



**TŘINECKÉ ŽELEZÁŘNY**



CONSOLIDATED  
ANNUAL  
REPORT

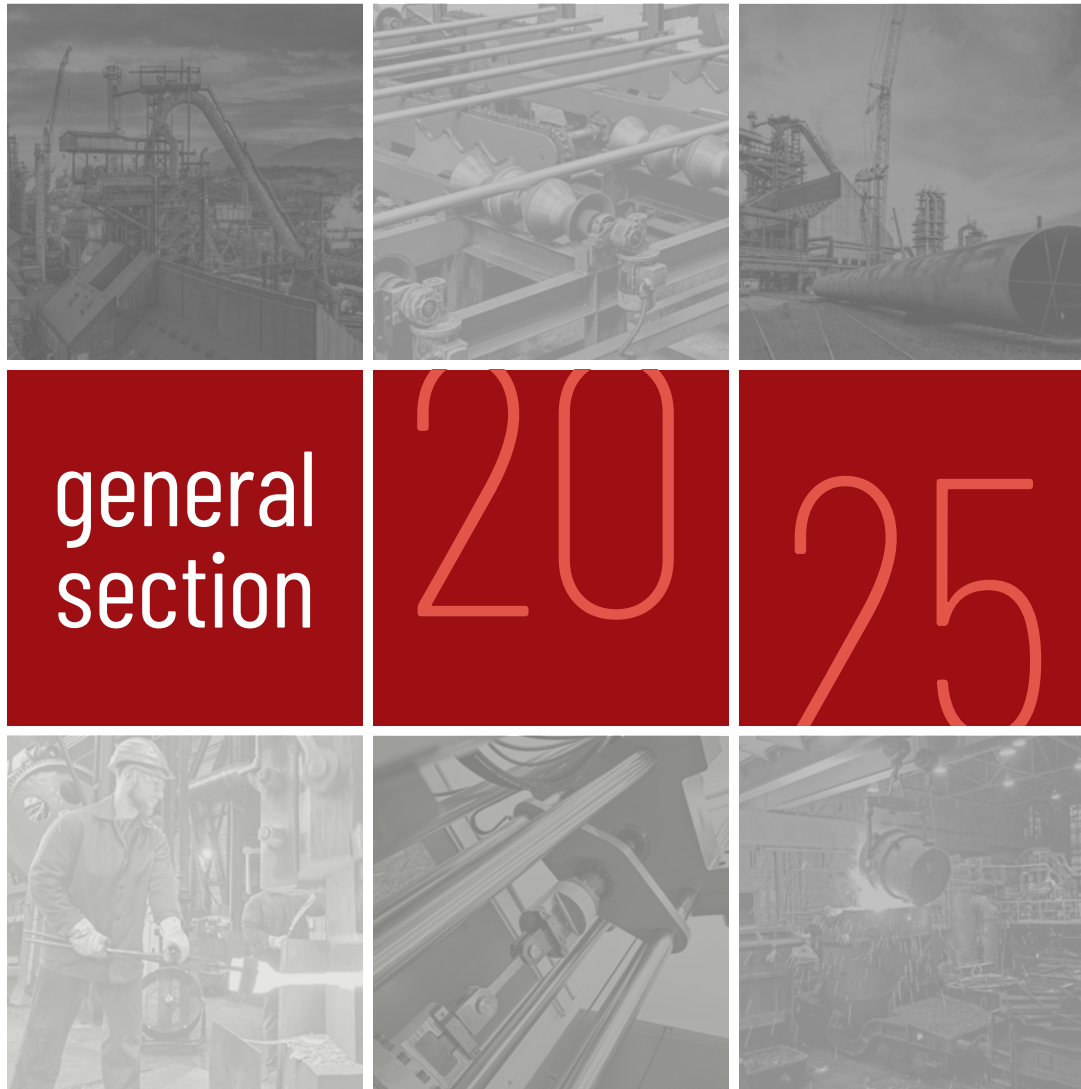
20

25



# CONTENT

<b>I.</b>	<b>Company Profile</b>	<b>04</b>	<b>VII.</b>	<b>Auditors' Report</b>	<b>47</b>
<b>II.</b>	<b>Profile of the Consolidation Group</b>	<b>07</b>	<b>VIII.</b>	<b>Financial Statements</b>	<b>49</b>
<b>III.</b>	<b>Key Performance Indicators 2021–2025</b>	<b>09</b>		Balance Sheet full version	50
<b>IV.</b>	<b>Supervisory Board and Board of Directors</b>	<b>12</b>		Profit and Loss Account Structured by the Nature of Expense Method	55
<b>V.</b>	<b>Introductory Word by the Chairman of the Supervisory Board</b>	<b>13</b>		Statement of Changes in Equity	58
<b>VI.</b>	<b>Board of Directors Report</b>	<b>15</b>		Cash Flow Statement	59
	Development of macroeconomic and competitive environment	15		Notes to the Financial Statement	61
	Production and position on the market	18	<b>IX.</b>	<b>Consolidated Financial Statements</b>	<b>103</b>
	Investment and modernisation	25		Consolidated Balance Sheet full version	104
	Investments and modernization – companies in the TŽ Group	26		Consolidated Profit and Loss Account Structured by the Nature of Expense Method	109
	Technology and research	26		Consolidated Statement of Changes in Equity	112
	Environment	29		Consolidated Cash Flow Statement	113
	Environmental investment projects	33		Notes to the Consolidated Financial Statement	115
	Employees	35	<b>X.</b>	<b>Report on Related Party Transactions for the Year 2025</b>	<b>175</b>
	Management system	38			
	Financial situation	41			
	Strategic objectives	44			



general  
section

20

25



**TŘINECKÉ ŽELEZÁRNY**

## 01

COMPANY  
PROFILE

**The commercial company TŘINECKÉ ŽELEZÁRNY, a. s. (hereinafter referred to as "Třinecké železářny," "TŽ," or "the company"), founded in 1839, has been a bearer of the long tradition of metallurgical production in Těšín Silesia for more than 185 years. The sole shareholder of Třinecké železářny is MORAVIA STEEL a. s.**

**Třinecké železářny is the largest metallurgical company in the Czech Republic. The company's mission, "Together for the Generations to Come" clearly documents Třinecké železářny long-term**

**relationship with the surrounding region, its shared responsibility for the continuous improvement of the environment in its vicinity, and its efforts to improve the quality of life of its inhabitants.**

Annual production of Třinecké železářny reaches around 2.4 million tonnes of steel and the main product portfolio consists of long rolled products – wire rod, sections, special bar steel, drawn steel, rails including railway superstructure accessories, wide steel, seamless tubes, and semis. Additional products include coke and by-products resulting from

its production, further artificial compact aggregates and granulated slag.

Třinecké železářny is an integrated production plant that includes operations from coke production to the final hot-rolled steel product. The coke-chemical production plant includes two coke-oven batteries and a pulverized coal injection into the blast furnace hearth. The produced coke and the pulverized coal are used in the plant's own blast furnaces together with the sinter charge, which has been prepared in two sinter plants. More than 98% of Třinec steel is produced in the BOF converter plant, on the

## 01

COMPANY  
PROFILE

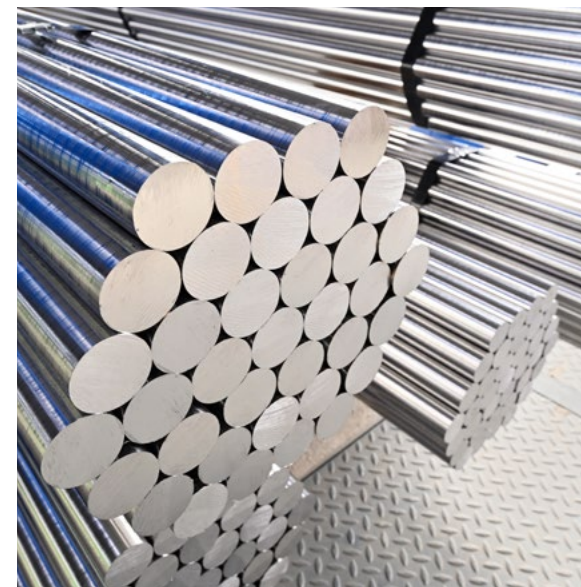
basis of oxygen refining of iron. The BOF plant is equipped with complete ladle metallurgy enabling chemical and thermal homogenization, additional alloying as well as steel vacuum treatment. The BOF plant includes two machines for the continuous casting of blooms and billets. Steel from Třinec is also produced in the EAF steel plant.

Blooms, billets and to a smaller extent ingots from steel plants form a charge for the rolling mill plants in Třinec – a rolling mill for blooms and heavy profiles, medium section mill, rolling mill for wire rod and light sections – as well as for the tube mill in Ostrava, for the universal strip mill in Bohumín, the steel drawing plant in Staré Město or for the billet mill located in Kladno.

By-products generated during metallurgical production are processed by the secondary raw materials plant into artificial aggregate, granulated blast furnace slag, and other building materials. Metal-bearing recyclables are returned to the metallurgical production process.

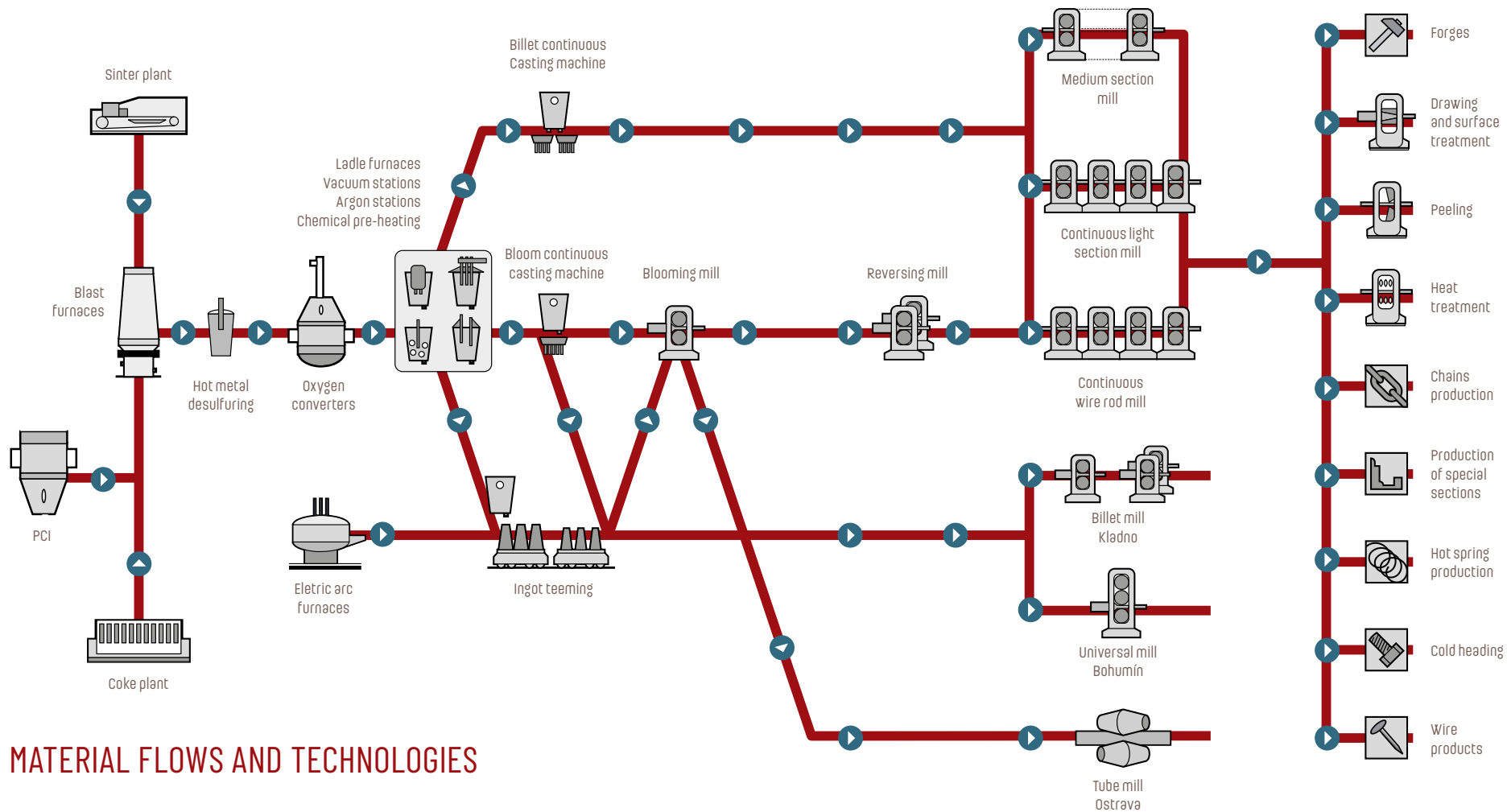
Throughout its existence, Třinecké železářny has produced more than 195 million tonnes of steel and a wide range of rolled products, which have long been used not only on the domestic market but also around the world. Products bearing the Třinecké železářny trademark – three hammers in a circle – are shipped to customers in more than 60 countries around the world every year.

The company's commitment to sustainable development is reflected in its social, economic, and environmental responsibility and is an



integral part of Třinecké železářny corporate culture and strategy. The company has long been dedicated to improving the environment in its vicinity. Extensive modernization investment projects are aimed not only at streamlining production, but also at making a number of production facilities more environmentally friendly.

01 COMPANY PROFILE



MATERIAL FLOWS AND TECHNOLOGIES

## 02

PROFILE OF THE  
CONSOLIDATION GROUP

The consolidation group (hereinafter referred to as “TŽ Group”) consists of TŘINECKÉ ŽELEZÁRNY, a. s. together with the following companies:

**BOHEMIA RINGS s.r.o.** – precision engineering components, bearing rings for wind power plants.

**„D&D“ Drótáru Zrt.** – manufacture of cold-drawn wire and strands for pre-stressed reinforcement for use mainly in the construction and mining industries; manufacture of steel fibres for concrete floors.

**ENERGETIKA TŘINEC, a.s.** – supplier of the whole spectrum of energies and energy services – electricity, process steam, heat, heating gases, compressed and blown air, utility and potable water.

**HŽP a.s.** – manufacturer of helical, leaf and parabolic springs.

**„METALURGIA“ S.A.** – manufacturer of drawn wire.

**Moravia Security, a.s.** – security services and technical protection of facilities.

**REFRASIL, s.r.o.** – refractory materials for lining of metallurgical facilities and refractory building materials.

**Řetězárna a.s.** – production of a wide range of length chains for various applications.

**Strojírny a stavby Třinec, a.s.** – custom engineering production of technological units and weldments, including machining on CNC machines; turnkey industrial and civil constructions, road construction.

