in addressing the matters referred to below, form the basis of our audit opinion on the accompanying financial statements.

Revenue Reporting

Cost of own goods and merchandise does not include tax. Our audit procedures included an assessment of the value added. They are also informed by the Company's accounting policies for deductions (rebates, bonuses, discounts, credit notes and in the area of revenue recognition and assessment, etc.). Charges are accounted for at the date of compliance with the Accounting Act. We evaluated and tested the setup and effective functioning of key controls in the sales process

Revenues amounting to 13,151 thousand euros are generated by the sale of products for further processing to so-called cooperators. This processing is necessary for the subsequent sale of products to third parties.

The company transfers the risks and rewards of the products and recognises the revenue from their sale when they are transferred to the co-operators.

Revenue recognition ranks as a key audit matter because of the complexity of needs, comprehensive criteria for their recognition and assessed the importance of their value.

We have carried out a sales analysis based on our knowledge of the industry, specifically for external customers and for sales to cooperators.

For transactions close to the date, we assessed whether the revenue was recognised in the correct accounting period. We selected a sample of sales that included invoices of significant value issued close to the reporting date.

We compliance of these sales contracts or other supporting documents submitted to show when the obligations of the parties to the transaction have been fulfilled.

We also assessed, on a sample of significant credit notes issued after the date, whether they were recognised in the correct accounting period.

Obtained confirmations from selected customers as of December 31, and reconciled the values to the Company's accounting records.

We also assessed the adequacy of the Company's disclosures in relation to the accounting policies relating to recognition set out in paragraph 3.1) Revenue in the notes to the financial statements and whether they comply with the Accounting Act.

Rectification item to assessable rights

As at 31 December 2022, the residual carrying amount of the valuation rights in powder metallurgy and metal injection moulding was EUR 11,061 thousand.

The Company's accounting method for assessing potential impairment of appraisal rights is to annually assess the existence of indicators of impairment based on an updated sales forecast. If indicators are identified impairment indicators are identified, the Company prepares a valuation allowance for the valuation rights.

The valuation allowance is a series of audit matters due to the complexity of the calculation, significant judgment

Our audit procedures included assessing the appropriateness of the Company's accounting policies in to valuation rights and assessing compliance with the Accounting Act.

During our audit of the financial statements, we received an updated sales forecast for the Company and considered whether there are indicators of impairment of valuation rights.

In our audit procedures, we used the work of our valuation experts to support our assessment of the assumptions and methods of the model that calculates the value of the valuation rights. In addition, we reviewed the expected growth rates and related expected future cash flows.

We also assessed the adequacy of the Company's disclosures in relation to the accounting policies relating to the valuation of

management in determining the expected revenue, and discount factor and the dependence on future development.

set out in paragraph 3.a) Debts intangible assets of the notes to the financial statements and whether they comply the Accounting Act.

Compliance with debt covenants

As at 31 December 2022, the carrying amount of the debt (bonds and loans) for which the Company has to redeem the covenants was EUR 26,362 thousand.

Our audit procedures included an assessment of the appropriateness of the Company's accounting policies related long-term borrowings, short-term borrowings and bonds and an assessment of compliance with the Accounting Act.

Long-term loans, short-term loans and bonds are reported at nominal value. The portions of long-term loans and bonds that mature within one year of

We retrieved from banks as of December 31, 2022 and reconciled the values with company's accounting records

the date of the financial statements as well as the current loan/ and debentures, which the company does not meet the covenants at the balance sheet date

We reviewed the loan agreements and the terms and conditions of the Notes to assess whether all covenants were considered in assessing the Company's compliance with the debt covenants.

Conclusions.
Due to the significance of the outstanding balance of bonds and bank loans for which the Company must meet covenants, we consider this to be a specific audit matter.

We have reviewed and assessed compliance with the debt covenants at the date of the financial statements.

We have also assessed the adequacy of the Company's disclosures in relation to the accounting policies relating to long-term borrowings, short-term borrowings and debentures set out Note .g) Commitments in the Notes to the Financial Statements, whether they comply with the Accounting Act and the adequacy of the Company's disclosures in respect of compliance with debt covenants as set out in Note 14 Bank loans and financial assistance.

Responsibility of the statutory body and the persons charged with governance for the financial statements

The statutory body is responsible for the preparation of these financial statements so that they give a true and fair view in accordance with Act No. 431/2002 Coll. on accounting and for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the statutory body is responsible for assessing the Company's ability to continue as going , for describing the going concern basis of accounting, if applicable, and for using the going concern basis of accounting unless it intends to liquidate the Company or to discontinue its operations or has no realistic alternative but to do so.

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

Auditor's responsibility for the audit of the financial statements

Our responsibility is 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, including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit performed in accordance with the ISAs and Regulation (EU) No 537/2014 of the European Parliament and of the Council will always detect material misstatements, if any. Misstatements may arise from fraud or error and are considered material if they could reasonably be expected, individually or in the aggregate, to affect the economic decisions of users made on the basis of these financial statements.

