

# Annual report 2022



# MAIN PILLARS OF OFZ

Using state-of-the-art technologies, OFZ transforms raw materials into high value-added products which are an integral part of the most commodities that shape modern society. The importance of OFZ goes far beyond the Slovak borders.

## 01 / PRODUCING QUALITY PRODUCTS

In 2022, OFZ manufactured almost 39,000 tons of ferroalloys and cored wires mainly due to idling a production in the second half of 2022.

## 02 / SATISFYING CUSTOMERS` NEEDS

In 2022, OFZ sold more than 57,000 tons of ferroalloys and other products including services amounting to €152.0 mil. The share of revenues from the sale of ferroalloys and cored wires was as follows: Czech Republic (37%), Slovakia (17%), Poland (12%), Slovenia (8%) and Italy (3%).

## 03 / INVESTING INTO PRODUCTION AND THE ENVIRONMENT

In 2022, OFZ invested almost €2.7 mil. into enhancing environmental protection and into other technologies. Among the main environmental investments were installation of filters from furnace tapping which is to minimize the dust generated during the other stage in the ferroalloy production process. Still the other investments were targeted into pool casting for manganese alloys. Major part of investment was made into the metal tooling hub in the Martin plant.

## 04 / HUMAN RESOURCES

In 2022, the average wage in OFZ was €1,454 which is 14% higher than the average wage paid in the region of Orava and 13% higher than the average wage in Slovakia.

# MAIN PRODUCT GROUPS

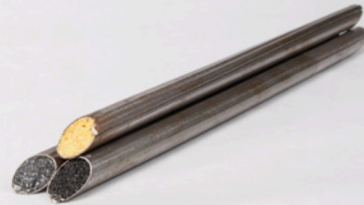
## FERROALLOYS AND SILICON METAL

OFZ is a diversified manufacturer in Central Europe offering its customers a wide range of silicon and manganese alloys and various grades of silicon metal.



## CORED WIRES

OFZ is among the most important manufacturers of cored wires in Europe, offering its customers products with a wide range of fillers.



**DIVERSIFIED MANUFACTURER OF FERROALLOYS AND SILICON METAL IN CENTRAL EUROPE**

**MAJOR EUROPEAN MANUFACTURER OF CORED WIRES**



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# OFZ AS A COMPANY WITH A DIVERSIFIED PRODUCT RANGE

OFZ is a Slovak metallurgical company with significance going far beyond the region of Central Europe. The main strategy for our company is to expand our product portfolio while maintaining sustainable development. The aforementioned is even more apparent in launching new projects in the field of ferroalloys, metals and cored wires production and preparing extensive investments into enhancing environmental protection and power effectiveness.

**€ 152.0 mil.** in net turnover

**14 kinds** of ferroalloys, silicon metal and cored wires manufactured

## **OFZ, a.s. SLOVAKIA:**

### **FERROALLOYS PRODUCTION CAPACITY**

7 electric arc furnaces: 140,000 mtpa

### **CORED WIRES PRODUCTION CAPACITY**

2 lines: 10,000 mtpa

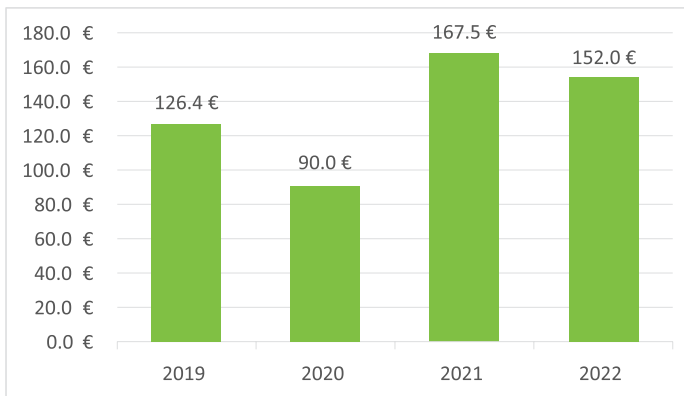


# SELECTED FIGURES

| mil. EUR                    | 2022  | 2021  | 2020  | Change %<br>2022-2021 |
|-----------------------------|-------|-------|-------|-----------------------|
| Net turnover                | 152.0 | 167.5 | 90.0  | -9.3%                 |
| Total operating income      | 154.5 | 208.5 | 107.5 | -25.9%                |
| Total operating expenses    | 156.1 | 188.3 | 107.6 | -17.1%                |
| Operating income            | -1.6  | 20.2  | -0.1  | ---                   |
| Earnings before taxes (EBT) | -1.7  | 19.7  | -0.8  | ---                   |
| Earnings after taxes (EAT)  | -2.2  | 15.5  | -1.4  | ---                   |
| EBITDA                      | 2.2   | 23.8  | 2.8   | -90.9%                |
| Non-current assets          | 27.9  | 28.4  | 31.1  | -1.8%                 |
| Current assets              | 81.0  | 115.1 | 62.2  | -29.7%                |
| Equity                      | 54.0  | 56.0  | 40.7  | -3.6%                 |
| Total liabilities           | 46.1  | 86.7  | 51.9  | -46.8%                |
| Average number of employees | 299   | 382   | 406   | -21.7%                |

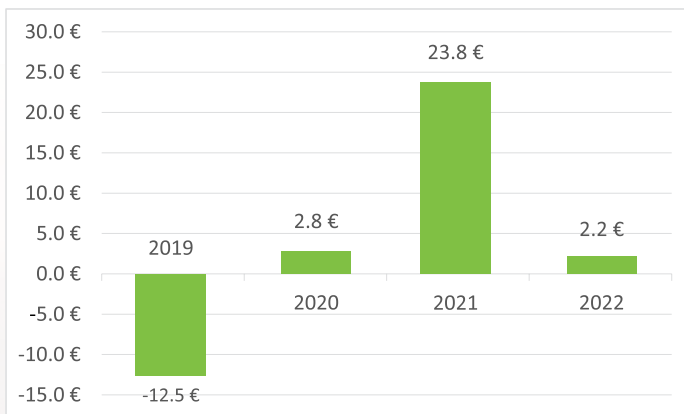


Because of high power prices which is among the main inputs for ferroalloy production, net income of OFZ, a.s. was in the red.



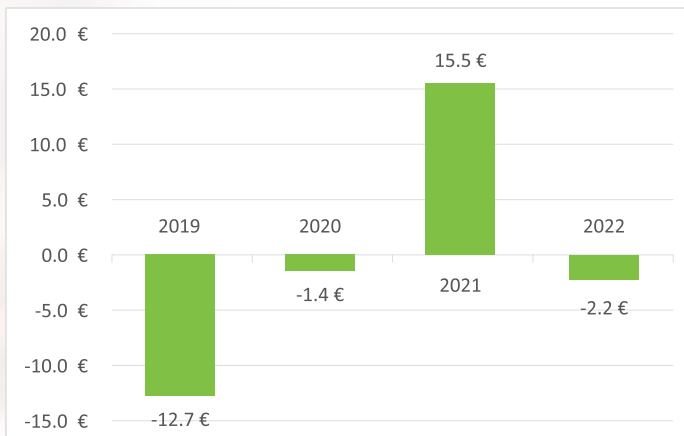
## NET TURNOVER (€ mil.)

In 2022, OFZ's net turnover decreased by more than 9% YOY to €152.0 mil. Turnover was supported by high ferroalloy prices which continually faded away and was hit by idling of the furnaces in the second half.



## EBITDA (€ mil.)

In 2022, OFZ's EBITDA reached €2.2 mil.

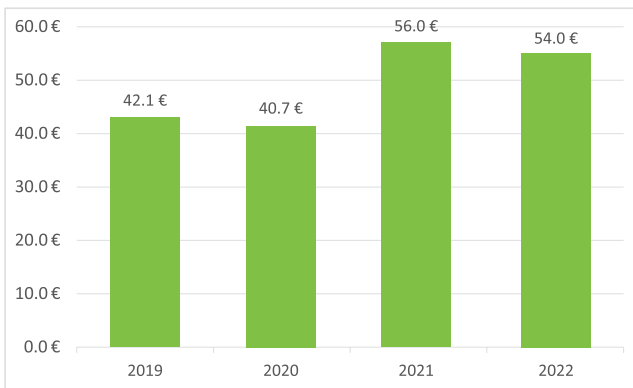
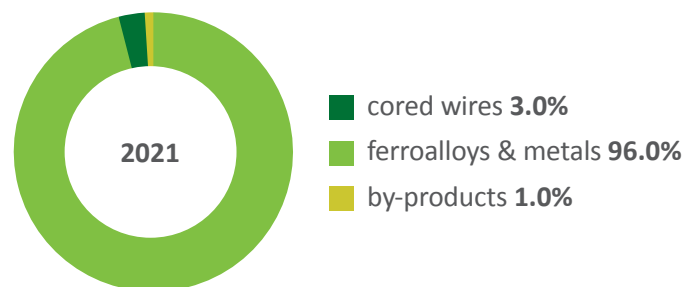
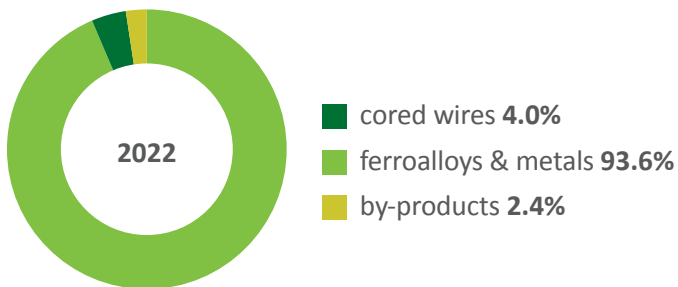


## EARNINGS AFTER TAXES (€ mil.)

In 2022, OFZ's net loss was €2.2 mil. due to high input costs, mainly the power prices.