02

PROFILE OF  
THE CONSOLIDATION GROUP

**Slévárny Třinec, a.s.** – manufacturer of castings from steel, cast iron, and non-ferrous metals.

**SV servisní, s.r.o.** – energy services, construction and installation works.

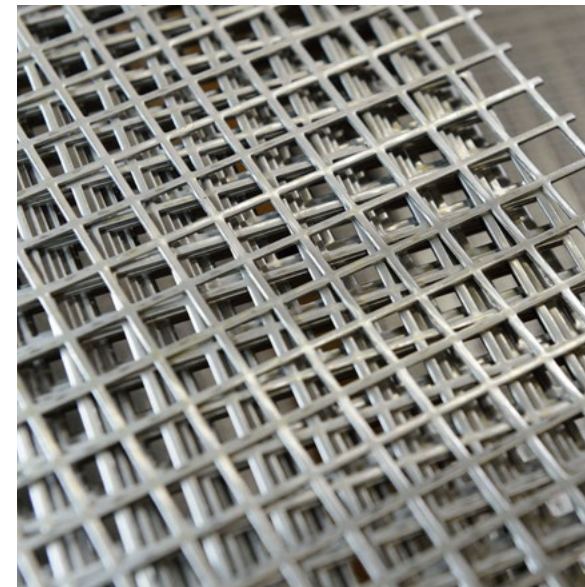
**Šroubárna Kyjov, spol. s r.o.** – manufacturer of fasteners – bolts, nuts, special fasteners and forgings of a similar nature.

**Třinecké gastroslužby, s.r.o.** – catering services and corporate and public dining services.

**VESUVIUS ČESKÁ REPUBLIKA, a.s.** – isostatically pressed ceramics for the control and protection of steel flow in the continuous casting process in metallurgical plants.

**VÚHŽ a.s.** – special metallurgical production and supply of automation technologies for the metallurgical industry.

**ŽDB DRÁTOVNA a.s.** – drawing plant for unpatented and patented wire, rope mill, spring, and wire production.



# 03

## KEY PERFORMANCE INDICATORS 2021-2025



03

KEY PERFORMANCE  
INDICATORS 2021-2025

Company Indicator	Unit	2021	2022	2023	2024	2025
<b>Pig iron production</b>	kt	1 943	1 970	1 973	1 965	1 957
<b>Crude steel production</b>	kt	2 400	2 440	2 415	2 425	2 424
<b>Of which continuous castings</b>	kt	2 294	2 366	2 355	2 370	2 372
<b>Sales of rolled products including steel</b>	kt	2 288	2 198	2 216	2 192	2 233
<b>Total revenues</b>	CZK mil.	50 953	66 139	64 479	57 077	53 926
<b>Income from sales of products, goods and services</b>	CZK mil.	43 715	57 602	49 692	47 371	44 536
<b>Export share of sales of rolled products, including semi-finished products</b>	%	67.7	68.5	69.4	68.3	69.1
<b>Total costs excluding income tax</b>	CZK mil.	49 340	63 216	64 370	56 737	53 724
<b>Net profit or loss</b>	CZK mil.	1 306	2 393	44	316	186
<b>Net total assets</b>	CZK mil.	41 769	48 932	44 985	44 330	43 083
<b>Gross tangible fixed assets</b>	CZK mil.	44 013	45 689	46 866	48 212	49 286
<b>Provisions against tangible fixed assets</b>	CZK mil.	27 469	28 785	30 183	31 570	32 858
<b>Equity</b>	CZK mil.	30 276	31 669	31 744	32 082	32 268
<b>Capital investments</b>	CZK mil.	1 663*	1 863*	1 364*	1 578*	1 418*
<b>Other capital including other liabilities</b>	CZK mil.	11 494	17 263	13 242	12 248	10 815
<b>Employees (average recalculated headcount)</b>	Persons	6 878	6 825	6 831	6 864	6 698
<b>Average monthly earnings</b>	CZK/person	38 353	41 559	41 752	43 177	44 361

\*without subsidies

03

KEY PERFORMANCE  
INDICATORS 2021-2025

<b>TŽ Group Indicators</b>	<b>Unit</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
<b>Income from sales of products, goods and services</b>	CZK mil.	56 727	74 117	63 764	59 934	57 102
<b>Net Total Assets</b>	CZK mil.	48 695	56 686	52 289	50 744	49 662
<b>Net tangible fixed assets</b>	CZK mil.	24 205	24 477	24 056	23 741	23 446
<b>Equity</b>	CZK mil.	33 595	35 607	34 488	34 730	35 091
<b>Consolidated profit or loss excluding minority interests</b>	CZK mil.	2 254	3 105	-1 223	238	410
<b>External equity, including accruals</b>	CZK mil.	14 792	20 745	17 469	15 672	14 215

## 04

SUPERVISORY BOARD  
AND BOARD OF DIRECTORS

## SUPERVISORY BOARD

Function	Name
<b>Chairman</b>	Tomáš Chrenek
<b>First Vice-Chairman</b>	Ján Moder
<b>Second Vice-Chairman</b>	Evžen Balko
<b>Member</b>	Jozef Blaško
<b>Member</b>	Jana Kantorová
<b>Member</b>	Marcel Pielesz

## BOARD OF DIRECTORS

Function	Name
<b>Chairman</b>	Roman Heide
<b>First Vice-Chairman</b>	Tomáš Gajdzica
<b>Second Vice-Chairman<sup>1)</sup></b>	Henryk Huczala
<b>Member</b>	Radomíra Pekárková
<b>Member</b>	Daniel Heczko

<sup>1)</sup> During 2025, there was a change in the composition of the Company's Board of Directors; the position of Second Vice-Chairman was held until 17 December 2025

## 05

INTRODUCTORY WORD  
BY THE CHAIRMAN OF  
THE SUPERVISORY BOARD**Dear employees, customers, and partners,**

Throughout its 187-year history, Třinecké železářny is now facing one of the greatest and longest crises caused by exogenous factors which, from the global perspective of the European economy, clearly lead to its destabilization and loss of competitiveness.

This entire long-term process—based on ignoring how economic processes actually function, driven by pseudo-ideologies grounded solely in ambitious obscurantism in the form of green pseudo-eco-terrorism, the introduction

of nonsensical and one-sided restrictions on industrial sectors that are the backbone of the European economy, continual changes to the principles guiding restrictive parameters, and the absence of any protection of the European economic market—results in a denial of the very essence of how the European economic area operates in its global context.

Despite enforced ideological investments in green steel, the closure of natural energy sources, and the application of unjustified and artificial tax instruments, our company—

one of only a few steelmakers—continues to manufacture its full product portfolio while maintaining moderate profitability.

Profit after tax for 2025 reached CZK 186 million. This reflects a long-established investment and business strategy. Nevertheless, this result is CZK 130 million lower compared with 2024, primarily due to a lower volume of sales revenue from rolled products caused by declining market prices.

05

INTRODUCTORY WORD BY THE CHAIRMAN  
OF THE SUPERVISORY BOARD

The long-term success of our company, its role within the Czech and European economic system, as well as its highly qualified and stable workforce, are today the fundamental prerequisites for overcoming the chaotic bureaucratic regulation of the European steel industry.

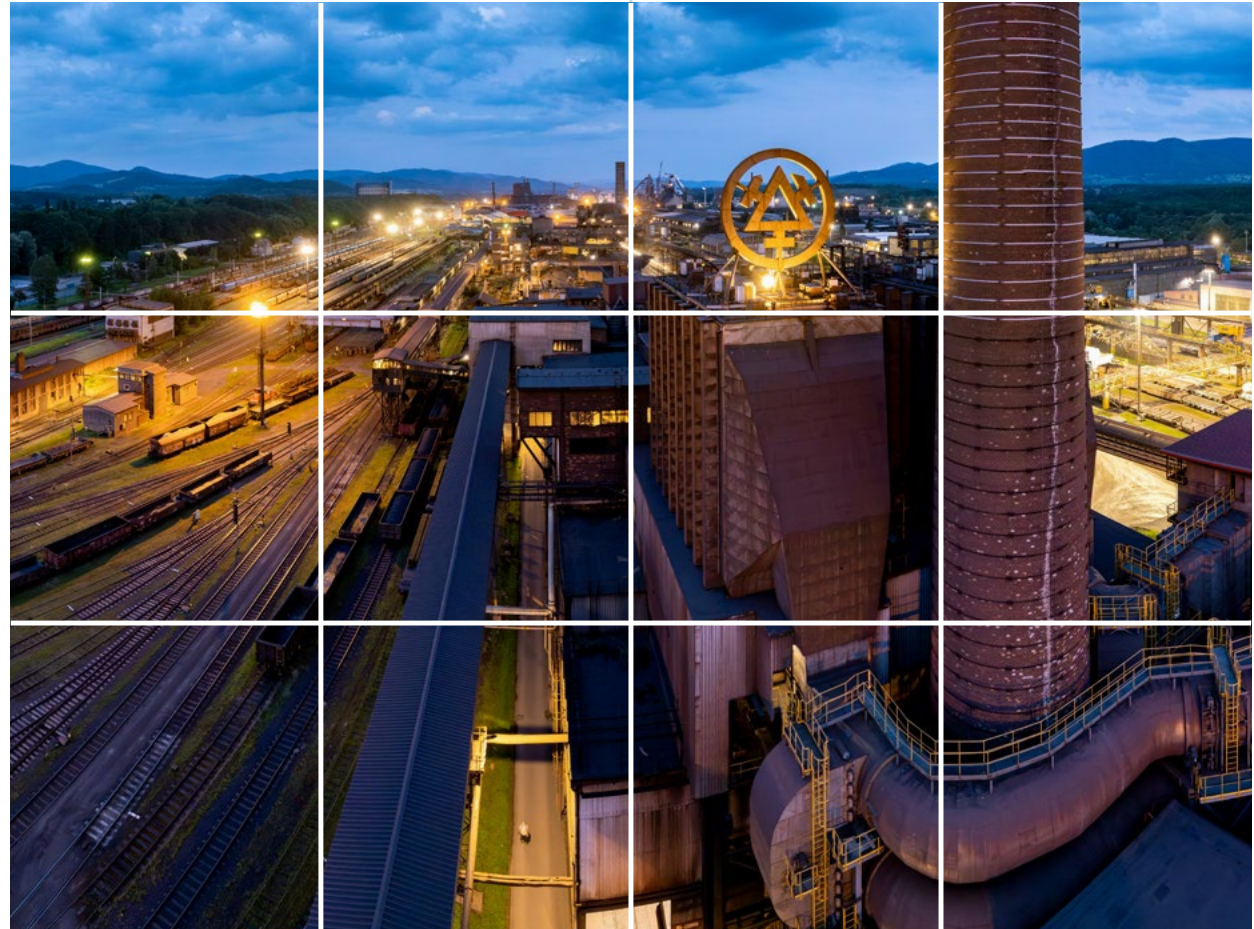
**Dear colleagues,**

I believe that our shared internal potential will, in the long term, continue to confirm the relevance and necessity of our company.



**Ing. Tomáš Chrenek, Ph.D.**

Chairman of the Supervisory Board



## 06

BOARD OF  
DIRECTORS REPORT**Development of macroeconomic and competitive environment**

According to preliminary estimates, gross domestic product adjusted for price effects and seasonality was 2.5% higher in 2025 than in 2024. Full-year growth was mainly supported by domestic demand, particularly higher household final consumption expenditure. On the contrary, gross capital formation had a negative impact. The development of gross value added was mainly supported by the trade, transport, accommodation, and hospitality sectors. Positive developments were also recorded in industry and construction.

Industrial production was 1.5% higher year-on-year in 2025. The metalworking industry and the production and distribution of electricity, gas, and heat contributed most to this growth. Other sectors with positive development included motor vehicle manufacturing and other related industries, in particular the manufacture of rubber and plastic products. On the other hand, the overall result was negatively affected by a decline in the manufacture of computers, electrical and optical instruments and equipment. There was also a decline in the production of tools and mining, particularly coal mining.

The average inflation rate in 2025 reached 2.5%, which represents a slight increase compared to 2024, when it was 2.4%. Relatively low and stable inflation continued to support real wage growth and improve the purchasing power of the population, which helped households maintain stable consumption levels. Real wage growth combined with stable inflation had a positive impact on household consumption, which remained a significant driver of Czech economic growth in 2025.

## 06

BOARD OF  
DIRECTORS REPORT

Industrial companies had to cope with persistently high energy prices and meet the European Union's environmental and climate targets, while foreign demand remained weak. There was still no recovery in Europe's largest economy and the Czech Republic's main trading partner, Germany, which continued to limit the export opportunities of Czech manufacturers. Uncertainty was further heightened by US trade policy and the threat of import restrictions on European goods. In such an environment, the Czech economy could not fully rely on foreign demand and therefore focused primarily on the domestic market.

Global crude steel production reached 1,849.4 million tonnes in 2025, representing a 2% decline compared to 2024. Crude steel production increased in 2025, particularly in India, Vietnam,

and Australia, while declines were seen mainly in China, Russia, France, and Germany.

Annual crude steel production in Asia and Oceania was 1,324.5 million tonnes, a decrease of 2.4% compared to 2024. China produced 960.8 million tonnes, reducing production by 4.4% compared to the previous year, and in terms of volume, it achieved the largest decline in production in the world in 2025 (44.3 million tonnes). China's share of global production fell to 52%. India produced 164.9 million tonnes of crude steel in 2025, an increase of 10.4% compared to 2024, maintaining its position as the world's second-largest steel producer and achieving the world's largest production growth in terms of volume in 2025 (+15.3 million tonnes). Japan produced 80.7 million tonnes, down 4% year-on-year. South Korea produced 61.9 million tonnes of crude steel, down 2.8% from 2024.

Crude steel production in North America reached 107.4 million tonnes in 2025, up 0.7% from 2024. The US increased steel production to 82 million tonnes, up 3.1% from 2024.

In 2025, European Union countries produced 126.2 million tonnes of crude steel, a decrease of 2.6% compared to 2024. Germany, the largest producer, produced 34.1 million tonnes, down 8.6%, while Italy produced 20.7 million tonnes, up 3.6% year-on-year. Spain produced 12 million tonnes, 0.7% more than in the previous year, while France produced 9.8 million tonnes of crude steel, 8.7% less than in the previous year. In 2025, crude steel production in the EU declined year-on-year, remaining below the pre-pandemic level of 2020. The share of European Union countries in global crude steel production decreased slightly from 6.9% in 2024 to the current 6.8%.

