

## **REPORT OF THE BOARD OF DIRECTORS ON BUSINESS ACTIVITIES of GEVORKYAN, a.s. for the Year 2024**

prepared under Section 192(2) of Act No. 513/1991 Coll., the Commercial Code, as amended

### **I. Objects of business and results of business activities**

GEVORKYAN, a.s., with its registered office at Továrenská 504, 976 31 Vlkanová, Slovak Republic, ID No. 36 017 205, registered in the Commercial Register of the District Court Banská Bystrica, Section: Sa, File No. 1232/S (“GEVORKYAN, a.s.”), carries on business at its registered office and has no branch abroad. GEVORKYAN, a.s. has been carried out business activities during its existence and in 2024 it carried out the following core objects of its business:

1. research and development in the field of natural and technical sciences;
2. activity in the field of powder metallurgy;
3. research and development in the field of social sciences and humanities;
4. purchase of goods for sale to the end consumer to the extent of unregulated trades;
5. purchase of goods for sale to other businesses to the extent of unregulated trades;
6. intermediation of trade and services to the extent of unregulated trades;
7. toolmaking;
8. thermic treatment of metals;
9. coating of metals;
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 articles made of rubber and articles made of plastic;
15. textile manufacturing; and
16. manufacture of pulp, paper, cardboard, and products made of these materials.

Total revenues of GEVORKYAN, a.s. for the year 2024 amounted to EUR 75,686 thousand, total costs amounted to EUR 69,646 thousand, and the profit or loss before tax amounted to EUR 6,040 thousand.

### **II. Manufacturing activities, sale of products, and provision of services**

In terms of revenues, the decisive area in 2024 were revenues from the sale of the company's own products in the amount of EUR 65,359 thousand. Revenues from the sale of services in 2024 amounted to EUR 10,327 thousand.

### **III. Research and development activities**

At GEVORKYAN, a.s. in 2024, the development department employed 18 engineers who develop around 200 new products per year. spoločnosti GEVORKYAN, a.s. is also working 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 approximately 10 new customers per year.

GEVORKYAN, a.s. is a development supplier for most of its customers. The vast majority of products are developed directly at GEVORKYAN, a.s. It is the sole supplier for almost 100% of its customers. GEVORKYAN, a.s. 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 ever manufactured by a powder metallurgy method.

### **IV. Quality of services and products, environmental protection**

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

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

The financial statements for the year 2024 were audited by Ernst & Young Slovakia, spol. s r.o., license SKAU No. 257.

On 16 November 2021, the affiliated company GEVORKYAN CZ, s.r.o. successfully issued bonds worth EUR 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 2024, the company achieved sales of almost 76 million euros with an even lower number of employees: 170.

## **V. Wages development and HR**

GEVORKYAN, a.s. employed a total of 170 employees at the end of 2024, of which approximately 10% worked in the development department. GEVORKYAN, a.s. provides attractive and stable jobs for skilled workers with relevant education. The company has a multinational team. Key managers have experience in a variety of industries.

The exceptionally broad spectrum of the company's social programme covers the real needs of employees, from material assistance during long-term incapacity for work, maternity leave, through refinancing of accommodation costs, transport costs, contributions for recovery procedures, stays, etc. In 2024, a special programme continued to support young and talented employees, for whom the company reimburses university studies, education and various professional training sessions and courses (foreign language training) and provides 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; in addition, they attend training sessions, courses and technical training in powder metallurgy in different countries of the world every year. Experts from supplier companies are also invited to regularly organised in-house training sessions to present innovations in the development of materials, production technologies and machinery.

## **VI. The company's own development activities**

During 2020, GEVORKYAN, a.s. launched a new high-speed hardening line for the series production, which is specific in that it can harden special powder metallurgy composite materials. What is also unique is that the company 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 recent years, regular investments have been made in robotization. Robotic workstations, completely developed by our company, replace entire teams of operators and allow continuous operation. A significant part of the investment is directed towards simulation software, information systems, online communication, and the digitisation of all processes in the company so that the company can operate flexibly.


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 EUR 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.

**REPORT OF THE BOARD OF DIRECTORS ON THE STATE OF THE ASSETS**  
**of GEVORKYAN, a.s. for the Year 2024**  
**prepared under Section 192(2) of Act No. 513/1991 Coll., the Commercial Code, as amended**

GEVORKYAN, a.s. reported the following state of assets, equity and payables as at 31 December 2024 in thousand EUR:

<b>Total assets .....</b>	<b>196,132</b>
a) Non-current assets.....	128,428
of which: real estate, machinery and equipment.....	117,285
intangible fixed assets .....	11,143
b) Current assets.....	67,704
of which:	31,042
inventory.....	
receivables from trade.....	33,263
other current assets.....	792
cash and cash equivalents.....	2,607
<b>Total equity and payables.....</b>	<b>196,132</b>
a) Equity.....	75,503
of which:	16,657
registered capital.....	
share premium.....	24,695
treasury shares.....	-79
capital funds.....	13,106
retained earnings / (loss) of previous periods.....	17,337
profit / (loss) for the period.....	3,787
b) Payables.....	120,628
of which: Long-term payables.....	81,653
Short-term payables.....	38,975
 COSTS.....	 <b>69,646</b>
REVENUES.....	<b>75,686</b>

In VLKANOVÁ on 19/05/ 2025

  
**Dipl. Ing. Artur Gevorkyan**  
Chairman of the Board of Directors  
GEVORKYAN, a.s.