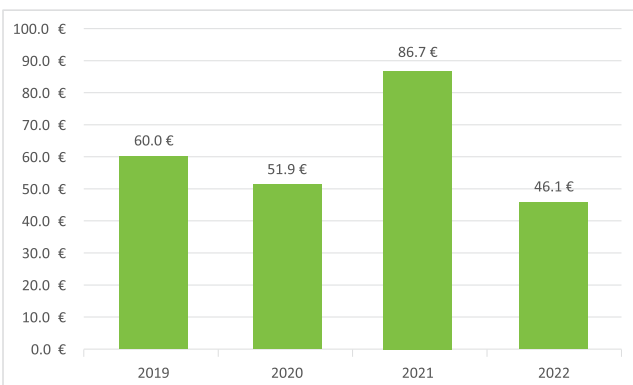
# SELECTED FIGURES

Sales Value of Different Types of Products as a Percentage of Total Sales  
(excluding revenues from the sales of services) (€)



## EQUITY (€ mil.)

In 2022, OFZ's basic equity hit €54.0 mil.



## TOTAL LIABILITIES (€ mil.)

In 2022, OFZ's total liabilities amounted to €46.1 mil. which is the lowest number in the last four years.



# Ing. Branislav Klocok

Managing Director, OFZ, a.s.

*“The key factors in the production of ferroalloys are the price of electricity, the purchasing strategy for raw materials and the ability to offer customers more than just a standard product supply.”*



## 01 How would you evaluate the year 2022 in terms of the development of the Slovak and European metallurgical industry?

We saw two tremendous challenges in the year 2022. The first one was an energy crisis which unwind in the second half of 2021 and the second one was a war in Ukraine. These two challenges cause a situation of OFZ to be the most challenging one in its history. To these days, no one ever knows what the future holds in store for the European and Slovak metallurgical industry.

## 02 What is the company doing to protect the environment?

The main and only objective that the European Union would like to accomplish, is to reduce carbon emissions which could seem to be a right objective itself. However, the way to implement carbon reduction bring us to the situation that is a flip side to the original one. We see constant ferroalloy production curbs in the European Union that is being replaced by the imports leading to an unprecedented increase in carbon emissions globally. The main reason lying behind is the fact that ferroalloys are manufactured in the EU with carbon emissions among the lowest in the world.

## 03 What do you think about the OFZ's net loss in 2022?

The fact that we minimized a net loss was caused by selling off a portion of carbon emission allowances which have not been used due to the idled production. However, carbon emission allowances need to be purchased once again in the event of relaunching the production which could hit net income in the following years. In the last years, the investments into environmental protection are among the highest out of total investments.

## 04 How do you see the outlook of OFZ in the future?

Power prices are the problem not only for our company, but also for the European metallurgical industry as a whole. There is a strong belief that a sustainability will be among the first issues to be discussed and an industry support becomes one of the main pillars of sustainable economic development not only from the view of environmental protection, but also from the view of raw material supply chain safety which is a main prerogative for proper functioning of society.

# OFZ, a.s.

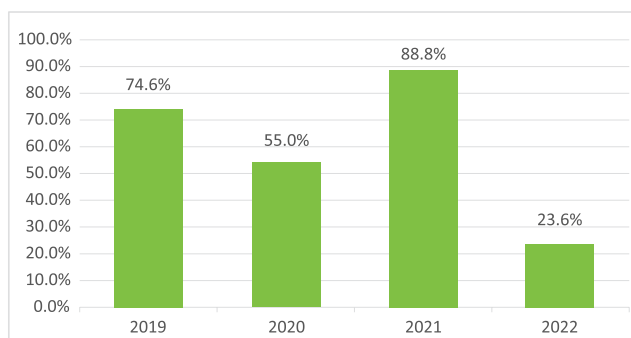
## IN 2022

In 2022, OFZ focused on manufacturing traditional alloys with a capacity utilization ratio of almost 24 % which was caused by a temporary suspension of production in the second half. OFZ has also performed a production campaign of FeSiCa, silicon metal from the end of the last year and

various grades of FeSi. This is fully aligned with the company's strategy to manufacture high value-added products. We strongly believe that bringing more products to our customers will be a success in the following years.

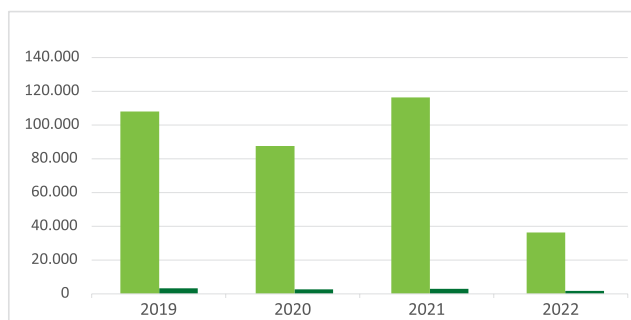
### Capacity utilization ratio (%) (2019-2022)

In 2022, the ferroalloys made a considerable portion of product range with a 94.3% ratio on the total weight of products, silicon metal made 1.3% and cored wires 4.4%. The production of ferroalloys decreased by two thirds to more than 37,000 tons and cored wires production also decreased by almost 43% and reached less than 1,700 tons.



### Production (tons) (2019-2022)

| Production (thousands tons) | 2022 | 2021  | 2020 | Change % 2022-2021 |
|-----------------------------|------|-------|------|--------------------|
| Ferroalloys                 | 37.1 | 117.8 | 88.6 | -68.5%             |
| Cored Wires                 | 1.7  | 3.0   | 2.6  | -42.9%             |
| Total                       | 38.8 | 120.8 | 91.2 | -67.9%             |

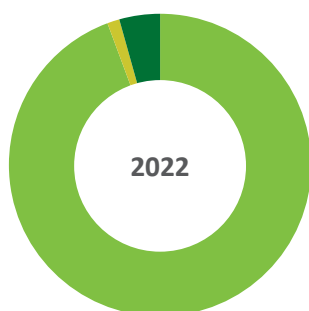


■ ferroalloys ■ cored wires

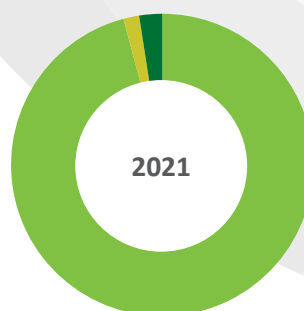
In H2 2022, the energy prices were growing further to the level that forced OFZ to idle all its furnaces. Regarding this adverse market situation, OFZ focused on increasing the trade volume on the top of the other trading activities. OFZ also concentrated on optimization of the working capital and of the other costs to ensure

a long-term financial sustainability. A risk of high energy prices persisting in the market is regularly assessed and analyzed so that OFZ could be well-prepared for a longer time span in which this situation can prevail. OFZ has a sufficient funds to ensure ongoing business activities.

**Different kinds of Products (in tons)  
as a Percentage of Total Production (%)**



- ferroalloys **94.3%**
- cored wires **4.4%**
- silicon metal **1.3%**



- ferroalloys **95.9%**
- cored wires **2.4%**
- silicon metal **1.7%**

## CUSTOMERS

The strategy of diversification stemming from customer needs is a main focus for OFZ. The production of all bulk ferroalloys decreased due to idling of furnaces in the second half of 2022. OFZ continued in producing silicon metal from the end of previous year. There was also a one production campaign of FeSiCa and OFZ also produced various grades of FeSi. Among the top priorities for the company are still the flexible delivery schedules and focus on the customer.

## INVESTMENTS

In 2022, investments were targeted into several different areas. Among the biggest investments was a metal tooling hub in the Martin plant. For manufacturing ferroalloys, the investments were made in the dedusting of tapping, building casting pools for manganese alloys, more effective casting and enhancing quality of workplace. This will further minimize dust generation at the stage of production process.

## ENVIRONMENT

OFZ constantly pays maximum attention to environmental protection of which the zero-waste management might serve as strong evidence. Improving technologies with objective to enhance environmental protection is still among the top priorities for OFZ. In 2022, OFZ invested a considerable amount of money into dedusting the furnace tapping process which further minimizes dust generation at the stage of production process. For now, OFZ covers all stages of production process with dedusting & filtration systems.

## EMPLOYEES

OFZ focuses on educating and training experts in the field of metallurgy in the long term. In 2022, OFZ in cooperation with local high schools provided special training for 2 students in the field of mechanics & electrotechnics and electromechanics – high-voltage equipment. OFZ had also 7 students enrolled in dual learning as mechanics, electrotechnicians.



# FERROALLOYS

## More than **37,000 tons** of ferroalloys produced

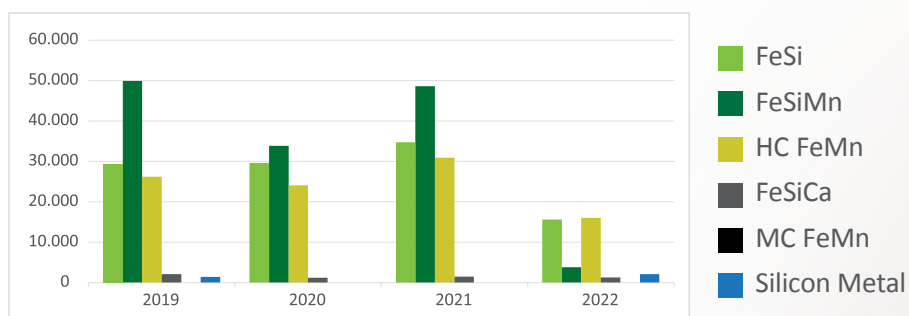
### Production of ferroalloys (tons) (2020-2022)

In 2022, due to idling of furnaces in the second half, production of all bulk ferroalloys decreased which was mostly prominent for FeSiMn. Despite adverse market conditions, OFZ also produced silicon metal from the end of previous year and performed one production campaign of FeSiCa.