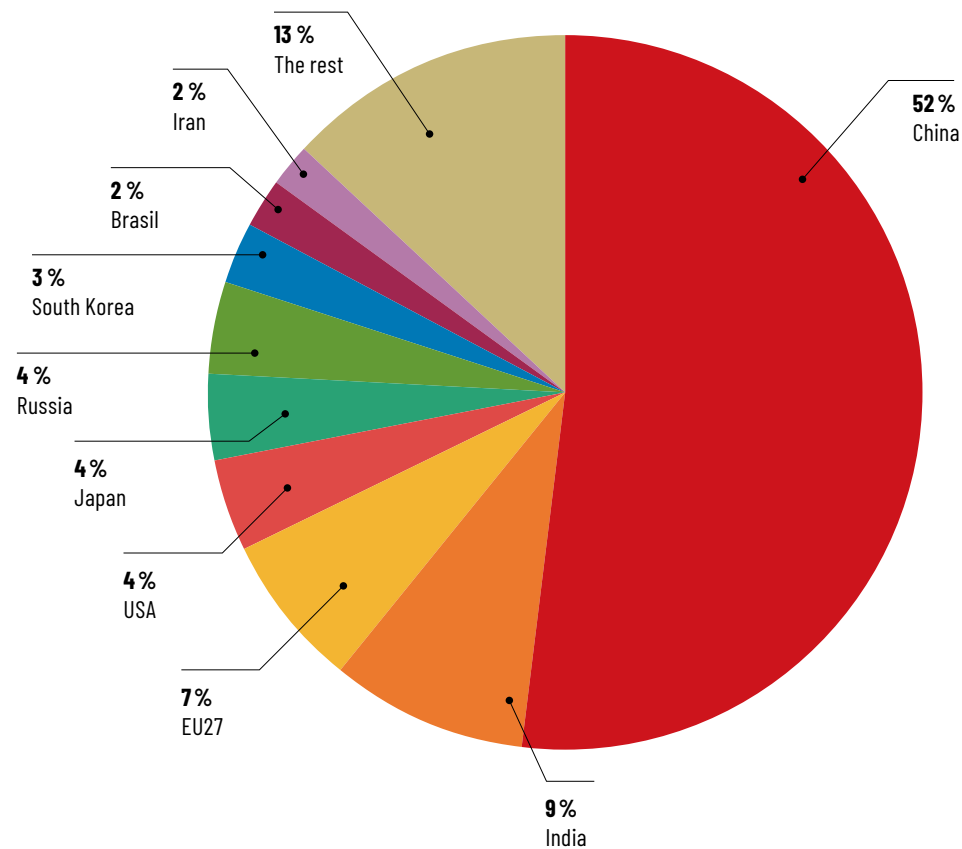
06 BOARD OF DIRECTORS REPORT

The countries of the Commonwealth of Independent States produced 81.3 million tonnes of crude steel, representing a year-on-year decrease of 4.4%. Russia produced 67.8 million tonnes of crude steel, which is 4.5% less than in 2024. Ukraine recorded a 2.2% decline in production to 7.4 million tonnes.

Annual crude steel production in South America reached 41.5 million tonnes in 2025, a decrease of 1.2% compared to 2024. Brazil produced 33.3 million tonnes, 1.6% less than in the previous year.

In the Middle East, 56.9 million tonnes were produced in 2025, 4.3% more than in the previous year. Iran recorded growth of 1.4% to 31.8 million tonnes.

SHARE OF CRUDE STEEL PRODUCTION



06

BOARD OF  
DIRECTORS REPORT

## Production and position on the market

European industry continued to perform poorly in 2025, with steel consumption remaining low. Although the pace of decline slowed after significant drops in previous years, overall steel consumption in Europe continued to stagnate and remained well below pre-pandemic levels. Persistent negative factors included high energy costs, weak domestic and foreign demand, an uncertain geopolitical environment, and pressure from cheap imports from third countries.

The automotive industry, one of the key consumers of steel, did not recover significantly in 2025. Production remained subdued due to high production costs, weakened consumer purchasing power, and continued competition from cheap imported vehicles, particularly in

the electric mobility segment. The construction industry, which is the main pillar of steel consumption, continued to face low investment activity and high interest rates, which had a negative impact on the volume of projects implemented. Engineering and pipe manufacturing also recorded weak development, affected by low industrial activity and limited demand from the energy and infrastructure sectors.

The outlook for 2026 suggests a possible gradual recovery in European industry and steel consumption, but with a high degree of uncertainty remaining. Positive developments could be supported by the Carbon Border Adjustment Mechanism (CBAM), the easing of geopolitical tensions, the resumption of investment in infrastructure, energy, and defence, the stabilization of energy prices, and improved availability of

raw materials. However, the expected recovery would be rather gradual, and steel consumption volumes would remain below the long-term average even in 2026.

Crude steel production in the Czech Republic reached 2.5 million tonnes in 2025 and remained at the same level year-on-year. Almost 97% of production is accounted for by Třinecké železářny, the last integrated steelworks in Czechia. The outlook for 2026 is slightly positive, but the limiting factor remains the capacity of producers.

Třinecké železářny share of domestic crude steel production increased by 2% to 97% in 2025. Production totalled 2.4 million tonnes of crude steel and remained at the same level year-on-year.

## 06

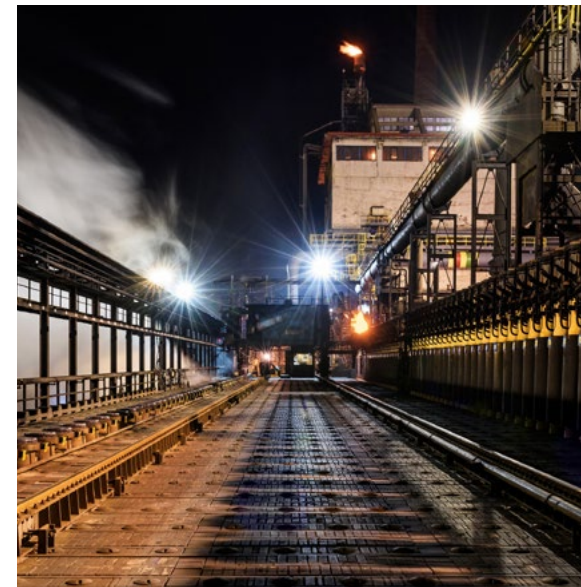
BOARD OF  
DIRECTORS REPORT

Třinecké železářny has modern production facilities and a team of experts who are systematically working on the preparation and implementation of a production decarbonization project. This project is based on the efficient use of raw materials and energy, with an increasing emphasis on the use of renewable sources. Decarbonization is a key way not only to reduce the environmental footprint of production, but above all to limit the long-term rising costs associated with emission allowance prices and the gradual decline in their free allocation. At the same time, it is a necessary response to increasing demands for decarbonization in the context of European and global competition.

Since 2024, Třinecké železářny has been the only large-scale producer of steel and steel products in the Czech Republic using the primary ore

route. Maintaining and further developing this production is of strategic interest not only to the steelworks itself, but also to the Czech state and related industries. The decarbonization of steel production should therefore be seen as a common goal of industry and the public sector. The required financial participation of the state in this process is not exceptional in the European context – similar projects are supported by significant public funds in most European Union countries. The border protection mechanism in the form of CBAM, which will be introduced in January 2026, should also play a positive role in protecting domestic production by contributing to the gradual equalization of competitive conditions on the European market.

The main strengths of Třinecké železářny and its subsidiaries include a high level of expertise,



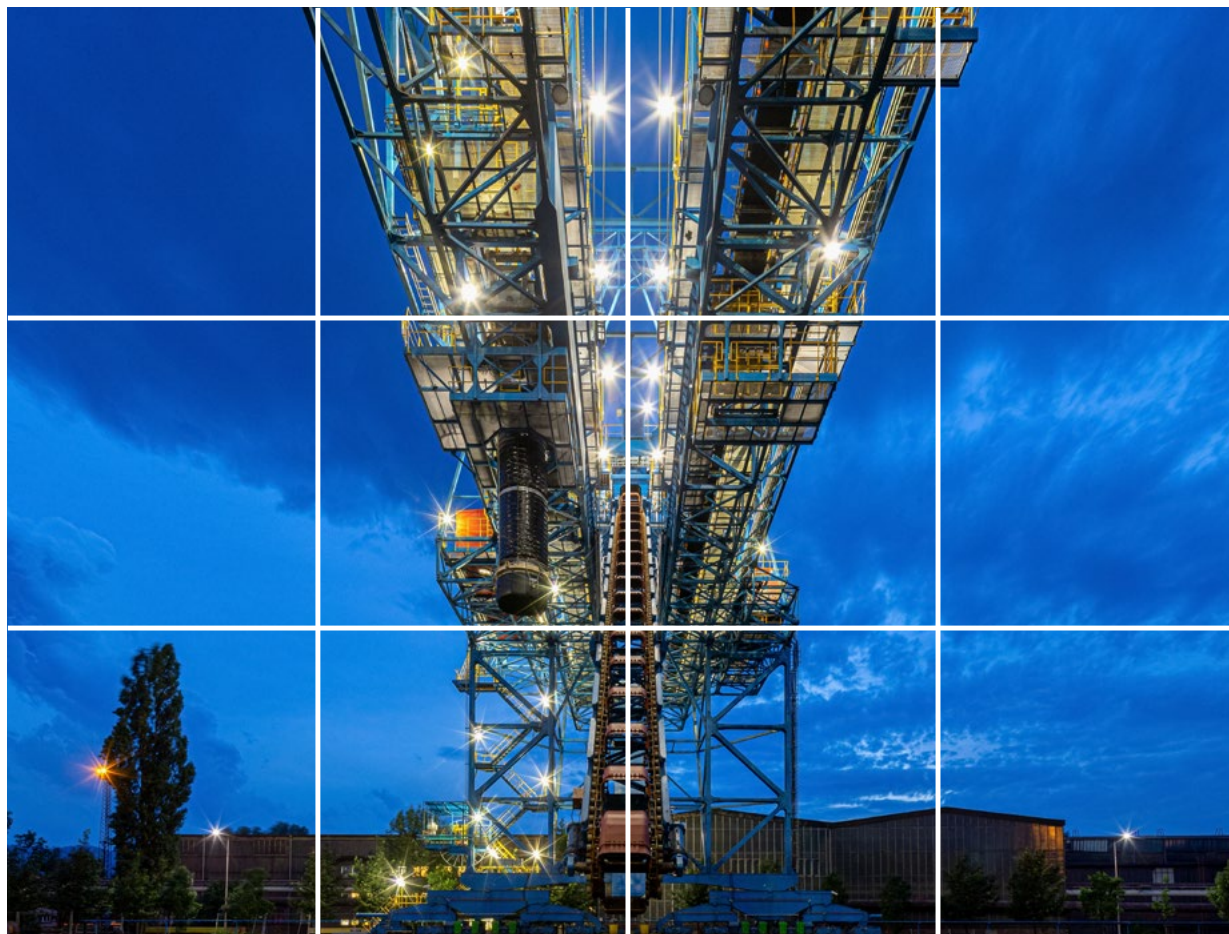
many years of experience, and detailed knowledge of production and technological processes, which are systematically utilized across the group's entire production chain. In terms of quality, the company ranks among the leading European manufacturers of long steel products, particularly in the SBQ (Special Bar

## 06

BOARD OF  
DIRECTORS REPORT

Quality), rolled wire, bright steel, and related finished products segments. Stable quality, repeatability of production, and reliability of deliveries ensure the long-term use of products on the European market, especially in the automotive industry, engineering, rail transport, construction, energy, and consumer goods.

Over the past twenty-five years, Třinecké železářny has undergone gradual development through acquisitions and has transformed into a structured industrial group. The TŽ Group systematically increases the added value of primary production of long steel products by further processing them in its own plants and subsidiaries, thereby significantly extending its product chains and strengthening its competitiveness on European markets.



06

BOARD OF  
DIRECTORS REPORT

## PRODUCTION AND SALES

Sales of rolled products and semi-finished products reached 2.233 million tonnes last year, with 70% of this amount going to export and 30% being delivered to domestic customers. Key export destinations include Germany, Italy, Slovakia, and Poland.

Following the termination of production at the commercial company Liberty Ostrava a.s., wire rod is now produced at only one location in the Czech Republic, namely Třinecké železářny.

In terms of production volume and degree of finalization, it is a key product, accounting for 42.7% of total sales in 2025. Total sales of wire rod last year reached 953.7 kt, of which 66.4% was sold on foreign markets. Thanks to the high-capacity utilization of heat treatment, drawing lines, and wire phosphating, we are succeeding



in increasing sales of products with higher added value. Rolled and further processed wire accounts for the largest share of production in the TŽ Group and also constitutes the largest customer and product portfolio.

Sales volume in the bar and section steel segment reached 481.8 kt, with exports accounting for 68%. Sales of bright steel from the Steel Drawing Mill increased year-on-year from 87 kt to almost 95 kt, supporting the growth in sales of higher value-added products. Bar and section steel is primarily further processed into flexible parts used in the automotive industry.

Sales of semi-finished products increased by 10.9% to 350.5 kt last year, with bloom continuous casting accounting for 78%, rolled blooms for 11%, and rolled billets for 11%. Sales of ingots and rolled slabs accounted for only a negligible portion. Exports of 224 kt represented 64% of total sales of semi-finished products.

## 06

BOARD OF  
DIRECTORS REPORT

In 2025, the TŽ Group further processed 22 kt of semi-finished products, most of which were continuously cast semis intended for the subsequent production of rolled steel rings. The largest volume of steel rings is supplied to wind power plants and the engineering industry. The TŽ Group thus contributes in part to the fulfilment of climate goals aimed at increasing the share of energy from renewable sources.

Třinecké železářny is the only manufacturer of rails and railway accessories in the Czech Republic. Last year, it supplied 22 kt of rails, including railway accessories, to the domestic market. Of the total sales volume of 219 kt, 144 kt of rails and railway accessories were exported to European Union countries and another 53 kt of

rails went to the USA, Canada, Egypt, and other export destinations. The total share of exports for the period under review reached 90%.

Sales of seamless tubes recorded a slight decline to 90 kt. Exports of seamless tubes last year reached a volume of 80 kt, of which 93% went to the European Union market. The domestic market accounted for 10.9% of total sales. Seamless tubes are used in construction, engineering, and the oil and energy industries.

Sales of wide flat steel produced by the Universal Strip Mill in Bohumín reached 35 kt in 2025, mainly in the structural steel segment, with 30 kt exported to European Union countries. Deliveries to the domestic market amounted to 2.6 kt.