As part of an audit conducted in accordance with the ISAs and Regulation (EC) No 537/2014 of the European Parliament and of the Council, we exercise professional judgement and maintain professional scepticism throughout the audit. In :

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures to address those risks, and obtain audit evidence is sufficient and appropriate to provide a basis for our opinion. The risk of non-detection of a material misstatement due to fraud is higher than that due error fraud may involve collusion, forgery, deliberate omission, misstatement or circumvention of internal control.
- We consider internal controls 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 controls.
- We assess the appropriateness of the accounting policies and methods used and the reasonableness of the accounting estimates and related made by the statutory body.
- We conclude whether the statutory body appropriately applies the going concern basis of accounting and, based on the audit evidence obtained, conclude whether a material uncertainty exists related to events or conditions that may cast significant doubt about the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw the auditor's attention in our report to the related disclosures in the financial statements or, if those disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of our auditor's report. However, future events or circumstances may cause the Company to cease to continue as a going concern.
- We assess the overall presentation, structure and content of the financial statements, including the information presented therein, and whether the financial statements reflect the transactions and events that occurred in a manner that gives a true and fair view.

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

We also provide a statement to those charged with governance that we have complied with the relevant independence requirements and communicate with them about any patterns or other matters that may reasonably be believed to have an impact on our independence, as well as any steps taken to address related threats or applied.

Of the matters communicated to the persons charged with governance, let us identify those that were most significant in the audit of the current period financial statements and are therefore audit relevant. We describe these matters in our auditor's report unless a law or regulation precludes disclosure or, in extremely rare cases, we decide that a matter should not be included in our report because the adverse consequences of its disclosure might reasonably be expected to outweigh the public benefit of its disclosure.

Report on other requirements of laws and other legal regulations

Report on the information given in the annual report

The statutory body is responsible for the information contained in the annual report prepared in accordance with the requirements of the Accounting Act. Our opinion on the financial statements set out above does not extend to other information in the annual report.

In connection with our audit of the financial statements, our responsibility is to read the information in the annual report and assess whether that information is materially inconsistent with the audited financial statements or our knowledge obtained in the course of our audit of the financial statements or otherwise appears to be materially misstated.

We have assessed whether the Company's annual report includes the information required by the Accounting Act to be disclosed.

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

- the information presented in the 2022 Annual Report is consistent with the financial statements for that year,
- the annual report contains information under the Accounting Act.

In , based on our knowledge of the entity and its situation obtained in the course of our audit of the financial statements, we are required to state whether we identified any material misstatements in the annual report that we received before the date of this auditor's report. There are no findings in that regard that we are required to report.

Report on the independent verification of compliance of the presentation of the financial statements with the requirements of the European Single Electronic Reporting Format (hereinafter referred to as 'ESEF')

We have been engaged by the Company to perform an engagement to provide reasonable assurance on the conformity of the Company's financial statement presentation for the year ended 31 December , which forms part of the annual financial report (the Financial Statements Presentation"), with the requirements of Commission Delegated Regulation (EU) No. 2019/815 of 17 December 2018 Directive (EU) No 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format ("ESEF Regulation").

Description of the subject of the contract and identification of the criteria

The Statutory Body has applied the Presentation of Financial Statements to comply with the requirements of the ESEF Regulation. The relevant requirements relating to the Presentation of Financial Statements are contained in the ESEF Regulation.

In our opinion, the requirements for the Presentation of Financial Statements set out in the preceding paragraph are appropriate criteria for drawing a conclusion with reasonable assurance.

Responsibilities of the statutory body and persons entrusted with the management

The Statutory Body is responsible for the Presentation of the Financial Statements which complies with the requirements of the ESEF Regulation. This responsibility includes:

- the preparation of financial statements in XHTML format; and
- design, implement and maintain internal controls relevant to the Presentation of Financial Statements that are free from material non-compliance with the requirements of the ESEF Regulation.

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

Auditor's responsibilities

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

We conducted the engagement providing reasonable assurance in accordance with International Standard on Assurance Engagements 3000 (Revised), 'Engagements for Assurance Services Other Than Audits or Reviews of Historical Financial Information' (ISAE 3000(R)), issued by the International Auditing and Assurance Standards Board (IAASB). In accordance with this standard, we are required to comply with relevant ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Presentation of Financial Statements complies, in all material respects, with the requirements of the ESEF Regulation.

The nature, timing and extent of the procedures performed depend on the auditor's judgement. Reasonable assurance is a high level of assurance but is not a guarantee that a service performed in accordance with ISAE 3000(R) will always detect a material nonconformity.

Quality control and auditor independence requirements

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

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

Overview of the procedures performed

Our planned and performed procedures were designed to obtain reasonable assurance about whether the Presentation of Financial Statements complies, in all material respects, with the requirements of the ESEF Regulation. In particular, our procedures included:

- familiarisation with the internal control system and processes relevant to the use of an electronic format for reporting financial statements, including the preparation of the XHTML format; and
- verify that the XHTML format has been used correctly.

We are satisfied that the evidence we have obtained provides a sufficient and appropriate basis for the expression of our belief.

Conclusion

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

Other requirements for the content of the auditor's report under Regulation (EU) No 537/2014 of the European Parliament and of the Council

Appointment of the auditor

Statutory We were appointed by the General Meeting of the Company on 30 December 2022 . The total uninterrupted period of our engagement, including previous renewals of our engagement (in excess of the period for which we were originally appointed) and our reappointments as statutory auditors, is 7 years.



Consistency with the additional report to the Supervisory Board

Our auditor's opinion on the financial statements expressed in this report is consistent with the additional report to the Company's Supervisory Board, which we issued on the same day as the date of this report.

Non-audit services

The prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 of the European Parliament and of the Council were not provided and we remained independent of the Company in the performance of the audit.

Other than the statutory audit services and the services disclosed in the financial statements, we have not provided services to the Company.

28 April 2023
Bratislava, Slovak Republic

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

Ing. Tomáš Pěček, statutory auditor
ÚDVA Licence No. 1067