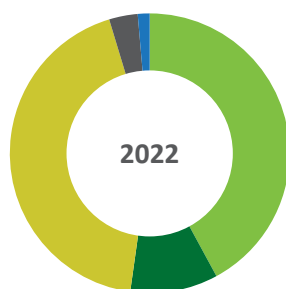
| Ferroalloys Production (thousands tons) | 2022        | 2021         | 2020        | Change % 2022-2021 |
|---|-------------|--------------|-------------|--------------------|
| FeSi                                    | 15.6        | 34.7         | 29.6        | -55.1%             |
| FeSiMn                                  | 3.8         | 48.6         | 33.8        | -92.3%             |
| HC FeMn                                 | 16.0        | 30.9         | 24.0        | -48.3%             |
| FeSiCa                                  | 1.2         | 1.5          | 1.2         | -17.1%             |
| Silicon Metal                           | 0.5         | 2.0          | 0.0         | -75.0%             |
| <b>Total</b>                            | <b>37.1</b> | <b>117.8</b> | <b>88.6</b> | <b>-68.5%</b>      |

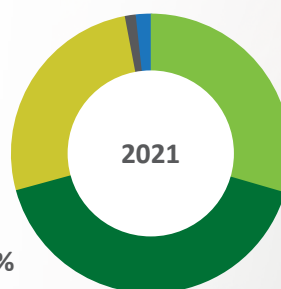
| By-Product Generation (thousands tons) | 2022     | 2021      | 2020      | Change % 2022-2021 |
|--|----------|-----------|-----------|--------------------|
| Microsilica SIOXID, CaSi Fume          | 5        | 7         | 6         | -32.9%             |
| Grasimat                               | 4        | 23        | 26        | -84.5%             |
| SIMAT                                  | 1        | 25        | 21        | -97.6%             |
| <b>Total</b>                           | <b>9</b> | <b>54</b> | <b>53</b> | <b>-83.9%</b>      |



Different Types of Ferroalloys as a Percentage of Total Production (%)



- FeSi **42.1%**
- FeSiMn **10.1%**
- HC FeMn **43.1%**
- FeSiCa **3.3%**
- Silicon Metal **1.4%**



- FeSi **29.5%**
- FeSiMn **41.3%**
- HC FeMn **26.3%**
- FeSiCa **1.3%**
- Silicon Metal **1.7%**



# FERROALLOYS

## More than 57,000 tons of ferroalloys sold

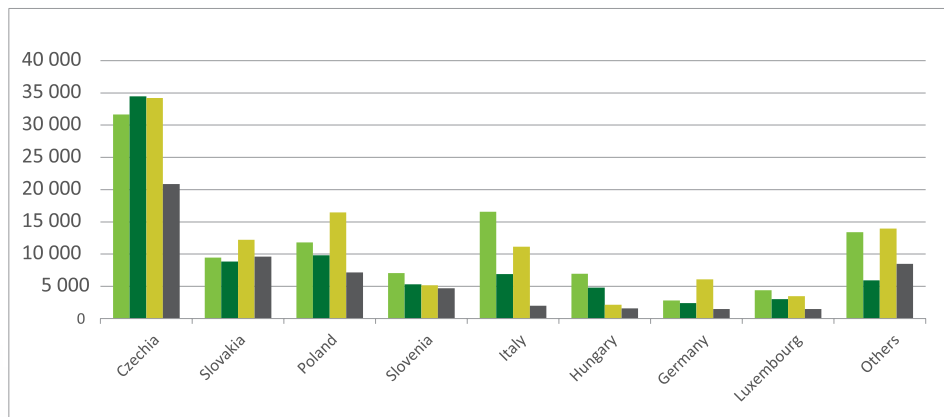
In 2022, sales of ferroalloys and metals decreased by 45.0 % to more than 57,000 tons. A decrease was mainly apparent for manganese alloys where the market situation was the most unfavorable when considering the production margins. Positive sales turned out to be a fact for silicon metal.

| Ferroalloys Sales (thousands tons)  | 2022 | 2021  | 2020 | Change % 2022-2021 |
|-------------------------------------|------|-------|------|--------------------|
| FeSi                                | 21.2 | 34.7  | 26.8 | -39.0%             |
| FeSiMn                              | 14.4 | 40.3  | 31.0 | -64.2%             |
| HC FeMn                             | 19.7 | 28.0  | 22.1 | -29.6%             |
| FeSiCa                              | 0.3  | 0.5   | 0.4  | -36.6%             |
| MC FeMn                             | 0.2  | 0.7   | 1.0  | -72.1%             |
| Silicon Metal                       | 1.6  | 0.6   | 0.0  | 177.7%             |
| FeSiCr + other ferroalloys & metals | 0.0  | 0.1   | 0.2  | -100.0%            |
| Total                               | 57.4 | 104.9 | 81.5 | -45.3%             |

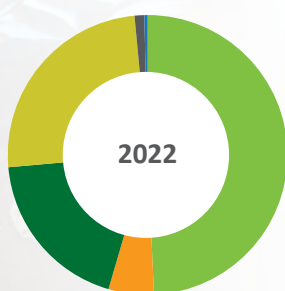
In 2022, the sales of ferroalloys were mainly targeted on closer markets and Central Europe with a major portion going to the Czech Republic, Slovakia, Poland, Slovenia, Italy and Hungary.

**Ferroalloys Sales by Country**  
in tons (2019-2022)

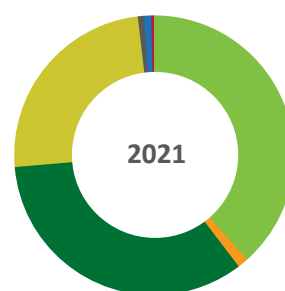
2019 2021  
2020 2022



**Sales Value of the Different Ferroalloys as a Percentage of Total Ferroalloys Sales (%)**



FeSi 49.3%  
FeSiMn 19.1%  
HC FeMn 24.9%  
FeSiCa 1.1%  
MC FeMn 0.4%  
FeSiCr + metals 0.0%  
Silicon metal 5.2%



FeSi 38.4%  
FeSiMn 34.0%  
HC FeMn 24.5%  
FeSiCa 0.7%  
MC FeMn 0.8%  
FeSiCr + metals 0.3%  
Silicon metal 1.2%



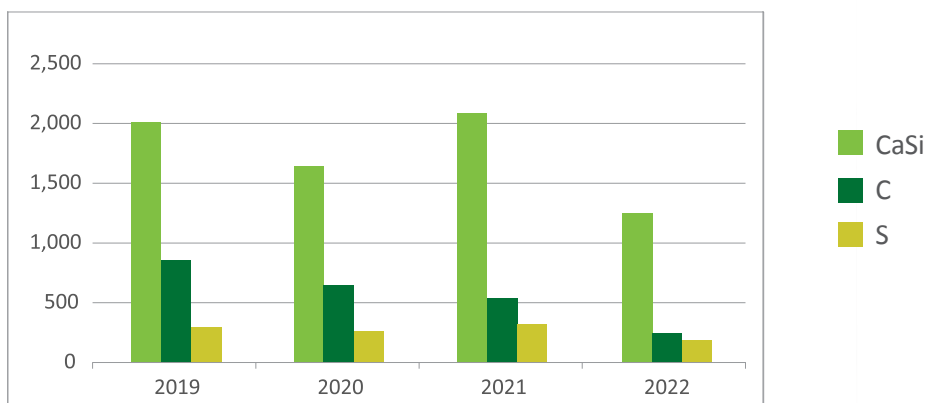
# CORED WIRES

Almost **1,700** tons of cored wires produced

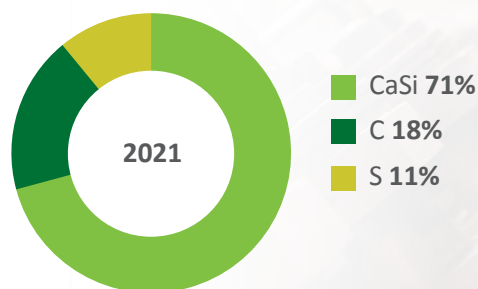
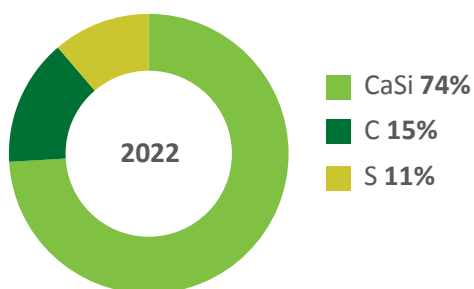
## Production of Cored Wires (tons) (2020-2022)

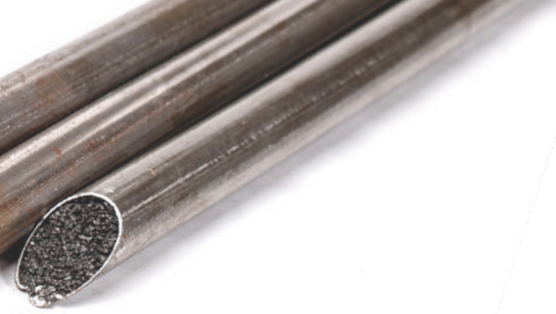
CaSi cored wire also made up the biggest portion of cored wire products in 2022. The production of cored wires decreased by 42.9% YOY.

| Cored Wire Production (tons) | 2022  | 2021  | 2020  | Change % 2022-2021 |
|------------------------------|-------|-------|-------|--------------------|
| CaSi                         | 1 250 | 2 092 | 1 646 | -40.2%             |
| C                            | 247   | 539   | 651   | -54.2%             |
| S                            | 190   | 323   | 263   | -41.2%             |
| Total                        | 1 687 | 2 954 | 2 559 | -42.9%             |



Different Types of Cored Wires as a Percentage of Total Cored Wires Production (%)





# CORED WIRES

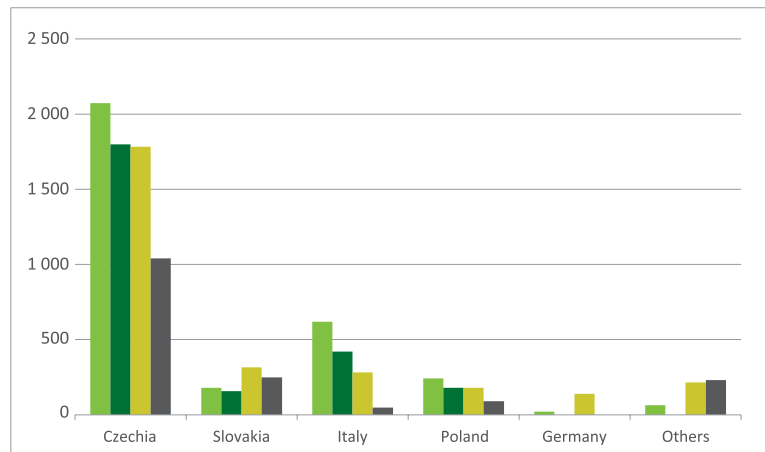
## Almost 1,700 tons of cored wires sold

In 2022, OFZ sold almost 1,700 tons of cored wires, which was a decrease of almost 43% when compared to the previous year. The decrease was mainly apparent in the production of cored wires with C and S fillers.