06

BOARD OF  
DIRECTORS REPORT

## Sales of long products 2024-2025

Sales (tonnes)	Domestic		Export		Total	
	2024	2025	2024	2025	2024	2025
<b>Wire rod</b>	293 059	320 665	648 333	633 011	941 392	953 676
<b>Semis</b>	142 490	126 051	173 340	224 477	315 830	350 528
<b>Sections and bars</b>	161 915	154 120	309 012	327 649	470 927	481 769
<b>Rails<sup>1</sup></b>	38 783	21 914	202 154	197 073	240 937	218 987
<b>Tubes</b>	11 742	9 842	80 552	79 899	92 294	89 741
<b>Wide steel</b>	3 255	2 573	31 323	31 995	34 578	34 568
<b>Bright steel</b>	23 833	27 944	63 260	66 794	87 093	94 738
<b>Drawn wire</b>	4 881	4 655	4 510	4 017	9 391	8 672
<b>Total</b>	<b>679 958</b>	<b>667 764</b>	<b>1 512 484</b>	<b>1 564 915</b>	<b>2 192 442</b>	<b>2 232 679</b>

<sup>1</sup> sales of rails including railway superstructure accessories

06

BOARD OF  
DIRECTORS REPORT

## Export territories of Třinecké železárny

Export structure in %	2024	2025
European Union	90.3	92.1
- of this Germany	29.6	33.2
- of this Italy	15.0	15.2
- of this Slovakia	14.4	13.9
- of this Poland	12.6	12.3
Rest of Europe <sup>2</sup>	4.9	4.6
America	4.3	3.0
Africa + Australia	0.0	0.0
Asia	0.5	0.3
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

<sup>2</sup> from 2021 the share of exports to European Union countries excluding the UK, the UK is included in the category Rest of Europe



## 06

BOARD OF  
DIRECTORS REPORT

## Investment and modernization

The Technical Development Investment Plan is a part of the Třinecké železářny Business Program. Investments in 2025 focused on modernization projects, environmental projects, activities aimed at reducing operating costs, projects involving the renewal of existing production equipment and projects involving the robotization and automation of production processes.

A total of **CZK 1,506 million**, was invested, of which **CZK 88 million** consisted of subsidies for environmental projects. In 2025, the implementation of 29 investment projects under construction continued. The most significant ones included:

- Heat treatment of rails,
- Reconstruction and medium repair of blast furnace No. 4,

- Modernization and decarbonization of steel production,
- Manipulator of the shielding tube of continuous casting machine No. 1 (hereinafter referred to as "CCM1") + oxygen shower,
- Modernization of the pre-rolling and middle rolling drives on the continuous wire rod mill,
- Migration of the SAP R/3 system to SAP S/4 HANA.

Twenty-four new investment projects have been launched. The most important ones include:

- Modernization of the CCM1 rotary casting stand,
- Renovation of the K1 converter tilting transformers,
- Crane with telescopic lift No. 12 on the continuous light section mill,
- Upgrade of the Sonotron line on the Large Mannesmann,
- Kardex stackers.

In total, **CZK 340 million** was invested in 2025 as part of Třinecké železářny subsidy programs, of which CZK 252 million came from TŽ's investment funds and **CZK 88 million** from subsidies. These programs included:

- Iron ore briquetting line,
- Construction of preheating media for hot blast stoves of blast furnace No. 4,
- Dust removal from daily blast furnace charge storage bins at Sinter plant No. 2,
- Dust removal from daily blast furnace charge storage bins between transverse halls.

06

BOARD OF  
DIRECTORS REPORT

## Investments and modernization – companies in the TŽ Group

Each company in the TŽ Group sets out a Technical Development Plan, which is an integral part of its Business Program. Investment funds are directed primarily towards further modernization and expansion of production capacities, environmental protection, minimization of strenuous manual labour through robotization and automation, and improvement of occupational health and safety in the workplaces.

## Technology and research

Support process Technology management is a key pillar for achieving the company's strategic goals and satisfying the demanding requirements of our customers. Through precise management of technological flows, we guarantee the required quality parameters for all semi-finished and

finished products. An important factor in this process is the continuous monitoring of market requirements and process parameters, as well as the systematic verification and implementation of modern, cutting-edge technologies. These innovations not only significantly reduce production costs and environmental impact, but also increase the added value of our production, which strengthens the position of Třinecké železářny as a leading steel producer in Central Europe.

The technology area comprehensively covers the creation of internal regulations, work procedures, and guidelines. This supervision covers the entire material production chain – from the processing of raw materials and the production of pig iron, through steel production and its processing on rolling mills, to the high degree of product finalization in

the form of mechanical and heat treatment. All documents are continuously updated in line with technological advances, and when investing in new equipment, a suitable technological framework is created to enable its effective deployment.

The quality of production is permanently guaranteed to all customers through established system tools, such as the Quality Plan and the Continuous Improvement Program, which are managed by a defined Quality Objective. Thanks to these tools and close cooperation with customers, non-conforming production is minimized and the useful properties of the final products are increased. Specialized technical Quality Services provide expert support for key partners.

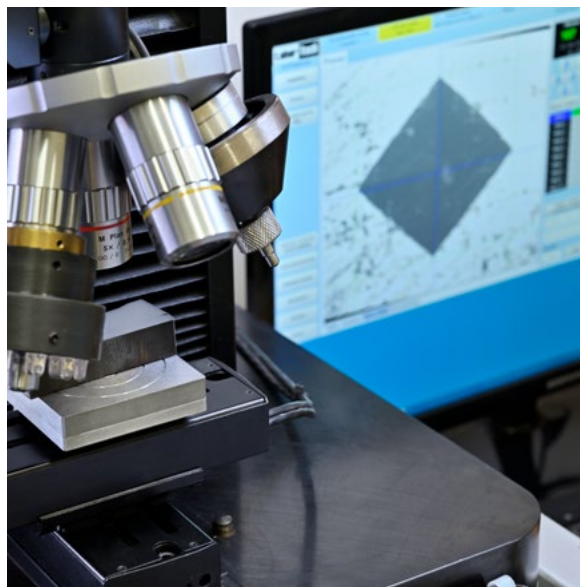
## 06

BOARD OF  
DIRECTORS REPORT

Technological activities are also focused on improving the quality of products and semi-finished products in cooperation with commercial companies within the TŽ Group and other TŽ subsidiaries, as well as with MORAVIA STEEL a.s. and its subsidiaries. This very close and active cooperation leads to the optimization and interconnection of production technologies and innovations, and the development of new, cutting-edge products.

One of the key tools for continuous quality control in relation to market needs are the main production programs, which are reviewed and discussed at annual intervals:

- Steel grades for Billet Mill in Kladno,
- Tube production,
- Steel grades from EAF,
- Steel bars from Continuous Light Section Mill and Medium Section Mill for the automotive industry,



- Screw steel,
- Spring steel,
- Drawn steel,
- Chain steel,
- Bearing steel,
- Continuously cast semis for direct deliveries and axle steel,

- Rails,
- Wire rod from Continuous Wire Rod Mill,
- Waste management and by-products.

Research and development at Třinecké železárny is closely linked to production technology and focuses on generating potential for continuous innovation of technological processes and products within individual operations and plants. The aim of individual solutions is to continuously improve the quality parameters of steel products, develop new technological processes, and expand the product portfolio.

In view of the global trend, due attention is also paid to environmental aspects, the development of the circular economy, and preparing the company for the transformation resulting from commitments to reduce its carbon footprint.

## 06

BOARD OF  
DIRECTORS REPORT

In 2025, cooperation was also established with several research organizations and universities, thanks to which one international application for a subsidized project was submitted under the Horizon Europe calls. The aim of these subsidy projects is to study the consequences of introducing procedures leading to a reduction in CO<sub>2</sub> emissions (the impact of increased impurity content as a result of the transition to an electric production process and the use of biomass).

In 2025, a total of 10 research and development projects and 6 process development projects were conducted in certain phases of the solution in accordance with the automotive industry conditions defined in IATF 16949. A total of 3 research and development projects focusing on the following topics were completed:

- Development of heating strategies for efficient energy use,
- Research on the initiation of internal defects in moulded products,
- Development of technologies for the application of secondary products,

and 4 process development projects according to the automotive industry conditions defined in IATF 16949.

At the same time, three new research and development projects and two process development projects were launched in 2025 in accordance with IATF 16949 requirements.

The projects currently underway specialize in the following areas:

- Development of heat treatment and drawing processes for steel products,
- Development of technological units for capturing fly ash,
- Development of new technological processes for non-furnace steel processing after the transition from the converter process to the electric production process,
- Research in the field of applying new types of fuels during iron ore sintering,
- Development of tools for temperature control during non-furnace steel processing.

06

BOARD OF  
DIRECTORS REPORT

## Environment

Environmental protection is also an important part of Třinecké železářny policy. The TŽ Group applies the principles of sustainable business and continuously monitors developments in environmental legislation. New requirements and changes are promptly implemented.

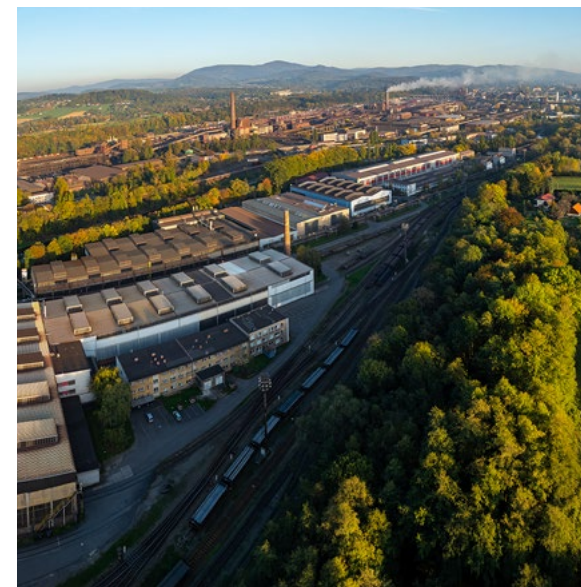
Compliance with all legal requirements and valid environmental permits, including all strict emission limits, is standard practice.

Třinecké železářny provided methodological guidance and advice on environmental protection according to the needs of individual companies within the TŽ Group.

## AIR AND CLIMATE PROTECTION

Throughout the TŽ Group, regular monitoring of all indicators was carried out in the area of air protection in accordance with the requirements of legislation and valid permits.

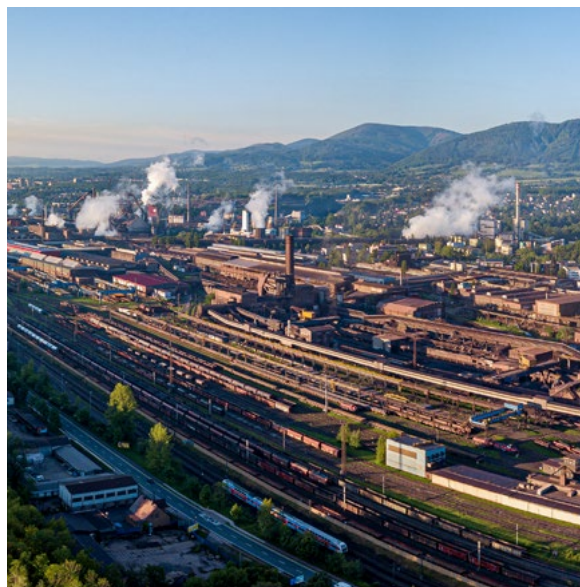
Compared to 2024, Třinecké železářny saw a year-on-year decrease in nitrogen oxide emissions. On the other hand, the year-on-year increase in emissions of solid pollutants, sulphur dioxide, and carbon monoxide is due to an increase in sinter production. Emissions of solid pollutants remain at a very low level, achieved through a series of environmental investments in the dedusting of air pollution sources implemented in recent years.



The TŽ Group pays great attention to the impact on climate change and the reduction of greenhouse gas emissions. Projects are being implemented and prepared to reduce CO<sub>2</sub> emissions by 55% by 2030 compared to 1990, in accordance with the Paris Agreement on climate change. Other measures aimed at reducing or capturing

06 BOARD OF DIRECTORS REPORT

greenhouse gas emissions are being implemented in the areas of renewable energy use, green electricity use, energy consumption savings, and new greenery planting. Třinecké železářny is also an active participant in the European Union Emissions Trading System (EU ETS), in accordance with Directive 2003/87/EC of the European Parliament and of the Council. Every year, the carbon footprint is calculated in accordance with the international GHG Protocol (Greenhouse Gas Protocol) standard. Třinecké železářny current goal is to achieve carbon neutrality by 2050.



In 2025, greenhouse gas emissions monitored under the monitoring plan approved by the Ministry of the Environment and reported under the EU ETS system reached 2,504,529 tonnes of carbon dioxide for operations in Třinec and 39,823 tonnes of carbon dioxide for the Sochorová rolling mill in Kladno. The total amount of greenhouse gas emissions reported under the EU ETS system at Třinecké železářny for 2025 is 2,544,352 tonnes of carbon dioxide, which represents a year-on-year decrease of approximately 2.6% caused by lower year-on-year production of raw iron and the use of less emission-intensive fuels.

**Emission occurrence in tonnes**

Year	Solid pollutants [t/year]	Sulphur dioxide [t/year]	Nitrogen oxides [t/year]	Carbon monoxide [t/year]	Carbon dioxide [t/year]*
2024	86	2 780	1 155	70 035	2 613 705
2025	90	2 856	1 132	71 491	2 544 352

\* Emissions reported under the EU ETS pursuant to Directive 2003/87/EC establishing a greenhouse gas trading scheme.

06 BOARD OF DIRECTORS REPORT

### PROTECTING WATER PURITY

The TŽ Group places particular emphasis on the economical use and protection of water resources, especially in view of changing climatic conditions. By operating closed water circuits that ensure the recirculation of industrial water, the volume of wastewater discharged is kept to the necessary minimum in the long term.

In 2025, there was a slight increase in the amount of industrial wastewater discharged into the Olše River compared to 2024. This develop-

ment is mainly due to increased total precipitation and the regulation of closed water circuits to achieve their optimal chemical balance. However, the state of water management is stable in the long term and the level of wastewater pollution is at a sustainable level in accordance with the applicable pollution limits.

During 2025, there were no emergency situations at Třinecké železářny that would have a negative impact on the quality of groundwater or surface water.



### Pollution discharged into the watercourse

Year	Volume of waste water [m <sup>3</sup> /year]	Undissolved substance [t/year]	C <sub>10</sub> - C <sub>40</sub> hydrocarbons [t/year]	Dissolved inorganic salts [t/year]	Chemical oxygen consumption using dichromatic method [t/year]	Total iron [t/year]
2024	3 086 460	21.8	0.22	2 086	52.9	2.3
2025	3 235 692	22.1	0.22	1 675	50.7	2.3

Note: data refer to the TŽ premises in Třinec.

06

BOARD OF  
DIRECTORS REPORT

## WASTE MANAGEMENT

Steel production and processing also generate a whole range of residual materials – by-products such as slag, scale, metal-bearing sludge, various types of metal abrasives, returnable technological scrap, and the like.

Třinecké železářny strives to make maximum use of these by-products in metallurgical production in accordance with the principles of the circular economy, or to process them into certified products, such as artificial dense aggregate, which in many cases fully replaces natural aggregate.

Only those residual materials that cannot be reused or processed at TŽ are transferred as waste to contractual customers for use or disposal. When selecting waste customers, Třinecké železářny emphasizes the waste management priority hierarchy, giving preference to customers who can make meaningful use of the waste they take over. Landfilling is the last resort for waste disposal.

In 2025, Třinecké železářny generated a total of 76,206 tonnes of waste, including 61,821 tonnes of other waste and 14,385 tonnes of hazardous waste.

The main reason for the increased waste production is the increase in the "Other" waste category, which was caused by the removal of waste generated in part in 2024. This mainly concerned unprocessed slag. Hazardous waste production decreased slightly.

The indicator of waste quantity per ton of steel produced in 2025 was 31 kg/t.

### Volume of waste

Year	Steel production [t/year]	Production of waste category "Other" [t/year]	Production of waste category "Hazardous" [t/year]
2024	2 425 300	52 420	15 715
2025	2 423 668	61 821	14 385

06

BOARD OF  
DIRECTORS REPORT

## Environmental investment projects

In 2025, the following environmental investment projects were completed:

- **Reconstruction of the burner system of the soaking pit furnace at the Kladno billet mill**

Environmental benefit: reduction of energy consumption.

- **Construction of the preheating media for the hot blast stove of blast furnace No. 4**

Environmental benefit: Reduction of energy consumption by using the thermal energy of the flue gas.

The total cost of completed environmental investment projects in 2025 amounted to CZK 276.42 million.

In 2026, the company will continue to implement the following environmental projects:

- **Modernization and reconstruction of the continuous light section mill (including crane No. 9 and coiling line)**

Environmental benefit: savings in electricity consumption.

- **Modernization of billet grinder exhaust systems**

Environmental benefit: reduction of solid pollutant emissions into the environment.

- **Iron ore briquetting line**

Environmental benefit: cold production of blast furnace charge without CO<sub>2</sub> emissions.

- **Reconstruction of the extinguishing tower**

Environmental benefit: reduction of dust emissions.

- **Modernization of electrostatic precipitators at Sinter plant No. 2**

Environmental benefit: ensuring optimal functioning of downstream fabric filters to reduce dust emissions.

- **Dust removal from daily blast furnace charge storage bins at Sinter plant No. 2**

Environmental benefit: reduction of dust emissions.

- **Dust removal from daily blast furnace charge storage bins between transverse halls**

Environmental benefit: reduction of dust emissions.

- **Noise reduction measures on the LF1 ladle furnace**

Environmental benefit: reduction of noise emissions.

## 06

BOARD OF  
DIRECTORS REPORT

Projects to achieve low-emission steel production:

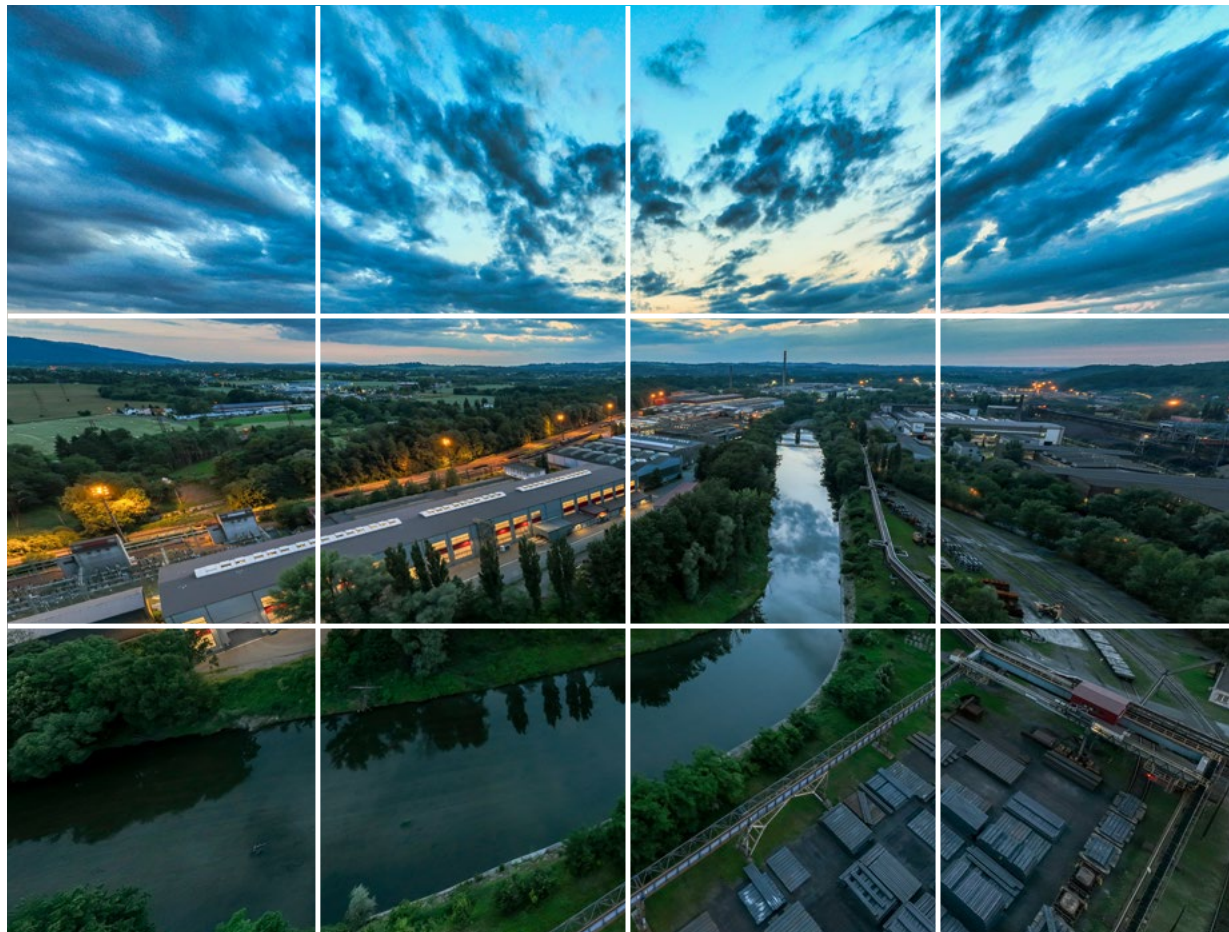
- **Modernization and decarbonization of steel production**
- **Connection of electric arc furnace to the ČEPS transmission system**

As a part of investment activities, the following environmental project is planned to commence in 2026:

- **Raising of the smokestack at the RH2 vacuum station**

Environmental benefit: prevention of exhaust fumes entering the BOF hall.

Other environmental investment projects with a positive impact on the environment have been or are being implemented in companies within the consolidated TŽ Group.

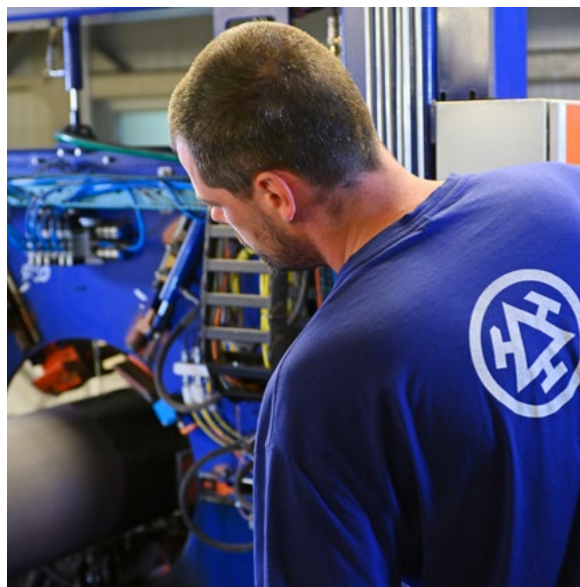


06

BOARD OF  
DIRECTORS REPORT

## Employees

Třinecké železářny is a stable employer with a long tradition and a significant position in the region. Employees of Třinecké železářny can rely on the support of their employer, who cares about the development of its employees and their career growth. The basic principles of conduct at Třinecké železářny, including its relationship with employees, corporate culture, and the fundamental principles of corporate social responsibility (CSR), are set out in the document "Principles of Conduct of TŘINECKÉ ŽELEZÁRNY, a. s., Corporate Social Responsibility Policy" (Code of Conduct) and the OHS Policy. These principles are followed by the Work Rules, which regulate the obligations of employees, the Company Collective Agreement, which enshrines the statutory and above-standard benefits of employees, and other internal company doc-



umentation that employees follow when performing their work duties and using the benefits provided. The current challenge is to implement the principles of sustainable business at Třinecké železářny and to introduce ESG reporting for the first time in 2027.

In order to ensure generational change and address other cases of employee turnover, the company has focused on attracting job seekers, especially those with technical qualifications, not only from among graduates of technical secondary schools and universities. Třinecké železářny has also enabled secondary school and university students to complete paid summer internships at selected company workplaces. The aim is to motivate and encourage students to see TŽ as their potential future employer. All graduates of technical fields from the Třinecké železářny Secondary Industrial School who expressed interest in positions at TŽ found employment here.

Corporate training is a planned and systematically coordinated process focused on maintaining and developing the knowledge, skills, and attitudes of employees through various forms

## 06

BOARD OF  
DIRECTORS REPORT

of training. Its goal is to increase work performance efficiency and ensure that the company's current and future needs are met. Training at Třinecké železářny is an important part of the human resources management system and is based on the company's personnel strategy. The long-term goal is to ensure a professionally competent and qualified workforce to fulfil the company's strategic objectives, especially in view of ongoing demographic changes.

An integral part of corporate training is the Corporate Academy application in the IBM Notes environment, which is primarily used to prepare and implement training in the workplace. Data on completed training courses is then automatically transferred to the SAP system. As a multifunctional platform, the Corporate Academy also enables the sharing of information and expe-



riences through the "Employee Contributions" module, where employees can upload their own content, with information from business trips being transferred to this module automatically.

Despite the ongoing focus on increasing labour productivity, which was intended to ensure the

required quality of production across all production units, the actual state of the workforce at Třinecké železářny in 2025 was significantly affected by ongoing organizational changes aimed at increasing efficiency and optimizing processes. Due to persistent economic pressures and the need to streamline internal processes, specialist departments were merged and the scope of certain activities was adjusted.

In 2025, Třinecké železářny achieved an actual average annual headcount of 6,698 employees.

The actual average earnings in 2025 reached CZK 44,361.

Beyond the statutory health protection standards, Třinecké železářny cooperates with Česká průmyslová zdravotní pojišťovna (Czech Industrial

## 06

BOARD OF  
DIRECTORS REPORT

Health Insurance Company), which has provided a range of preventive health activities to promote the health of TŽ employees and adherence to the principles of a healthy lifestyle. These included rehabilitation and reconditioning stays at spas, outpatient rehabilitation, and supplementary reconditioning and relaxation care, including physical activities, massages, relaxation procedures, and nutritional counselling.

The company provided vitamin packages to employees at all workplaces. Employees were also able to take advantage of free flu vaccinations.

The commercial companies of the TŽ Group, as separate legal entities, bear full responsibility for their employees and for comprehensive human resources management. To this end, they have their own HR representatives who perform all

related tasks. These representatives also maintain ongoing communication with the staff of the Human Resources and Remuneration Department at TŽ, with whom they can quickly negotiate the scope and form of mutual cooperation. Cooperation is primarily implemented through services that TŽ is able to offer and provide to individual companies in this area. The provision of these services to a pre-agreed extent brings significant synergistic benefits to TŽ subsidiaries, which are also reflected in savings in their own personnel capacities.

In 2025, Třinecké železářny recorded a total of 12 workplace accidents resulting in incapacity for work lasting longer than three calendar days. The accident frequency per 100 employees fell from 0.41 to 0.18. To reduce the risk of occupational accidents, OHS measures were adopted for 2025

aimed at consistent daily enforcement of OHS requirements in production and maintenance, detailed analysis of all occupational accidents and other extraordinary events, extraordinary OHS inspections and supervision, and the creation and implementation of daily discussions of the basic principles of the "Ten Commandments of OHS." In 2025, Třinecké železářny successfully completed several significant OHS projects. These included, for example, the defence of the national Safe Enterprise program and the certification of the OHS management system according to the ČSN EN ISO 45001 standard, which was carried out by TÜV NORD Czech, s.r.o.

06

BOARD OF  
DIRECTORS REPORT

## Management system

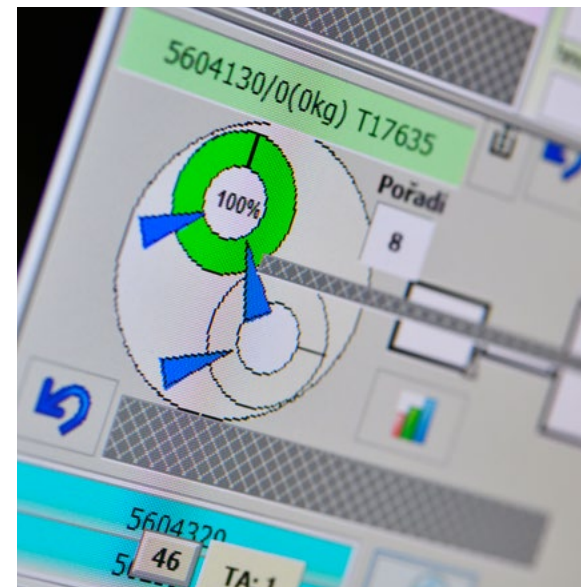
The company has long paid systematic attention to its business strategy, which aims to gradually increase the share of high-grade steel products, develop related product chains, and make the most efficient use of available assets. At the same time, we strive to continuously strengthen the profitability of our sales. The efforts of our employees are primarily focused on increasing the added value of long rolled products, which constitute the dominant part of Třinecké železářny production.