### Cored Wire Sales by Country (tons)

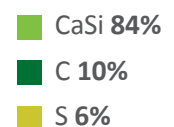
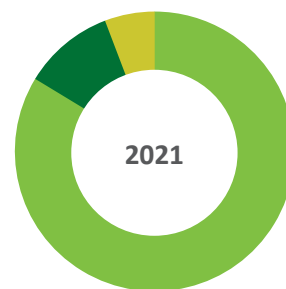
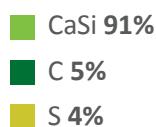
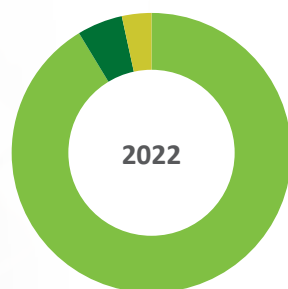


With the firm place in the steel production, cored wires are also used for alloying and deoxidation of steel and for inoculating and modifying cast iron. The markets for cored wire sales are, to a great extent, similar to countries of ferroalloy sales. In 2022, the major portion of sales were made to the Czech Republic, Slovakia, Italy, and Poland.



| Cored Wire Sales (tons) | 2022  | 2021  | 2020  | Change % 2022-2021 |
|-------------------------|-------|-------|-------|--------------------|
| CaSi                    | 1 284 | 2 069 | 1 627 | -38.0%             |
| C                       | 216   | 517   | 667   | -58.2%             |
| S                       | 162   | 333   | 263   | -51.4%             |
| Total                   | 1 662 | 2 920 | 2 557 | -43.1%             |

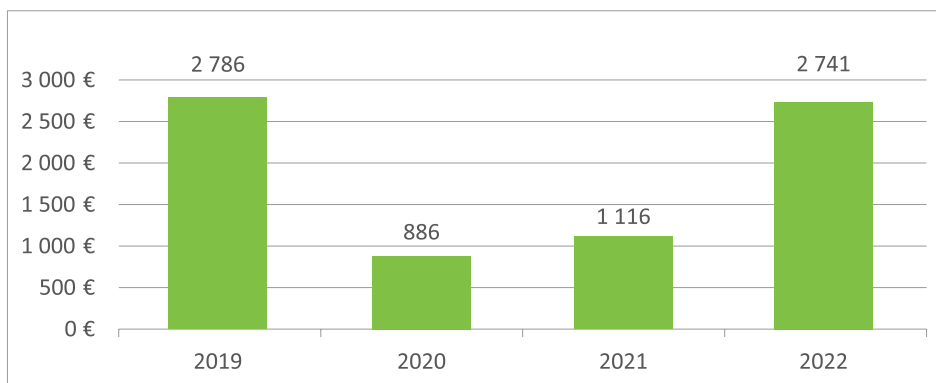
Sales Value of Different Cored Wires as a Percentage of Total Cored Wires Sales (%)



# INVESTMENTS & RESEARCH

€2.7 mil. invested

The funds reserved for investment projects increased in 2022 when compared to the year 2021. Thus, the total amount of investments increased by almost 146% mainly due to considerable volume of investments targeted into the Martin plant and into technological ferroalloy production process.



OFZ, a.s. and Trends  
in Investments  
(thousands €)

In 2022, the major investments were targeted into the metal tooling hub in the Martin plant. For technological production process, the investments were made into casting pools for manganese alloys, exhaust and furnace tapping filters, vibration conveyor, launching of ladle drilling machine and changing the feeding of furnace No. 22 which could also be used to produce silicon metal.

In 2022, OFZ did not implement any research & development project. The main innovation concentrated on the dedusting of furnace tapping and casting pools for manganese alloys.



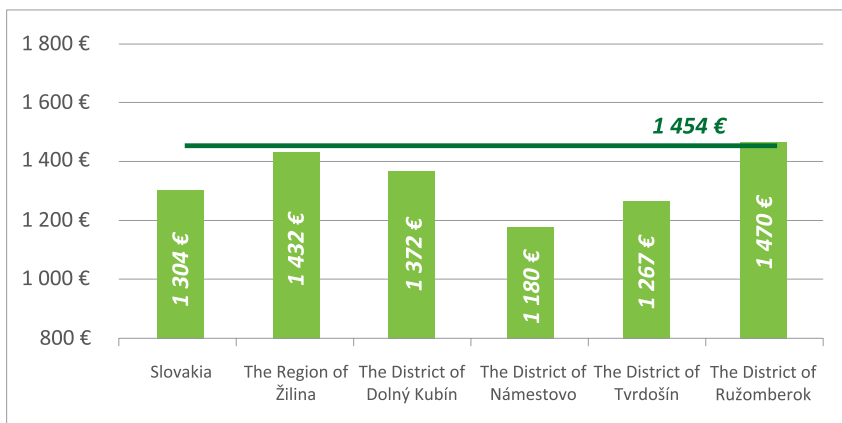




# EMPLOYEES

299 employees, average wage €1,454

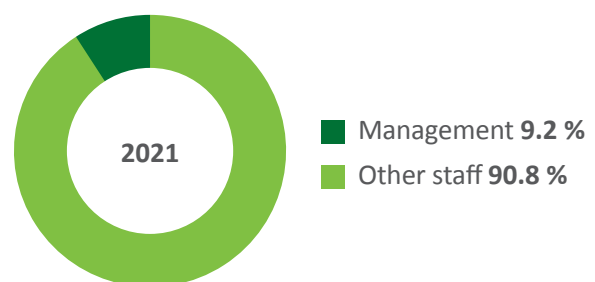
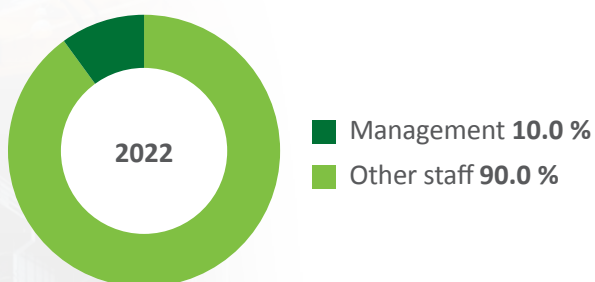
OFZ keeps a close eye on continuous improvement of the working conditions and quality of the working place. The average number of employees in 2022 decreased by almost 22%. Even though the OFZ's average wage decreased, it is still **13% higher when compared to the average wage paid in the region of Orava.**



Average Wages & Salaries Compared with Slovakia (2022)

- Average wages & Salaries in Slovakia (€)
- Average wages & Salaries at OFZ, a.s. (€)

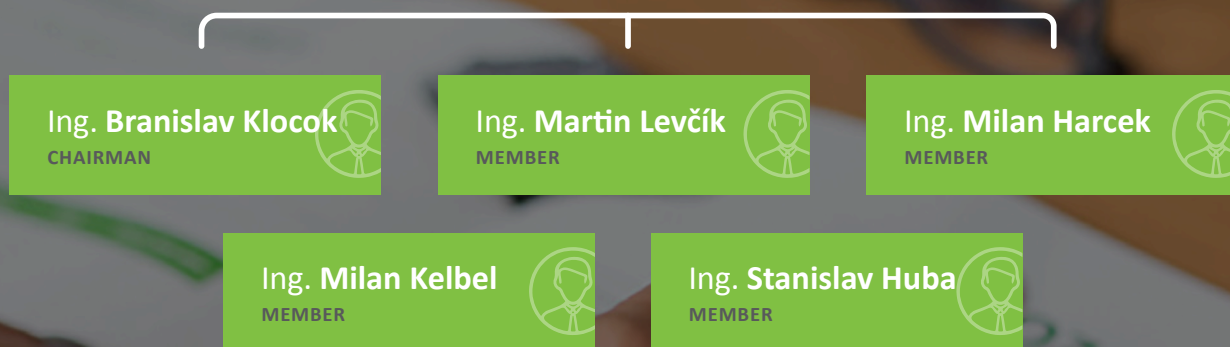
## Management as a Percentage of Total Workforce (%)



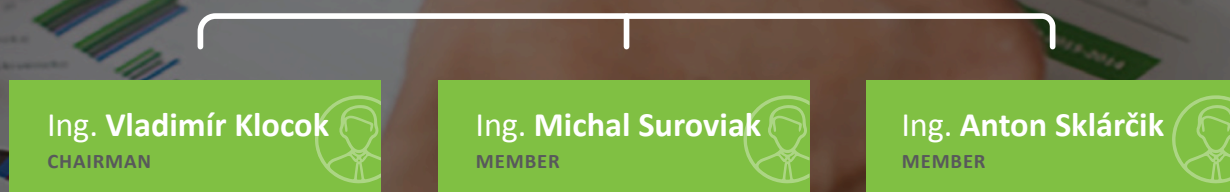
In 2022, the company continued in supporting the social activities for its employees. The total amount paid for legal social costs for training & education, recovery stays and the canteen reached more than €265,000.