The key management principles are a linear organizational structure, process and project management, and consistent risk analysis across all subsystems. These principles are not applied separately – effective management is achieved through their thoughtful and interlinked

combination. To support strategic management, a system of indicators and regular reporting has been introduced, which provides the necessary feedback when evaluating the achievement of objectives.

To support strategic priorities, a number of measures were implemented in 2025 in all areas of Třinecké železářny strategic framework – Partnership, Technology, People, and Management. The management system established in 2025 confirmed its high level, as evidenced by the successful renewal of system and product certificates.

Třinecké železářny also had its product qualification extended for supplies to the automotive, railway, oil, and energy industries, as well as to the regulated sphere of construction products. In the area of system certification, successful



recertification took place in accordance with ISO 14001 and ISO 50001 standards for environmental management and energy management systems. Audits confirmed the high level of the quality system according to ISO 9001 standards and for supplies to the automotive industry according to IATF 16949 for three production sites

## 06

BOARD OF  
DIRECTORS REPORT

– Třinec, Staré Město u Uherského Hradiště, and Kladno, which led to the defence of the relevant integrated management system certificates. In 2025, we obtained ISO 45001 certification for our occupational health and safety system.

In 2025, TŽ also successfully defended its TPG (Transportation and Power Generation) accreditation for the supply of continuously cast semis for wind turbine components. The API (Spec. Q1, 5L, and 5CT) certification for supplies to the petrochemical industry was also confirmed at the tube rolling mill in Ostrava.

The integrated management system also includes the security and protection of information systems. The basic information platforms remain SAP, IBM Notes, ELVIS, and WerkZona, with M365 being added recently.



As a part of our social responsibility, we continued our cooperation with the external company EcoVadis, which assesses the sustainability of companies, in 2025. Třinecké železářny achieved a bronze rating thanks to the points it scored.

The TŽ Group applies the principles of sustainable business in the environmental, social, and governance (ESG) areas. Preparations were also begun for the introduction of ESG reporting in accordance with the requirements of the Corporate Sustainability Reporting Directive (CSRD). A working team was set up for this purpose and an organizational unit responsible for this area was designated.

As in previous years, environmental initiatives were implemented in 2025, such as cleaning the Olše riverbed, planting new greenery, and supporting biodiversity in the Třinecké železářny complex, where 200 kg of young chub fish were released into the Olše River near the blast furnaces in cooperation with Czech Anglers Union in Třinec. Children from the Jubilee Masaryk Elementary School in Třinec participated in the

## 06

BOARD OF  
DIRECTORS REPORT

fish release. Other environmental events with a positive impact on the environment have been or are being implemented in other companies within the TŽ Group.

Following a voluntary agreement aimed at reducing environmental pollution, concluded between Třinecké železárny and the Moravian-Silesian Region, health stays for 216 children from primary schools in Třinec took place in the Tatra Mountains in Slovakia in 2025. Třinecké železárny spent CZK 2.39 million on these stays for the children.

Increased attention continues to be paid to the issue of personal data protection in accordance with Regulation (EU) 2016/679 of the European Parliament and of the Council on the protection of natural persons with regard to the process-

ing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation – GDPR). To ensure the required high standard of personal data protection, TŽ applies the relevant internal legislation. Attention continues to be paid to developments in this area, new interpretations, the results of inspections by the Office for Personal Data Protection, and individual cases and measures taken within the Czech Republic are monitored.

Třinecké železárny has ownership interests in 26 companies, with either a controlling, significant, or minority influence. Most of these companies are focused on activities directly or indirectly related to business in the metallurgical industry, and this focus is in line with the company's long-term business strategy. These are mainly

commercial companies finalizing products in the field of steelmaking, machining aluminium components, or manufacturers of refractory materials. There are commercial companies providing services mainly in the field of energy supply, design services, security, and property protection.

Třinecké železárny is the founding entity of the Střední průmyslová škola Třineckých železáren.

Třinecké železárny does not have any branches or other parts of its business abroad.

The Company did not acquire any treasury shares or treasury holdings during the year.

06

BOARD OF  
DIRECTORS REPORT

## Financial situation

The pre-tax profit for 2025 amounted to CZK 202 million.

Compared to 2024, profit before tax is lower by CZK 137 million, mainly due to a decline in sales of rolled products as a result of lower sales prices. Consolidated profit before tax for 2025 reached CZK 591 million.

The company's sales reached CZK 44,536 million. The year-on-year decrease of CZK 2,835 million is due to a decline in the selling price of rolled products and steel and sales of other products and services. The consolidated sales of the TŽ Group in 2025 amounted to CZK 56,809 million, down 4,8 % year-on-year.

Power consumption was CZK 3,090 million lower than in 2024. The most significant factors contributing to the year-on-year decrease were the decline in prices of key input commodities and the decline in energy prices. For the same reasons, consolidated figures showed a decrease of CZK 3,613 million.

Added value reached CZK 5,524 million in 2025, which is CZK 79 million less than in 2024. For the consolidated TŽ Group, this represents a year-on-year increase of CZK 382 million. Labor productivity from added value per employee in 2025 was CZK 825,000 (CZK 827,000 in 2024).

## Development of total revenues

Indicator (CZK million)	2024	2025
Rolled goods including steel	45 012	42 245
Other products	1 590	1 551
Sales of own products	46 602	43 796
Sales of services	769	740
Sales of own products and services	47 371	44 536
Consolidated sales of own products and services	59 678	56 809

06

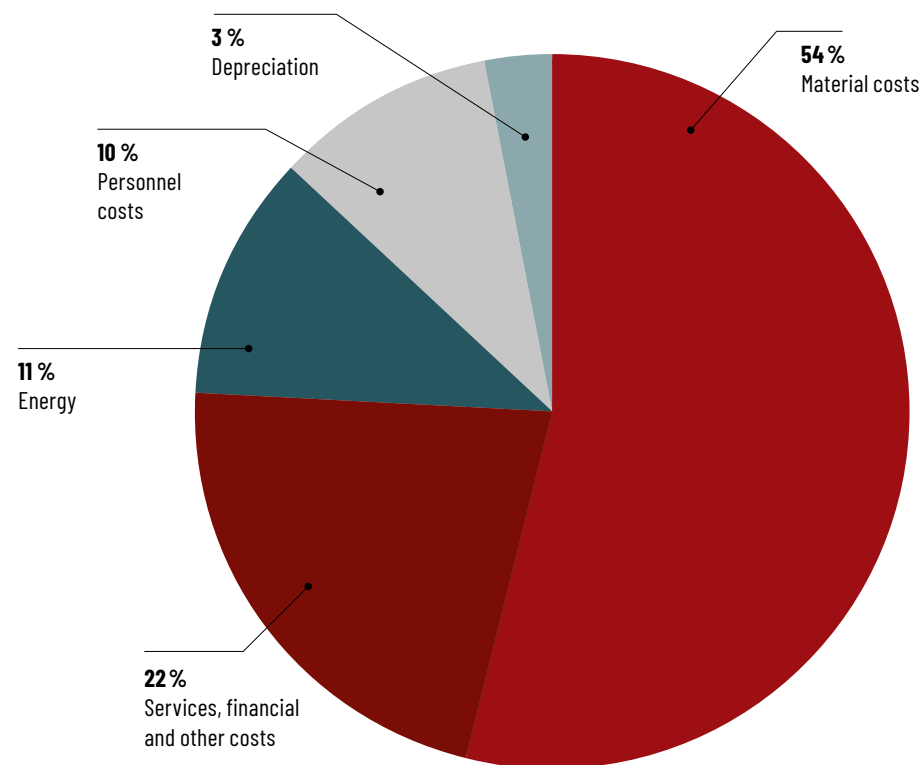
BOARD OF  
DIRECTORS REPORT

Financial profit rose by CZK 86 million to CZK 129 million, while consolidated financial profit rose by CZK 208 million year-on-year.

As of 31 December 2025, company reported total assets of CZK 43,083 million, which is CZK 1,247 million less than as of 31 December 2024. Consolidated assets in 2025 totalled CZK 49 662 million (a year-on-year decrease of CZK 1,082 million).

The year-on-year decrease was due to a decline in fixed assets of CZK 628 million, with consolidated fixed assets falling by CZK 1 065 million.

## COST STRUCTURE OF TŽ IN 2025



## 06

BOARD OF  
DIRECTORS REPORT

The decline in fixed assets was due to a decrease in intangible fixed assets (consumption and sale of allowances), tangible fixed assets, and financial fixed assets.

There was also a decrease in current assets of CZK 620 million. The decrease in inventories of CZK 243 million is due to a decrease in inventories of own production.

Receivables decreased by CZK 1,243 million, mainly as a result of a decrease in trade receivables and accounts receivable.

Cash and cash equivalents increased by CZK 866 million.

On the liabilities side, equity increased by CZK 185.6 million compared to 31 December, 2024, as a result of the profit after tax. Total consolidated equity increased by CZK 361 million to CZK 35,091 million.

External sources decreased by CZK 1,433 million year-on-year (in consolidated terms, they decreased by CZK 1,457 million), mainly due to a decrease in liabilities to credit institutions and the state (emission allowances) and liabilities to employees.

The company's debt ratio as of 31 December, 2025, was 25.1% (as of 31 December, 2024, it was 27.6%).



06

BOARD OF  
DIRECTORS REPORT

## Strategic objectives

In 2025, the global economy continued to be affected by geopolitical tensions, particularly the ongoing war in Ukraine and uncertainty in international trade relations, which increased trade barriers and made planning more difficult. The European Union continued to promote the decarbonization of industry and energy, bringing new challenges and opportunities for the transformation of production. In the Czech Republic, high energy prices and slightly increased inflation persisted, affecting companies' costs and households' purchasing power.

Třinecké železářny was able to fully utilize its production capacity during 2025. It thus confirmed its position among the leading European steel producers despite the continuing unfavourable macroeconomic conditions, including

persistently high energy prices and pressure on steel product prices. The result is the outcome of the company's long-term work and targeted strategic investments. One of the key investment projects implemented in 2025 was the reconstruction of blast furnace No. 4. In the same year, a project was also implemented to build wind heaters for preheating media and to modernize burner systems at selected iron and steel production technology nodes, where a transition to the use of coke oven gas took place. In 2025, construction also began on an iron ore briquetting line, the commissioning of which will have a significant benefit in terms of reducing CO<sub>2</sub> emissions.

From an investment perspective, emphasis will be placed on the development of primary production as a key area of the company's

decarbonization strategy in 2026 and beyond. The implementation of new scrap-based steel production technology represents a fundamental step that will lead to the gradual replacement of existing production capacities. During 2026, the implementation of the iron ore briquetting line will continue, the commissioning of which will ensure more efficient use of material inputs through a cold, emission-free process. At the same time, the development of cybersecurity continues in line with legislative requirements. A key long-term development project in the area of secondary production is the preparation of an investment plan for the modernization of the bar rolling mill, which aims to improve production quality and expand the product portfolio.

The production strategy of Třinecké železářny reflects the dynamic development in the field

## 06

BOARD OF  
DIRECTORS REPORT

of steel and steel product manufacturing, while also taking into account changing technological trends and environmental goals, with the aim of strengthening the long-term competitiveness and environmental sustainability of production. The successful transition from traditional blast furnace and converter technologies to modern, more environmentally friendly steel production based on the use of scrap in electric arc furnaces is a complex transformation process associated with significant investment requirements. To manage this, maximum support from the Czech state is essential, including the use of EU subsidy instruments, as meeting climate targets and reducing emissions is in the common interest of society as a whole.





**TŘINECKÉ ŽELEZÁRNY**

07

AUDITORS'  
REPORT**Deloitte.**Deloitte Audit s.r.o.,  
Chrušohit 1  
Italska 2581/67  
120 00 Prague 2 – Vinohrady  
Czech RepublicTel. +420 248 042 500  
DeloitteCZ@deloitteCE.com  
www.deloitte.czRegistered by the Municipal  
Court in Prague, Section C,  
File 24340  
ID. No.: 49620592  
Tax ID. No.: CZ49620592**INDEPENDENT AUDITOR'S REPORT**To the Shareholder of  
TŘINECKÉ ŽELEZÁRNY, a. s.

Having its registered office at: Průmyslová 1000, Staré Město, 739 61 Třinec

Opinion on the Financial Statements and the Consolidated Financial Statements

We have audited the accompanying financial statements of TŘINECKÉ ŽELEZÁRNY, a. s. (hereinafter also the "Company") prepared on the basis of accounting regulations applicable in the Czech Republic, which comprise the balance sheet as at 31 December 2025, and the profit and loss account, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information.

We have audited the accompanying consolidated financial statements of the TŘINECKÉ ŽELEZÁRNY, a. s. consolidation group (hereinafter also the "Group") prepared on the basis of accounting regulations applicable in the Czech Republic, which comprise the consolidated balance sheet as at 31 December 2025, and the consolidated profit and loss account, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion:

The accompanying financial statements give a true and fair view of the financial position of TŘINECKÉ ŽELEZÁRNY, a. s. as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with accounting regulations applicable in the Czech Republic.

The accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the TŘINECKÉ ŽELEZÁRNY, a. s. consolidation group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting regulations applicable in the Czech Republic.

Basis for Opinion

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

Other Information in the Consolidated Annual Report

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

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (DTTL), its global network of member firms, and their related entities (collectively, the "Deloitte organization"), DTTL (also referred to as "Deloitte Global") and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see [www.deloitte.com/about](http://www.deloitte.com/about) to learn more.

71D7B002093F144F2FF8CB558EDCED7A

Our opinion on the financial statements and the consolidated financial statements does not cover the other information. In connection with our audit of the financial statements and the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with applicable law or regulation, in particular, whether the other information complies with law or regulation in terms of formal requirements and procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with these requirements could influence judgments made on the basis of the other information.

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

- The other information describing the facts that are also presented in the financial statements and the consolidated financial statements is, in all material respects, consistent with the financial statements and the consolidated financial statements; and
- The other information is prepared in compliance with applicable law or regulation.

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

Responsibilities of the Company's Board of Directors and Supervisory Board for the Financial Statements and the Consolidated Financial Statements

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

In preparing the financial statements and the consolidated financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board is responsible for overseeing the Company's financial reporting process.

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

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

As part of an audit in accordance with the above law or regulation, 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 and the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control 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 and Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors' 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 and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the consolidated 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 and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements and the consolidated financial statements, including the disclosures, and whether the financial statements and the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors and the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

In Prague on 30 March 2026

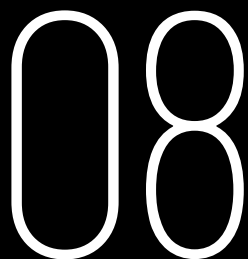
Audit firm:

Deloitte Audit s.r.o.  
registration no. 079

Statutory auditor:

Petr Michalík  
registration no. 2020

Ing. Petr Michalík  
Digitally signed by Ing. Petr Michalík  
Date: 2026.03.30 17:25:28 +02'00'



# FINANCIAL PART I. FINANCIAL STATEMENTS

## Financial statements for the year ended 31 December 2025

<b>Name of Company</b>	TŘINECKÉ ŽELEZÁRNY, a. s.
<b>Registered Office</b>	Průmyslová 1000, Staré Město, 739 61 Třinec
<b>Legal Status</b>	Joint Stock Company
<b>Corporate ID</b>	180 50 646

### Components of the Financial Statements:

- Balance Sheet
- Profit and Loss Account
- Statement of Changes in Equity
- Cash Flow Statement
- Notes to the Financial Statements

## These financial statements were prepared on 30 March 2026

### Statutory body of the reporting entity

**Roman Heide**  
Chairman of the Board of Directors

**Radomíra Pekárková**  
Member of the Board of Directors

## BALANCE SHEET FULL VERSION

(IN CZK THOUSAND)

		31.12.2025		31.12.2024	
		Gross	Adjustment	Net	Net
	<b>TOTAL ASSETS</b>	<b>78 333 631</b>	<b>-35 250 868</b>	<b>43 082 763</b>	<b>44 329 937</b>
<b>B.</b>	<b>Fixed assets</b>	<b>58 525 960</b>	<b>-34 271 511</b>	<b>24 254 449</b>	<b>24 882 020</b>
<i>B.I.</i>	<b>Intangible fixed assets</b>	<b>574 629</b>	<b>-298 726</b>	<b>275 903</b>	<b>513 829</b>
B.I.1.	Development	2 972	-2 972		
B.I.2.	Valuable rights	<b>355 699</b>	<b>-290 754</b>	<b>64 945</b>	<b>29 822</b>
B.I.2.1.	Software	253 754	-195 295	58 459	18 243
B.I.2.2.	Other valuable rights	101 945	-95 459	6 486	11 579
B.I.4.	Other intangible fixed assets	196 845	-5 000	191 845	463 151
B.I.5.	Prepayments for intangible fixed assets and intangible fixed assets under construction	<b>19 113</b>		<b>19 113</b>	<b>20 856</b>
B.I.5.1.	Prepayments for intangible fixed assets				1 482
B.I.5.2.	Intangible fixed assets under construction	19 113		19 113	19 374
<i>B.II.</i>	<b>Tangible fixed assets</b>	<b>49 286 446</b>	<b>-32 880 366</b>	<b>16 406 080</b>	<b>16 617 850</b>
B.II.1.	Land and structures	<b>12 341 824</b>	<b>-6 706 912</b>	<b>5 634 912</b>	<b>5 406 186</b>
B.II.1.1.	Land	579 963		579 963	579 703
B.II.1.2.	Structures	11 761 861	-6 706 912	5 054 949	4 826 483
B.II.2.	Tangible movable assets and sets of tangible movable assets	36 161 131	-26 172 258	9 988 873	9 656 441
B.II.4.	Other tangible fixed assets	<b>15 906</b>	<b>-996</b>	<b>14 910</b>	<b>6 924</b>
B.II.4.3.	Sundry tangible fixed assets	15 906	-996	14 910	6 924
B.II.5.	Prepayments for tangible fixed assets and tangible fixed assets under construction	<b>767 585</b>	<b>-200</b>	<b>767 385</b>	<b>1 548 299</b>
B.II.5.1.	Prepayments for tangible fixed assets	111 866		111 866	123 799
B.II.5.2.	Tangible fixed assets under construction	655 719	-200	655 519	1 424 500

 TABLE CONTINUES ON THE FOLLOWING PAGE

CONTINUATION OF THE TABLE FROM THE PREVIOUS PAGE

BALANCE SHEET FULL VERSION

(IN CZK THOUSAND)

		31.12.2025			31.12.2024
		Gross	Adjustment	Net	Net
<b>B.III.</b>	<b>Non-current financial assets</b>	<b>8 664 885</b>	<b>-1 092 419</b>	<b>7 572 466</b>	<b>7 750 341</b>
B.III.1.	Equity investments – controlled or controlling entity	8 613 888	-1 071 736	7 542 152	7 718 280
B.III.3.	Equity investments in associates	50 995	-20 683	30 312	32 059
B.III.5.	Other non-current securities and investments	2		2	2
<b>C.</b>	<b>Current assets</b>	<b>19 807 671</b>	<b>-979 357</b>	<b>18 828 314</b>	<b>19 447 917</b>
<b>C.I.</b>	<b>Inventories</b>	<b>13 664 519</b>	<b>-949 204</b>	<b>12 715 315</b>	<b>12 958 506</b>
C.I.1.	Material	5 572 175	-335 119	5 237 056	5 124 473
C.I.2.	Work in progress and semifinished goods	4 749 904	-407 528	4 342 376	4 655 501
C.I.3.	<i>Products and goods</i>	<b>3 338 618</b>	<b>-206 557</b>	<b>3 132 061</b>	<b>3 175 523</b>
C.I.3.1.	Products	3 338 497	-206 557	3 131 940	3 175 510
C.I.3.2.	Goods	121		121	13
C.I.5.	Prepayments for inventories	3 822		3 822	3 009
<b>C.II.</b>	<b>Receivables</b>	<b>4 466 553</b>	<b>-30 153</b>	<b>4 436 400</b>	<b>5 678 911</b>
<b>C.II.1.</b>	<b>Long-term receivables</b>	<b>23 457</b>		<b>23 457</b>	<b>14 608</b>
C.II.1.5.	<i>Receivables – other</i>	<b>23 457</b>		<b>23 457</b>	<b>14 608</b>
C.II.1.5.4.	Sundry receivables	23 457		23 457	14 608

TABLE CONTINUES ON THE FOLLOWING PAGE

☺ CONTINUATION OF THE TABLE FROM THE PREVIOUS PAGE

## BALANCE SHEET FULL VERSION

(IN CZK THOUSAND)

		31.12.2025			31.12.2024
		Gross	Adjustment	Net	Net
<i>C.II.2.</i>	<b>Short-term receivables</b>	<b>4 255 440</b>	<b>-30 153</b>	<b>4 225 287</b>	<b>5 459 786</b>
C.II.2.1.	Trade receivables	3 100 174	-15 616	3 084 558	3 538 001
C.II.2.4.	<i>Receivables - other</i>	1 155 266	-14 537	1 140 729	1 921 785
C.II.2.4.3.	State – tax assets	354 169		354 169	375 944
C.II.2.4.4.	Short-term prepayments made	18 261		18 261	2 249
C.II.2.4.5.	Estimated receivables	753 862		753 862	1 514 579
C.II.2.4.6.	Sundry receivables	28 974	-14 537	14 437	29 013
<i>C.II.3.</i>	<b>Other assets</b>	<b>187 656</b>		<b>187 656</b>	<b>204 517</b>
C.II.3.1.	Deferred expenses	134 158		134 158	99 939
C.II.3.2.	Complex deferred expenses	53 139		53 139	66 531
C.II.3.3.	Accrued income	359		359	38 047
<i>C.IV.</i>	<b>Cash</b>	<b>1 676 599</b>		<b>1 676 599</b>	<b>810 500</b>
C.IV.1.	Cash on hand	849		849	998
C.IV.2.	Cash at bank	1 675 750		1 675 750	809 502

## BALANCE SHEET FULL VERSION

(IN CZK THOUSAND)

		31.12.2025	31.12.2024
<b>TOTAL LIABILITIES &amp; EQUITY</b>		<b>43 082 763</b>	<b>44 329 937</b>
<b>A.</b>	<b>Equity</b>	<b>32 267 386</b>	<b>32 081 806</b>
A.I.	<b>Share capital</b>	<b>8 109 863</b>	<b>8 109 863</b>
A.I.1.	Share capital	8 109 863	8 109 863
A.II.	<b>Share premium and capital funds</b>	<b>102 164</b>	<b>102 164</b>
A.II.2.	<i>Capital funds</i>	<b>102 164</b>	<b>102 164</b>
A.II.2.1.	Other capital funds	103 787	103 787
A.II.2.2.	Gains or losses from the revaluation of assets and liabilities (+/-)	-1 623	-1 623
A.III.	<b>Funds from profit</b>	<b>2 858 219</b>	<b>2 858 219</b>
A.III.1.	Other reserve funds	2 858 219	2 858 219
A.IV.	<b>Retained earnings (+/-)</b>	<b>21 011 560</b>	<b>20 695 838</b>
A.IV.1.	Accumulated profits or losses brought forward (+/-)	21 011 560	20 695 838
A.V.	<b>Profit or loss for the current period (+/-)</b>	<b>185 580</b>	<b>315 722</b>
<b>B.+C.</b>	<b>Liabilities</b>	<b>10 815 377</b>	<b>12 248 131</b>
<b>B.</b>	<b>Reserves</b>	<b>147 648</b>	<b>137 303</b>
B.III.	Reserves under special legislation	1 144	1 140
B.IV.	Other reserves	146 504	136 163

 TABLE CONTINUES ON THE FOLLOWING PAGE

CONTINUATION OF THE TABLE FROM THE PREVIOUS PAGE

BALANCE SHEET FULL VERSION

(IN CZK THOUSAND)

		31.12.2025	31.12.2024
<b>C.</b>	<b>Payables</b>	<b>10 667 729</b>	<b>12 110 828</b>
<i>C.I.</i>	<b>Long-term payables</b>	<b>3 356 693</b>	<b>3 703 759</b>
C.I.2.	Payables to credit institutions	2 191 565	2 539 951
C.I.4.	Trade payables	15 414	9 068
C.I.8.	Deferred tax liability	1 149 714	1 154 740
<i>C.II.</i>	<b>Short-term payables</b>	<b>7 239 019</b>	<b>8 304 858</b>
C.II.2.	Payables to credit institutions	982 635	953 175
C.II.3.	Short-term prepayments received	450 428	950 437
C.II.4.	Trade payables	4 996 150	5 075 099
C.II.8.	<i>Other payables</i>	<b>809 806</b>	<b>1 326 147</b>
C.II.8.3.	Payables to employees	258 414	486 690
C.II.8.4.	Social security and health insurance payables	162 280	178 380
C.II.8.5.	State – tax liabilities and subsidies	229 615	505 726
C.II.8.6.	Estimated payables	78 979	81 414
C.II.8.7.	Sundry payables	80 518	73 937
<i>C.III.</i>	<i>Other liabilities</i>	<b>72 017</b>	<b>102 211</b>
C.III.1.	Accrued expenses	72 005	102 190
C.III.2.	Deferred income	12	21

## PROFIT AND LOSS ACCOUNT STRUCTURED BY THE NATURE OF EXPENSE METHOD

(IN CZK THOUSAND)

		Year ended 31.12.2025	Year ended 31.12.2024
I.	Sales of products and services	44 536 336	47 370 656
II.	Sales of goods	19	27
A.	Purchased consumables and services	<b>39 389 894</b>	<b>42 480 289</b>
A.1.	Costs of goods sold	15	22
A.2.	Consumed material and energy	35 411 053	38 957 832
A.3.	Services	3 978 826	3 522 435
B.	Change in internally produced inventory (+/-)	602 834	400 447
C.	Own work capitalised (-)	-980 580	-1 113 337
D.	Staff costs	<b>5 158 341</b>	<b>5 155 366</b>
D.1.	Payroll costs	3 677 804	3 679 259
D.2.	Social security and health insurance costs and other charges	<b>1 480 537</b>	<b>1 476 107</b>
D.2.1.	Social security and health insurance costs	1 227 872	1 227 609
D.2.2.	Other charges	252 665	248 498
E.	Adjustments to values in operating activities	<b>1 264 765</b>	<b>1 325 353</b>
E.1.	<i>Adjustments to values of intangible and tangible fixed assets</i>	<b>1 595 260</b>	<b>1 612 836</b>
E.1.1.	Adjustments to values of intangible and tangible fixed assets – permanent	1 597 449	1 600 964
E.1.2.	Adjustments to values of intangible and tangible fixed assets – temporary	-2 189	11 872
E.2.	Adjustments to values of inventories	-262 865	-284 716
E.3.	Adjustments to values of receivables	-67 630	-2 767

 TABLE CONTINUES ON THE FOLLOWING PAGE

CONTINUATION OF THE TABLE FROM THE PREVIOUS PAGE

PROFIT AND LOSS ACCOUNT STRUCTURED BY THE NATURE OF EXPENSE METHOD

(IN CZK THOUSAND)

		Year ended 31.12.2025	Year ended 31.12.2024
III.	Other operating income	8 918 911	9 279 421
III.1.	Sales of fixed assets	12 132	49 299
III.2.	Sales of material	123 145	115 394
III.3.	Sundry operating income	8 783 634	9 114 728
F.	Other operating expenses	7 946 955	8 105 723
F.1.	Net book value of sold fixed assets	596	6 218
F.2.	Material sold	113 152	110 891
F.3.	Taxes and charges	71 093	60 018
F.4.	Reserves relating to operating activities and complex deferred expenses	23 858	54 740
F.5.	Sundry operating expenses	7 738 256	7 873 856
*	<b>Operating profit or loss (+/-)</b>	<b>73 057</b>	<b>296 263</b>
IV.	Income from non-current financial assets - equity investments	300 450	353 860
IV.1.	Income from equity investments - controlled or controlling entity	297 673	328 503
IV.2.	Other income from equity investments	2 777	25 357
VI.	Interest income and similar income	16 769	11 890
VI.1.	Interest income and similar income - controlled or controlling entity	1 344	4 393
VI.2.	Other interest income and similar income	15 425	7 497

TABLE CONTINUES ON THE FOLLOWING PAGE

CONTINUATION OF THE TABLE FROM THE PREVIOUS PAGE

PROFIT AND LOSS ACCOUNT STRUCTURED BY THE NATURE OF EXPENSE METHOD

(IN CZK THOUSAND)

	Year ended 31.12.2025	Year ended 31.12.2024
I. Adjustments to values and reserves relating to financial activities	177 874	69 675
J. Interest expenses and similar expenses	<b>104 160</b>	<b>181 492</b>
J.2. Other interest expenses and similar expenses	104 160	181 492
VII. Other financial income	153 713	60 670
K. Other financial expenses	60 192	132 287
<b>* Financial profit or loss (+/-)</b>	<b>128 706</b>	<b>42 966</b>
<b>** Profit or loss before tax (+/-)</b>	<b>201 763</b>	<b>339 229</b>
L. Income tax	<b>16 183</b>	<b>23 507</b>
L.1. Due income tax	21 209	8 228
L.2. Deferred income tax (+/-)	-5 026	15 279
<b>** Profit or loss net of tax (+/-)</b>	<b>185 580</b>	<b>315 722</b>
<b>*** Profit or loss for the current period (+/-)</b>	<b>185 580</b>	<b>315 722</b>
* Net turnover for the current period	<b>44 651 150</b>	<b>47 481 955</b>