# COMPANY BODIES

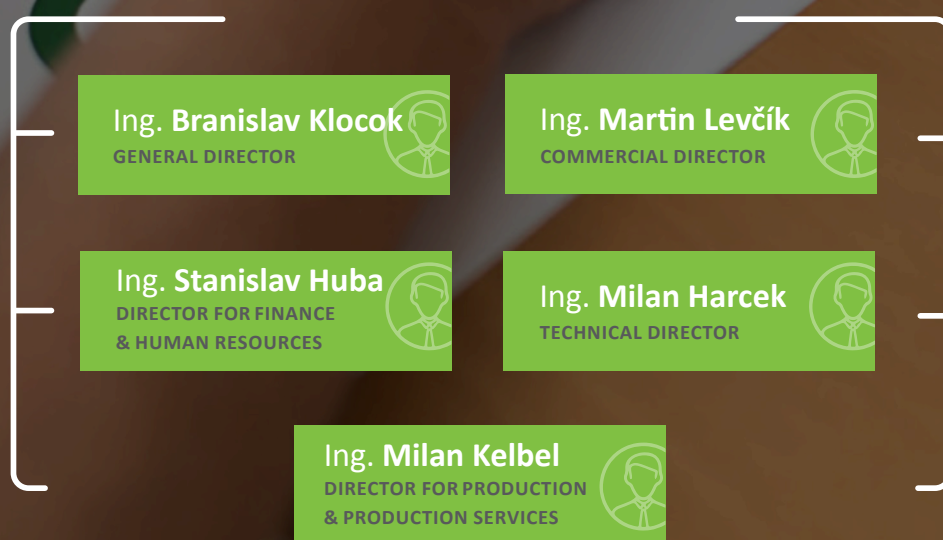
## BOARD OF DIRECTORS



## SUPERVISORY BOARD



## COMPANY MANAGEMENT



# FINANCIAL SITUATION

net turnover **€152.0** mil.,

net loss **€2.2** mil.

In 2022, due to ever increasing prices for input raw materials, mostly power, OFZ's net income was in the red numbers.

EBITDA was a positive number and reached €2.2 mil. Net turnover decreased only by 9% YOY.

## Proposed Settlement of Earnings for the Current Accounting Period (as of December 31, 2022)

| Item                                     | 2022         |
|--|--------------|
| Net loss                                 | -2 186 037 € |
| Loss compensation from retained earnings | -2 186 037 € |

## Proposed Settlement of Earnings for the Preceding Accounting Period (as of December 31, 2021)

| Item                              | 2021         |
|-----------------------------------|--------------|
| Net income                        | 15 480 576 € |
| Distribution to retained earnings | 15 480 576 € |

## Equity Participations & Interests of OFZ, a.s. in Subsidiaries (as of December 31, 2022)

| Legal Entity        | Equity Interest (%) |
|---------------------|---------------------|
| ESI, s.r.o. Istebné | 100.00%             |
| OFZ Novokuznetsk    | 100.00%             |
| OFZ Bucovina        | 60.00%              |

## Profit and Loss Statement (as of December 31, 2022) 1/2

| Class | Item   | No.       | Current<br>Accounting<br>Period € | Preceding<br>Accounting<br>Period € |
|-------|--|-----------|-----------------------------------|-------------------------------------|
| *     | <b>Net turnover (part of accounting Class 6 according to the Act)</b>  | <b>01</b> | <b>151 968 497</b>                | <b>167 500 807</b>                  |
| **    | <b>Operating income - total (lines 03 to 09)</b>   | <b>02</b> | <b>154 499 327</b>                | <b>208 534 849</b>                  |
| I.    | Revenue from the sale of merchandise (604, 607)  | 03        | 18 154 540                        | 2 280 017                           |
| II.   | Revenue from the sale of own products (601)  | 04        | 112 137 753                       | 157 562 775                         |
| III.  | Revenue from the sale of services (602, 606)   | 05        | 21 587 793                        | 7 573 025                           |
| IV.   | Changes in internal inventory (+/- acct. grp. 61)  | 06        | -22 775 697                       | 14 806 378                          |
| V.    | Own work capitalized (acct. grp. 62)   | 07        | 9 937 255                         | 7 627 191                           |
| VI.   | Revenue from the sales of non-current intangible assets, property, plant, equipment, and raw materials (641, 642)                        | 08        | 2 862 886                         | 1 767 317                           |
| VII.  | Other operating income (644, 645, 646, 648, 655, 657)  | 09        | 12 594 797                        | 16 918 146                          |
| **    | <b>Operating expenses - total line 11 + line 12 + line 13 + line 14 + line 15 + line 20 + line 21 + line 24 + line 25 + line 26</b>      | <b>10</b> | <b>156 115 102</b>                | <b>188 311 219</b>                  |
| A.    | Costs of merchandise sold (504, 507)   | 11        | 17 246 904                        | 2 150 122                           |
| B.    | Consumed raw materials, energy consumption, and consumption of the other non-inventory supplies (501, 502, 503)                          | 12        | 111 531 736                       | 144 216 049                         |
| C.    | Value adjustments to inventory (+/-) (505)   | 13        |                                   |                                     |
| D.    | Services (acct. grp. 51)   | 14        | 5 817 973                         | 8 649 186                           |
| E.    | Personal expenses- total (lines 16 to 19)  | 15        | 8 264 222                         | 11 482 606                          |
| E. 1. | Wages and salaries (521, 522)  | 16        | 6 041 165                         | 8 183 204                           |
| 2.    | Remuneration of board members of the company or cooperatives (523)   | 17        |                                   |                                     |
| 3.    | Social security expenses (524, 525, 526)   | 18        | 1 937 785                         | 2 958 585                           |
| 4.    | Social expenses (527, 528)   | 19        | 285 272                           | 340 817                             |
| F.    | Taxes and fees (acct. grp. 53)   | 20        | 204 638                           | 198 065                             |
| G.    | Amortization and value adjustments to non-current intangible assets and depreciation and value adjustments to PP & E (line 22 + line 23) | 21        | 3 307 553                         | 3 421 871                           |
| G. 1. | Amortization and value adjustments to non-current intangible assets and depreciation and value adjustments to PP & E (551)               | 22        | 3 307 553                         | 3 421 871                           |
| 2.    | Value adjustments to non-current assets sold and raw materials sold (+/-) (553)  | 23        |                                   |                                     |
| H.    | Carrying value of non-current assets sold and raw materials sold (541, 542)  | 24        | 2 036 456                         | 1 412 295                           |
| I.    | Value adjustments to receivables (+/-) (547)   | 25        | 698 312                           | 317 204                             |
| J.    | Other operating expenses (543, 544, 545, 546, 548, 549, 555, 557)  | 26        | 7 007 308                         | 16 463 821                          |
| ***   | <b>Profit/loss from operations (line 02 - line 10)</b>   | <b>27</b> | <b>-1 615 775</b>                 | <b>20 223 630</b>                   |
| *     | <b>Added value (line 03 + line 04 + line 05 + line 06 + line 07) - (line 11 + line 12 + line 13 + line 14)</b>                           | <b>28</b> | <b>4 445 031</b>                  | <b>34 834 029</b>                   |
| **    | <b>Income from financial activities - total line 30 + line 31 + line 35 + line 39 + line 42 + line 43 + line 44</b>                      | <b>29</b> | <b>1 657 649</b>                  | <b>844 531</b>                      |
| VIII. | Revenue from the sale of securities and shares (661)   | 30        |                                   |                                     |

## Profit and Loss Statement (as of December 31, 2022) 2/2

| Class  | Item  | No.       | Current<br>Accounting<br>Period € | Preceding<br>Accounting<br>Period € |
|--------|---|-----------|-----------------------------------|-------------------------------------|
| IX.    | Income from non-current financial assets (line 32 to 34)  | 31        |                                   |                                     |
| IX. 1. | Income from securities and ownership interests in affiliated accounting entries (665A)  | 32        |                                   |                                     |
| 2.     | Income from securities and ownership interests within participating interest, except for income of affiliated accounting entries (665A) | 33        |                                   |                                     |
| 3.     | Other income from securities and ownership interests (665A)   | 34        |                                   |                                     |
| X.     | Income from current financial assets- total (line 36 to 38)   | 35        |                                   |                                     |
| X. 1.  | Income from current financial assets in affiliated accounting entries (666A)  | 36        |                                   |                                     |
| 2.     | Income from current financial assets within a participating interest, except for the income of affiliated accounting entries (666A)     | 37        |                                   |                                     |
| 3.     | Other income from current financial assets (666A)   | 38        |                                   |                                     |
| XI.    | Interest income (line 40 + line 41)   | 39        | 88 412                            | 84 989                              |
| XI. 1. | Interest income from affiliated accounting entries (662A)   | 40        | 70 423                            | 66 141                              |
| 2.     | Other interest income (662A)  | 41        | 17 989                            | 18 848                              |
| XII.   | Exchange rate gains (663)   | 42        | 772 911                           | 367 220                             |
| XIII.  | Gains on the revaluation of securities and income from derivative transactions (664, 667)   | 43        | 796 326                           | 392 322                             |
| XIV.   | Other income from financial activities (668)  | 44        |                                   |                                     |
| **     | <b>Expenses related to financial activities - total line 46 + line 47 + line 48 + line 49 + line 52 + line 53 + line 54</b>             | <b>45</b> | <b>1 767 476</b>                  | <b>1 331 389</b>                    |
| K.     | Securities and shares sold (561)  | 46        |                                   |                                     |
| L.     | Expenses related to current financial assets (566)  | 47        |                                   |                                     |
| M.     | Value adjustments to financial assets (+/-) (565)   | 48        | 220 000                           |                                     |
| N.     | Interest expenses (line 51 + line 52)   | 49        | 568 385                           | 592 962                             |
| N. 1.  | Interest expenses related to affiliated accounting entries (562A)   | 50        |                                   |                                     |
| 2.     | Other interest expenses (562A)  | 51        | 568 385                           | 592 962                             |
| O.     | Exchange rate losses (563)  | 52        | 621 569                           | 216 728                             |
| P.     | Loss on the revaluation of securities and expenses related to derivative transactions (564, 567)  | 53        | 274 966                           | 413 547                             |
| Q.     | Other expenses related to financial activities (568, 569)   | 54        | 82 556                            | 108 152                             |
| ***    | <b>Profit/loss from financial activities (+/-) (line 29 - line 45)</b>  | <b>55</b> | <b>-109 827</b>                   | <b>-486 858</b>                     |
| ****   | <b>Profit/loss for the accounting period before taxes (+/-) (line 27 + line 55)</b>   | <b>56</b> | <b>-1 725 602</b>                 | <b>19 736 772</b>                   |
| R.     | Income tax (line 58 + line 59)  | 57        | 460 435                           | 4 256 196                           |
| R. 1.  | Income tax - current (591, 595)   | 58        |                                   | 2 964 116                           |
| 2.     | Income tax- deferred (+/-) (592)  | 59        | 460 435                           | 1 292 080                           |
| S.     | Transfer of net profit/net loss shares to partners (+/-596)   | 60        |                                   |                                     |
| ****   | <b>Profit/loss for the accounting period after taxes (+/-) (line 56 - line 57 - line 60)</b>  | <b>61</b> | <b>-2 186 037</b>                 | <b>15 480 576</b>                   |

## Balance Sheet (as of December 31, 2022) 1/6

| Class        | ASSETS   | No.        | Current Accounting Period €             |                        | Preceding Accounting Period € |
|--------------|--|------------|---|------------------------|-------------------------------|
| a            | b  | c          | Gross Adjustment                        | Net for Current Period | Net for Previous Period       |
|              | <b>TOTAL ASSETS line 002 + line 033 + line 074</b>                   | <b>001</b> | <b>151 352 321</b><br><b>42 442 779</b> | <b>108 909 542</b>     | <b>143 649 701</b>            |
| <b>A.</b>    | <b>Non-current assets line 003 + line 011 + line 021</b>             | <b>002</b> | <b>67 960 301</b><br><b>40 085 769</b>  | <b>27 874 532</b>      | <b>28 379 803</b>             |
| <b>A.I.</b>  | <b>Non-current intangible assets - total (lines 004 to 010)</b>      | <b>003</b> | <b>1 039 883</b><br><b>912 788</b>      | <b>127 095</b>         | <b>219 157</b>                |
| A.I.1.       | Capitalized development costs (012)- /072, 091A/                     | 004        |   |                        |                               |
| 2.           | Software (013)- /073, 091 A/   | 005        | 849 015<br>721 920                      | 127 095                | 219 157                       |
| 3.           | Valuable rights (014)- /074, 091A/                                   | 006        | 62 302<br>62 302                        |                        |                               |
| 4.           | Goodwill (015)- /075, 091A/  | 007        |   |                        |                               |
| 5.           | Other non-current intangible assets (019, 01X)- /079, 07X, 091A/     | 008        | 128 566<br>128 566                      |                        |                               |
| 6.           | Acquisition of non-current intangible assets (041)-093               | 009        |   |                        |                               |
| 7.           | Advance payments made for non-current intangible assets (051) – 095A | 010        |   |                        |                               |
| <b>A.II.</b> | <b>Property, plant &amp; equipment (lines 012 to 020)</b>            | <b>011</b> | <b>54 905 979</b><br><b>37 962 155</b>  | <b>16 943 824</b>      | <b>17 393 601</b>             |
| A.II.1.      | Land (031)- 092A   | 012        | 754 581                                 | 754 581                | 528 581                       |
| 2.           | Structures (021)- /081, 092A/  | 013        | 18 951 010<br>11 148 266                | 7 802 744              | 8 227 222                     |
| 3.           | Machinery (022)- /082, 092A/   | 014        | 33 255 088<br>26 785 661                | 6 469 427              | 7 765 400                     |
| 4.           | Perennial crops (025)- /085, 092A/                                   | 015        | 5 989<br>1 596                          | 4 393                  | 4 897                         |
| 5.           | Livestock (026)- /086, 092A/   | 016        |   |                        |                               |
| 6.           | Other property, plant & equipment (029, 02X, 032)- /089, 08X, 092A/  | 017        | 115 486<br>26 632                       | 88 854                 | 88 854                        |
| 7.           | Acquisition of property, plant & equipment (042)-094                 | 018        | 1 646 620                               | 1 646 620              | 626 567                       |
| 8.           | Advanced payments to acquired assets (052)-095A                      | 019        | 177 205                                 | 177 205                | 152 080                       |
| 9.           | Value adjustment to acquired assets (+/-097) +/-098                  | 020        |   |                        |                               |

## Balance Sheet (as of December 31, 2022) 2/6

| Class         | ASSETS   | No.        | Current Accounting Period € |                        | Preceding Accounting Period € |
|---------------|--|------------|-----------------------------|------------------------|-------------------------------|
| a             | b  | c          | Gross Adjustment            | Net for Current Period | Net for Previous Period       |
| <b>A.III.</b> | <b>Non-current financial assets - total (lines 022 to 029)</b>   | <b>021</b> | <b>12 014 439</b>           | <b>10 803 613</b>      | <b>10 767 045</b>             |
|               |  |            | <b>1 210 826</b>            |                        |                               |
| A.III.1.      | Shares and ownership interests in affiliated accounting entries (061A, 062A, 063A) - /096A/                          | 022        | 493 141                     | 273 141                | 296 573                       |
|               |  |            | 220 000                     |                        |                               |
| 2.            | Shares and ownership interests with a participating interest, except for affiliated accounting entries (062A) – 096A | 023        | 7 303                       |                        |                               |
|               |  |            | 7 303                       |                        |                               |
| 3.            | Other available-for-sale securities and ownership interests (063A) - /096A/  | 024        | 664                         |                        |                               |
|               |  |            | 664                         |                        |                               |
| 4.            | Loans to affiliated accounting entries (066A) - 096A   | 025        | 11 513 331                  | 10 530 472             | 10 470 472                    |
|               |  |            | 982 859                     |                        |                               |
| 5.            | Loans with a participating interest, except for affiliated accounting entries (066A) - /096A/                        | 026        |                             |                        |                               |
| 6.            | Other loans (067A) - /096A/  | 027        |                             |                        |                               |
| 7.            | Debt securities and other non-current financial assets (065A, 069A, 06XA) - /096A/                                   | 028        |                             |                        |                               |
| 8.            | Loans and other financial assets with a remaining maturity of 1 year (066A, 067A, 069A, 06XA) - /096A/               | 029        |                             |                        |                               |
| 9.            | Bank accounts with a notice period exceeding 1 year (22XA)   | 030        |                             |                        |                               |
| 10.           | Acquisition of non-current financial assets (043) - /096A/   | 031        |                             |                        |                               |
| 11.           | Advance payments made for non-current financial (053) - /095A/   | 032        |                             |                        |                               |
| <b>B.</b>     | <b>Current assets line 034 + line 041 + line 053 + line 066 + line 071</b>   | <b>033</b> | <b>83 309 934</b>           | <b>80 952 924</b>      | <b>115 118 457</b>            |
|               |  |            | <b>2 357 010</b>            |                        |                               |
| <b>B.I.</b>   | <b>Inventory - total (lines 035 to 040)</b>  | <b>034</b> | <b>41 472 124</b>           | <b>41 185 607</b>      | <b>51 424 834</b>             |
|               |  |            | <b>286 517</b>              |                        |                               |
| B.I.1.        | Raw material (112,119, 11X) - /191, 19X/   | 035        | 27 603 715                  | 27 603 715             | 16 386 439                    |
| 2.            | Work-in-progress and semi-finished products (121,122, 12X) - /192,193, 19X/  | 036        | 3 360 811                   | 3 360 811              | 1 917 105                     |
| 3.            | Finished goods (123) – /194/   | 037        | 4 461 906                   | 4 175 389              | 28 394 791                    |
|               |  |            | 286 517                     |                        |                               |
| 4.            | Animals (124) – /195/  | 038        |                             |                        |                               |
| 5.            | Merchandise (132, 133, 13X, 139) – /196, 19X/  | 039        | 4 481 211                   | 4 481 211              | 1 282 780                     |
| 6.            | Advanced payments made for inventory (314A) – /391A/   | 040        | 1 564 481                   | 1 564 481              | 3 443 719                     |

## Balance Sheet (as of December 31, 2022) 3/6

| Class           | ASSETS  | No.        | Current Accounting Period € |                        | Preceding Accounting Period € |
|-----------------|---|------------|-----------------------------|------------------------|-------------------------------|
| a               | b   | c          | Gross Adjustment            | Net for Current Period | Net for Previous Period       |
| <b>B.II.</b>    | <b>Non-current receivables - total (line 042 + lines 046 to 052)</b>  | <b>041</b> | <b>2 948 323</b>            | <b>2 948 323</b>       | <b>3 834 358</b>              |
| <b>B.II.1.</b>  | <b>Trade receivables - total (lines 43 to 45)</b>   | <b>042</b> |                             |                        | <b>425 600</b>                |
| 1. a.           | Trade receivables from affiliated accounting entries (311A, 312A, 313A, 314A, 315A, 31XA)- /391A/   | 043        |                             |                        | 425 600                       |
| 1. b.           | Trade receivables within a participating interest, except for receivables from affiliated accounting entries (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 contract (316A)  | 046        |                             |                        |                               |
| 3.              | Other receivables from affiliated accounting entries (351A) - /391A/  | 047        |                             |                        |                               |
| 4.              | Other receivables within a participating interest, except for receivables from affiliated accounting entries (351A)- /391A/                               | 048        |                             |                        |                               |
| 5.              | Receivables from participants, members, and association (354A, 355A, 358A, 35XA)- /391A/  | 049        |                             |                        |                               |
| 6.              | Receivables related to derivative transactions (373A, 376A)   | 050        |                             |                        |                               |
| 7.              | Other receivables (335A, 336A, 33XA, 371A, 374A, 375A, 378A)- /391A/  | 051        |                             |                        |                               |
| 8.              | Deferred tax assets (481A)  | 052        | 2 948 323                   | 2 948 323              | 3 408 758                     |
| <b>B.III.</b>   | <b>Current receivables - total (line 054 + line 058 to line 065)</b>  | <b>053</b> | <b>23 399 969</b>           | <b>21 329 476</b>      | <b>44 305 611</b>             |
|                 |   |            | <b>2 070 493</b>            |                        |                               |
| <b>B.III.1.</b> | <b>Trade receivables - total lines 055 to 057</b>   | <b>054</b> | <b>16 587 762</b>           | <b>14 833 213</b>      | <b>35 729 942</b>             |
|                 |   |            | <b>1 754 549</b>            |                        |                               |
| 1. a.           | Trade receivables from affiliated accounting entries (311A, 312A, 313A, 314A, 315A, 31XA)- /391A/   | 055        | 1 497 980                   | 88 473                 | 1 101 490                     |
|                 |   |            | 1 409 507                   |                        |                               |
| 1. b.           | Trade receivables within participating interest, except for receivables from affiliated accounting entries (311A, 312A, 313A, 314A, 315A, 31XA)- /391A/   | 056        |                             |                        |                               |
| 1. c.           | Other trade receivables (311A, 312A, 313A, 314A, 315A, 31XA)- /391A/  | 057        | 15 089 782                  | 14 744 740             | 34 628 452                    |
|                 |   |            | 345 042                     |                        |                               |
| 2.              | Net value of contract (316A)  | 058        |                             |                        |                               |
| 3.              | Other receivables from affiliated accounting entries (351A) - /391A/  | 059        | 3 837 464                   | 3 521 520              | 3 302 179                     |
|                 |   |            | 315 944                     |                        |                               |



**Balance Sheet** (as of December 31, 2022) 4/6

| Class        | ASSETS  | No.        | Current Accounting Period € |                        | Preceding Accounting Period € |
|--------------|---|------------|-----------------------------|------------------------|-------------------------------|
| a            | b   | c          | Gross Adjustment            | Net for Current Period | Net for Previous Period       |
| 4.           | Other receivables within a participating interest, except for receivables from affiliated accounting entities (351A)- /391A/                  | 060        |                             |                        |                               |
| 5.           | Receivables from participants, members, and association (354A, 355A, 358A, 35XA)- /391A/  | 061        |                             |                        | 7 026                         |
| 6.           | Social security receivables (336A)- /391A/  | 062        |                             |                        |                               |
| 7.           | Tax assets and subsidies (341, 342, 343, 345, 346, 347)- /391A/   | 063        | 2 154 358                   | 2 154 358              | 4 658 607                     |
| 8.           | Receivables related to derivative transactions (373A, 376A)   | 064        |                             |                        | 7 773                         |
| 9.           | Other receivables (335A, 33XA, 371A, 374A, 375A, 378A)- /391A/  | 065        | 820 385                     | 820 385                | 600 084                       |
| <b>B.IV.</b> | <b>Current financial assets - total (lines 067 to 070)</b>  | <b>066</b> | <b>14 213 231</b>           | <b>14 213 231</b>      | <b>15 340 530</b>             |
| B.IV.1       | Current financial assets in affiliated accounting entries (251A, 253A, 256A, 257A, 25XA)- /291A, 29XA/  | 067        |                             |                        |                               |
| 2.           | Current financial assets not including current financial assets in affiliated accounting entries (251A, 253A, 256A, 257A, 25XA)- /291A, 29XA/ | 068        | 14 213 231                  | 14 213 231             | 15 340 530                    |
| 3.           | Own shares and own ownership interests (252)  | 069        |                             |                        |                               |
| 4.           | Acquisition of current financial assets (259, 314A)- /291A/   | 070        |                             |                        |                               |
| <b>B.V.</b>  | <b>Financial accounts (line 72 + line 73)</b>   | <b>071</b> | <b>1 276 287</b>            | <b>1 276 287</b>       | <b>213 124</b>                |
| B.V.1.       | Cash (211, 213, 21X)  | 072        | 165 962                     | 165 962                | 56 169                        |
| 2.           | Bank accounts (221A, 22X, +/- 261)  | 073        | 1 110 325                   | 1 110 325              | 156 955                       |
| <b>C.</b>    | <b>Accruals/deferrals - total (lines 075 to 078)</b>  | <b>074</b> | <b>82 086</b>               | <b>82 086</b>          | <b>151 441</b>                |
| C.1.         | Prepaid expenses - long-term (381A, 382A)   | 075        | 5 456                       | 5 456                  | 9 930                         |
| 2.           | Prepaid expenses - short-term (381A, 382A)  | 076        | 65 664                      | 65 664                 | 135 461                       |
| 3.           | Accrued income - long-term (385A)   | 077        |                             |                        |                               |
| 4.           | Accrued income - short-term (385A)  | 078        | 10 966                      | 10 966                 | 6 050                         |

Balance Sheet (as of December 31, 2022) 5/6

| Class          | LIABILITIES  | No.        | Current<br>Accounting<br>Period € | Preceding<br>Accounting<br>Period € |
|----------------|--|------------|-----------------------------------|-------------------------------------|
|                | <b>TOTAL EQUITY AND LIABILITIES line 080 + line 101 + line 141</b>   | <b>079</b> | <b>108 909 542</b>                | <b>143 649 701</b>                  |
| <b>A</b>       | <b>Equity line 081 + line 08 5+ line 086 + line 087 + line 090 + line 093 + line 097 + line 100</b>  | <b>080</b> | <b>54 047 820</b>                 | <b>56 046 312</b>                   |
| <b>A.I.</b>    | <b>Share capital - total (line 082 to 084)</b>   | <b>081</b> | <b>33 400 000</b>                 | <b>33 400 000</b>                   |
| A.I.1.         | Share capital (411 or +/-491)  | 082        | 33 400 000                        | 33 400 000                          |
| 2.             | Change in share capital +/- 419  | 083        |                                   |                                     |
| 3.             | Unpaid share capital (/-/353)  | 084        |                                   |                                     |
| <b>A.II.</b>   | <b>Share premium (412)</b>   | <b>085</b> |                                   |                                     |
| <b>A.III.</b>  | <b>Other capital funds (413)</b>   | <b>086</b> |                                   |                                     |
| <b>A.IV.</b>   | <b>Legal reserve funds (line 088 + line 089)</b>   | <b>087</b> | <b>4 155 333</b>                  | <b>2 607 275</b>                    |
| A.IV.1.        | Legal reserve fund and non-distributable fund (417A, 418, 421A, 422)   | 088        | 4 155 333                         | 2 607 275                           |
| 2.             | Reserve fund for own shares and own ownership interests (417A, 421A)   | 089        |                                   |                                     |
| <b>A.V.</b>    | <b>Other funds created from profit (line 091 + line 092)</b>   | <b>090</b> |                                   |                                     |
| A.V.1.         | Statutory funds (423, 42X)   | 091        |                                   |                                     |
| 2.             | Other funds (427, 42X)   | 092        |                                   |                                     |
| <b>A.VI.</b>   | <b>Differences from revaluation - total (lines 094 to 096)</b>   | <b>093</b> | <b>263 783</b>                    | <b>76 238</b>                       |
| A.VI.1.        | Differences from the revaluation of assets and liabilities (+/- 414)   | 094        | 263 783                           | 76 238                              |
| 2.             | Investments revaluation reserves (+/- 415)   | 095        |                                   |                                     |
| 3.             | Difference from the revaluation in the event of members, amalgamation into a separate accounting entity, or demerger (+/- 416)   | 096        |                                   |                                     |
| <b>A.VII.</b>  | <b>Net profit/loss of previous years (line 098 + line 099)</b>   | <b>097</b> | <b>18 414 741</b>                 | <b>4 482 223</b>                    |
| A.VII.1.       | Retained earnings from previous years (428)  | 098        | 18 414 741                        | 4 482 223                           |
| 2.             | Accumulated losses from previous years (/-/429)  | 099        |                                   |                                     |
| <b>A.VIII.</b> | <b>Net profit/loss for the accounting period after taxes<br/>/+ -/ line 001 - (line 081 + line 085 + line 086 + line 087 + line 090 + line 093 + line 097 + line 101 + line 141)</b> | <b>100</b> | <b>-2 186 037</b>                 | <b>15 480 576</b>                   |
| <b>B.</b>      | <b>Liabilities line 102 + line 118 + line 121 + line 122 + line 136 + line 139 + line 140</b>  | <b>101</b> | <b>46 098 548</b>                 | <b>86 704 495</b>                   |
| <b>B.I.</b>    | <b>Non-current liabilities - total (line 103 + lines 107 to 117)</b>   | <b>102</b> | <b>106 263</b>                    | <b>191 438</b>                      |
| <b>B.I.1.</b>  | <b>Non-current trade liabilities (lines 104 to 106)</b>  | <b>103</b> | <b>33 538</b>                     | <b>69 508</b>                       |
| 1.a.           | Trade liabilities to affiliated accounting entries (321A, 475A, 476A)  | 104        |                                   |                                     |
| 1.b.           | Trade liabilities within a participating interest, except for liabilities to a affiliated accounting entries (321A, 475A, 476A)  | 105        |                                   |                                     |
| 1.c.           | Other trade liabilities (321A, 475A, 476A)   | 106        | 33 538                            | 69 508                              |
| 2.             | Net value of contract (316A)   | 107        |                                   |                                     |
| 3.             | Other liabilities to affiliated accounting entries (471A, 47XA)  | 108        |                                   |                                     |
| 4.             | Other liabilities within a participating interest, except for liabilities to a affiliated accounting entries (471A, 4XA)   | 109        |                                   |                                     |
| 5.             | Other non-current liabilities (479A, 47XA)   | 110        |                                   |                                     |

## Balance Sheet (as of December 31, 2022) 6/6

| Class          | LIABILITIES   | No.        | Current Accounting Period € | Preceding Accounting Period € |
|----------------|---|------------|-----------------------------|-------------------------------|
| 6.             | Long-term advance payments received (475A)  | 111        |                             |                               |
| 7.             | Long-term bills of exchange to be paid (478A)   | 112        |                             |                               |
| 8.             | Bonds issued (473A /-/ 255A)  | 113        |                             |                               |
| 9.             | Liabilities related to social fund (472)  | 114        | 16 585                      | 32 868                        |
| 10.            | Other non-current liabilities (336A, 372A, 474A, 47XA)  | 115        | 56 140                      | 89 062                        |
| 11.            | Non-current liabilities related to derivative transactions (373A, 377A)   | 116        |                             |                               |
| 12.            | Deferred tax liability (481A)   | 117        |                             |                               |
| <b>B.II.</b>   | <b>Long-term provisions (line 119 + line 120)</b>   | <b>118</b> |                             |                               |
| B.II.1.        | Legal provisions (451A)   | 119        |                             |                               |
| 2.             | Other provisions (459A, 45XA)   | 120        |                             |                               |
| <b>B.III.</b>  | <b>Long-term bank loans (461A, 46XA)</b>  | <b>121</b> | <b>72 402</b>               | <b>1 164 370</b>              |
| <b>B.IV.</b>   | <b>Current liabilities - total (line 123 + line 127 + line 135)</b>   | <b>122</b> | <b>32 282 798</b>           | <b>42 319 057</b>             |
| <b>B.IV.1.</b> | <b>Trade liabilities - total (lines 124 to 126)</b>   | <b>123</b> | <b>4 795 407</b>            | <b>10 966 857</b>             |
| 1.a.           | Trade liabilities to affiliated accounting entries (321A, 322A, 324A, 325A, 326A, 32XA, 475A, 476A, 478A, 47XA)   | 124        | 2 994                       | 20 370                        |
| 1.b.           | Trade liabilities within a participating interest, except for liabilities to affiliated accounting entries (321A, 322A, 324A, 325A, 326A, 32XA, 475A, 476A, 478A, 47XA) | 125        |                             |                               |
| 1.c.           | Other trade liabilities (321A, 322A, 324A, 325A, 326A, 32XA, 475A, 476A, 478A, 47XA)  | 126        | 4 792 413                   | 10 946 487                    |
| 2.             | Net value of contract (316A)  | 127        |                             |                               |
| 3.             | Other liabilities to affiliated accounting entries (361A, 36XA, 471A, 47XA)   | 128        |                             |                               |
| 4.             | Other liabilities within a participating interest, except for liabilities to affiliated accounting entries (361A, 36XA, 471A, 47XA)                                     | 129        |                             |                               |
| 5.             | Liabilities to partners and association (364, 365, 366, 367, 368, 398A, 478A, 479A)   | 130        | 27 029 450                  | 26 630 000                    |
| 6.             | Liabilities to employees (331, 333, 33X, 479A)  | 131        | 230 143                     | 908 411                       |
| 7.             | Liabilities related to social security (336A)   | 132        | 147 423                     | 573 978                       |
| 8.             | Tax liabilities and subsidies (341, 342, 3543, 344, 345, 346, 347, 34X)   | 133        | 43 826                      | 3 140 093                     |
| 9.             | Liabilities related to derivative transactions (373A, 377A)   | 134        | 1 282                       |                               |
| 10.            | Other liabilities (372A, 379A, 474A, 475A, 479A, 47XA)  | 135        | 35 267                      | 99 718                        |
| <b>B.V.</b>    | <b>Short-term provisions (line 137 + line 138)</b>  | <b>136</b> | <b>12 761 333</b>           | <b>23 132 976</b>             |
| B.V.1.         | Legal provisions (323A, 451A)   | 137        | 6 299 278                   | 16 019 032                    |
| 2.             | Other provisions (323A, 32X, 459A, 45XA)  | 138        | 6 462 055                   | 7 113 944                     |
| <b>B.VI.</b>   | <b>Current bank loans (221A, 231, 232, 23X, 461A, 46XA)</b>   | <b>139</b> | <b>875 752</b>              | <b>19 896 654</b>             |
| <b>B.VII.</b>  | <b>Short-term financial borrowings (241, 249, 24X, 473A, /-/255A)</b>   | <b>140</b> |                             |                               |
| <b>C.</b>      | <b>Accruals/deferrals (lines 142 to 145)</b>  | <b>141</b> | <b>8 763 174</b>            | <b>898 894</b>                |
| C.1.           | Accruals expenses - long-term (383A)  | 142        |                             |                               |
| 2.             | Accruals expenses - short-term (383A)   | 143        | 826                         | 10 414                        |
| 3.             | Deferred income - long-term (384A)  | 144        | 678 164                     | 721 222                       |
| 4.             | Deferred income - short-term (384A)   | 145        | 8 084 184                   | 167 258                       |

## **SUPPLEMENT TO THE INDEPENDENT AUDITOR'S REPORT**

**on the Annual Report**

**of company OFZ, a.s.**

**for the year ended December 31, 2022**

**/ To the Shareholders, Supervisory Board and Board of Directors of company /**

**Pursuant to Act No. 423/2015 Coll., Article 27 (6)**

**I. We have audited the financial statements of the company OFZ, a.s. (the "Company") as at 31 December 2022 presented from page 27 of the accompanying annual report of the Company. We issued an Auditor's Report on the Audit of Financial Statements dated June 14, 2023 in the wording as follows:**

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Opinion**

**We have audited the financial statements prepared on May 18, 2023 of the company OFZ, a.s., which comprise the balance sheet as at December 31, 2022, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.**

**In our opinion, the accompanying financial statements prepared on May 18, 2023 give a true and fair view of the financial position of the Company as at December 31, 2022, and its financial performance for the year then ended in accordance with the Act on Accounting No. 431/2002 Coll. as amended (the "Act on Accounting").**

## **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the provisions of Act No. 423/2015 Coll. on Statutory Audit and on Amendment to and Supplementation of Act No. 431/2002 Coll. on Accounting, as amended (hereinafter the "Act on Statutory Audit") related to ethical requirements, including the Code of Ethics for Auditors that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Responsibilities of Management**

Management is responsible for the preparation of the financial statements to give true and fair view in accordance with the Act on Accounting, and for such internal control as management 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to operations, or has no realistic alternative but to do so.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

### **Report on Information Disclosed in the Annual Report– Supplement to the Independent Auditor's Report**

The statutory body is responsible for information disclosed in the annual report prepared under the requirements of the Act on Accounting. Our opinion on the financial statements stated above does not apply to other information in the annual report.

In connection with the audit of financial statements, our responsibility is to gain an understanding of the information disclosed in the annual report and consider whether such information is materially inconsistent with the financial statements or our knowledge obtained in the audit of the financial statements, or otherwise appears to be materially misstated.

We evaluated whether the Company's annual report includes information whose disclosure is required by the Act on Accounting.

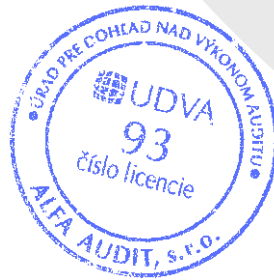
Based on procedures performed during the audit of the financial statements, our opinion:

Information disclosed in the annual report prepared for [redacted] consistent with the financial statements for the relevant year; and

The annual report includes information pursuant to the Act on Accounting.

Furthermore, based on our understanding of the Company and its position, obtained in the audit of the financial statements, we are required to disclose whether material misstatements were identified in the annual report, which we received after the date of issuance of this auditor's report.

Piestany, November 27, 2023



**ALFA AUDIT, s.r.o.**

Auditing company, license No. 93

**Dipl. Ing. Jarmila B o k o r o v a**

Responsible auditor License No. 175

OFZ, a.s. is a company with more than 70 years of ferroalloy production history, a material without which steel production would not be possible.

OFZ, a.s. is a company where natural resources are transformed into products that have long been known for their premium quality.

OFZ, a.s. uses modern technologies that protect the environment to ensure sustainable development for future generations.

OFZ, a.s. - changing more than just the properties of steel



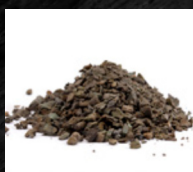
### **FERROALLOYS**

are used for alloying and deoxidation of steel, for the inoculating and modifying of cast iron. OFZ, a.s. manufactures a great variety of Mn and Si alloys.



### **CORED WIRES**

are used for alloying and deoxidation of steel, for the inoculating and modifying of cast iron. OFZ, a.s. manufactures a great variety of cored wires with different types of powder fillers.



### **BY-PRODUCTS**

The production of by-products through waste-free manufacturing processes is undoubtedly an integral part of the company. By-products can be used as additives to concrete, and as refractory materials, in the building industry and for ground completion.



### **SILICON METAL**

is used for the production of aluminum alloys, in the chemical and photovoltaic industry and for the production of semiconductors. OFZ, a.s. manufactures different grades of silicon metal.