## STATEMENT OF CHANGES IN EQUITY

(IN CZK THOUSAND)

	Share capital	Capital funds	Funds from profit, other reserve funds	Accumulated profits or losses brought forward	Profit or loss for the current period	TOTAL EQUITY
<b>Balance at 31 December 2023</b>	<b>8 109 863</b>	<b>102 164</b>	<b>2 858 219</b>	<b>20 629 039</b>	<b>44 369</b>	<b>31 743 654</b>
<b>Effect of the merger as of 1 January 2024</b>				<b>22 430</b>		<b>22 430</b>
<b>Balance at 1 January 2024</b>	<b>8 109 863</b>	<b>102 164</b>	<b>2 858 219</b>	<b>20 651 469</b>	<b>44 369</b>	<b>31 766 084</b>
Distribution of profit or loss				44 369	-44 369	
Profit or loss for the current period					315 722	315 722
<b>Balance at 31 December 2024</b>	<b>8 109 863</b>	<b>102 164</b>	<b>2 858 219</b>	<b>20 695 838</b>	<b>315 722</b>	<b>32 081 806</b>
Distribution of profit or loss				315 722	-315 722	
Profit or loss for the current period					185 580	185 580
<b>Balance at 31 December 2025</b>	<b>8 109 863</b>	<b>102 164</b>	<b>2 858 219</b>	<b>21 011 560</b>	<b>185 580</b>	<b>32 267 386</b>

## CASH FLOW STATEMENT

(IN CZK THOUSAND)

		Year ended 31.12.2025	Year ended 31.12.2024
<b>P.</b>	<b>Opening balance of cash and cash equivalents</b>	<b>806 623</b>	<b>208 454</b>
<b><i>Cash flows from ordinary activities (operating activities)</i></b>			
Z.	Profit or loss before tax	201 763	339 229
A.1.	Adjustments for non-cash transactions	1 151 812	1 265 952
A.1.1.	Depreciation of fixed assets	1 597 449	1 600 964
A.1.2.	Change in provisions and reserves	-130 952	-144 942
A.1.3.	Profit/(loss) on the sale of fixed assets	-11 536	-43 081
A.1.4.	Revenues from profit shares	-300 450	-353 860
A.1.5.	Interest expense and interest income	87 391	169 602
A.1.6.	Adjustments for other non-cash transactions	-90 090	43 523
A.1.7.	Non-cash transactions - merger	0	-6 254
<b>A.*</b>	<b>Net operating cash flow before changes in working capital</b>	<b>1 353 575</b>	<b>1 605 181</b>
A.2.	Change in working capital	863 561	723 837
A.2.1.	Change in operating receivables and other assets	1 181 675	-892 265
A.2.2.	Change in operating payables and other liabilities	-827 894	380 903
A.2.3.	Change in inventories	506 057	1 235 267
A.2.4.	Change in current financial assets	3 723	-68
<b>A.**</b>	<b>Net cash flow from operations before tax</b>	<b>2 217 136</b>	<b>2 329 018</b>

 TABLE CONTINUES ON THE FOLLOWING PAGE

CONTINUATION OF THE TABLE FROM THE PREVIOUS PAGE

## CASH FLOW STATEMENT

(IN CZK THOUSAND)

		Year ended 31.12.2025	Year ended 31.12.2024
A.3.	Interest paid	-107 567	-183 226
A.4.	Interest received	18 366	12 463
A.5.	Income tax paid from ordinary operations	-2 279	-145 574
A.6.	Received profit shares	300 450	353 860
<b>A.***</b>	<b>Net operating cash flows</b>	<b>2 426 106</b>	<b>2 366 541</b>
	<b><i>Cash flows from investing activities</i></b>		
B.1.	Fixed assets expenditures	-1 433 118	-1 494 314
B.2.	Proceeds from fixed assets sold	39 457	48 640
B.3.	Loans and borrowings to related parties	67 123	
B.4.	Increase in cash - merger	0	16 663
<b>B.***</b>	<b>Net investment cash flows</b>	<b>-1 326 538</b>	<b>-1 429 011</b>
	<b><i>Cash flow from financial activities</i></b>		
C.1.	Change in payables from financing	-229 746	-339 361
C.2.	Impact of changes in equity		
C.2.6.	Profit shares/dividends paid		
<b>C.***</b>	<b>Net financial cash flows</b>	<b>-229 746</b>	<b>-339 361</b>
<b>F.</b>	<b>Net increase or decrease in cash and cash equivalents</b>	<b>869 822</b>	<b>598 169</b>
<b>R.</b>	<b>Closing balance of cash and cash equivalents</b>	<b>1 676 445</b>	<b>806 623</b>

## NOTES TO THE FINANCIAL STATEMENT

# 1. GENERAL INFORMATION

## 1.1. Incorporation and Description of the Company

TŘINECKÉ ŽELEZÁRNY, a. s. (hereinafter also the “Company”) was formed by the National Property Fund of the Czech Republic and was incorporated following its registration in the Register of Companies of the Regional Court in Ostrava on 21 March 1991. The Company is primarily engaged in metallurgy with a closed metallurgical cycle. In addition, to the production of coke, pig iron and steel, the range of principal products provided by the Company involves the products of rolling mills, namely blooms, slabs, billets, wires, and thin, medium and heavy sections, rails including the production of plates, clamps and jumpers for rails, steel tubes and drawing-quality steel.

The Company’s registered office is located at Průmyslová 1000, Staré Město, 739 61 Třinec.

The Company’s issued share capital is CZK 8,109,863 thousand.

The sole shareholder of the Company is MORAVIA STEEL a.s.

## 1.2. Organisational Structure of the Company

Bodies of the Company are as follows:

- General Meeting;
- Supervisory Board; and
- Board of Directors.

The Company’s organisational structure is divided into individual levels, specifically the Chief Executive Officer and professional directors including HR and ESG Director, Finance Director, Production Director, Technical Director and Director for Investments. Each professional director’s division is further structured into professional sections and departments.

During 2025, the following changes were made to the Company's organisational structure:

- The Strategy and Marketing Department, which was under the authority of the CEO, was dissolved. A new Group Strategic Planning Department was established under the authority of the Finance Director.
- The Cybersecurity Department, which was under the authority of the Director for Investments, was changed to the Cybersecurity and Networks Division and transferred under the IT and Telecommunications Department.
- The Controlling Department was renamed Capital Holdings and Controlling.
- The Department for the Administration of Interests in Legal Entities, which was under the authority of the Finance Director, was changed to the Capital Holdings Division and transferred under the Capital Holdings and Controlling Department.
- A new specialist unit, Environmental Technologies, was established under the authority of the Technical Director.
- The Control Systems Department, which was under the authority of the Director for Investments, was dissolved. Its two divisions, Control Systems Service – Ostrava and Basic-Level Control Systems Service, were transferred to the IT and Telecommunications Department.

### 1.3. Group Identification

For the purposes of these notes to the financial statements, the Group includes (i) the Company, (ii) the entity controlling the Company (hereinafter the "controlling entity") or entity holding an equity investment in the Company that is treated as part of 'Equity investments in associates', (iii) entities in which the controlling entity, the Company or other entities controlled by them have an equity investment that is treated at least as part of 'Equity investments in associates'.

In the year ended 31 December 2025, the Company was controlled by MORAVIA STEEL a.s., having its registered office at Průmyslová 1000, Staré Město, 739 61 Třinec, as the sole shareholder.

MORAVIA STEEL a.s. prepares the consolidated financial statements for the broadest group of reporting entities. These financial statements can be obtained at the registered office of MORAVIA STEEL a.s.

The Company prepares the consolidated financial statements of the narrowest group of reporting entities. These financial statements can be obtained at the Company's registered office.

## 1.4. Board of Directors and Supervisory Board as of 31 December 2025

	Position	Name
<b>Board of Directors</b>	Chairman	Roman Heide
	1st Vice Chairman	Tomáš Gajdzica
	Member	Radomíra Pekárková
	Member	Daniel Heczko
<b>Supervisory Board</b>	Chairman	Tomáš Chrenek
	1st Vice Chairman	Ján Moder
	2nd Vice Chairman	Evžen Balko
	Member	Jozef Blaško
	Member	Jana Kantorová
	Member	Marcel Pielesz

During 2025, the following changes were made in the composition of the Company's Board of Directors:

Position	Formerly	Now	Date of Change
2nd Vice Chairman	Henryk Huczala	-	17 December 2025

During 2025, no changes were made in the composition of the Company's Supervisory Board.

## 2. METHODS OF ACCOUNTING AND GENERAL ACCOUNTING PRINCIPLES

The Company's accounting books and records are maintained, and the financial statements were prepared in accordance with Accounting Act 563/1991 Coll., Regulation 500/2002 Coll. which provides implementation guidance on certain provisions of the Accounting Act for reporting entities that are businesses maintaining double-entry accounting records, and Czech Accounting Standards for Businesses.

The accounting records are maintained in compliance with general accounting principles, specifically the historical cost valuation basis, the accruals principle, the prudence concept and the going concern assumption.

The Company's financial statements have been prepared as of the balance sheet date of 31 December 2025 for the calendar year 2025. These financial statements are presented in thousands of Czech crowns ("CZK").

### 2.1. Reporting Period

The Company's financial statements as of 31 December 2025 are prepared as follows:

- The balance sheet includes comparative figures as of 31 December 2024.
- The profit and loss account includes comparative figures for the period ended 31 December 2024.
- The statement of changes in equity includes comparative figures as of 31 December 2024.
- The cash flow statement includes comparative figures as of 31 December 2024.

As a result of the merger by amalgamation with the effective date of 1 January 2025, all assets of TRIALFA, s.r.o., as the dissolving company, were transferred to TŘINECKÉ ŽELEZÁRNY, a. s., as the successor company (hereinafter referred to as the "Trialfa Merger") on 31 December 2024.

### 2.2. Tangible and Intangible Fixed Assets

#### Valuation

Tangible fixed assets include assets with a cost greater than CZK 80 thousand on an individual basis and an estimated useful life greater than one year.

Intangible fixed assets include assets (such as software, valuable rights, and intangible results of research and development) with a cost greater than CZK 80 thousand on an individual basis and an estimated useful life greater than one year.

Tangible and intangible assets with an estimated useful life greater than one year and a cost equal to or lower than CZK 80 thousand are not treated as fixed assets. Such tangible assets are accounted for as inventory and when brought into use they are charged to 'Consumed material and energy' in the profit and loss account. Intangible assets costing CZK 80 thousand and less are expensed through the account 'Services' upon acquisition.

The cost of tangible and intangible fixed asset improvements exceeding CZK 80 thousand on an individual basis increases the cost of the related fixed asset for the fiscal period.

Before the end of the year ended 31 December 2021, tangible fixed assets included assets with an acquisition cost greater than CZK 40 thousand on an individual basis and an estimated useful life greater than one year; intangible fixed assets included assets with an acquisition cost greater than CZK 60 thousand on an individual basis and an estimated useful life greater than one year. The cost of tangible fixed asset improvements exceeding CZK 40 thousand on an individual basis increased the cost of the related tangible fixed asset for the fiscal period. The cost of intangible asset improvements exceeding CZK 60 thousand on an individual basis increased the cost of the related intangible fixed asset for the fiscal period.

Purchased tangible and intangible fixed assets are valued at cost. Tangible and intangible fixed assets developed internally are valued at direct costs, incidental costs directly attributable to the internal production of assets (production overheads) and to the production period. Production overheads also comprise costs for engineering activities. Costs of sale are not included.

The following tangible and intangible fixed assets are stated at replacement cost: tangible and intangible fixed assets acquired through donation, assets recently entered in the accounting records and an investment of intangible and tangible fixed assets, except for cases where the investment is valued differently under a Memorandum of Association or a Foundation Deed.

The replacement cost is also applied to tangible fixed assets acquired under finance lease arrangements with an original cost exceeding CZK 1 million. These assets are carried at replacement cost and recorded in the books as fully depreciated. Replacement cost is determined by an expert appraiser or through an estimate performed under the Company's internal regulations.

The intangible results of the Company's research and development activities, if designed for trading or resale, are recognised through the balance sheet line 'Research and Development'. Development results designed for the Company's internal purposes are not classified as intangible fixed assets for financial reporting purposes and are held in off balance sheet records at internal costs of production.

Greenhouse emission allowances (hereinafter the "allowances") are recognised as non-depreciable intangible fixed assets and are stated at cost, or replacement cost when acquired free of charge. The use of emission allowances is accounted for at the balance sheet date as a minimum, depending upon the level of greenhouse emissions produced by the Company in the relevant calendar year. Any difference arising during the verification of emissions by a verifier is accounted for in the reporting period in which the verification is performed. An initial free-of-charge acquisition of the allowances is recognised as a subsidy not reducing the carrying amount of the intangible fixed assets. This 'subsidy' is released into income on a systematic basis as the allowances are used and charged to expenses. The sale of free allowances is recorded as a component of 'Sundry operating income' in the profit and loss account. In case of sale of purchased allowances, such sale is recorded as a component of 'Sales of fixed assets' in the profit and loss account.

As of the balance sheet date, emission allowances acquired free of charge are not valued according to the EUROPEAN ENERGY EXCHANGE rate and are instead reported at the original replacement cost. The decrease in the valuation of purchased emission allowances that are held for sale and not for future consumption is reported as a provision against

intangible fixed assets in the balance sheet in line 'Other intangible fixed assets' (Adjustment) and in the profit and loss account in line 'Adjustments to values of intangible and tangible fixed assets – temporary'. If there is a lack of allowances at the balance sheet date, the Company recognises a reserve presented in the balance sheet as part of 'Other reserves' and in the profit and loss account as part of 'Reserves relating to operating activities and complex deferred expenses'. The reserve for the purchase of allowances is released in the following reporting period when the missing allowances are purchased or used from the free of charge allocation of the following period.

Due to the mergers completed in prior reporting periods, emission allowances are reported on standalone ETS Registry accounts depending on the locally defined operation facility. For the purposes of reporting, the EUA allowances are recorded in a single sub-ledger account; in reporting the disposal of emission allowances, the FIFO valuation method is applied.

### Depreciation for Accounting Purposes

Depreciation of fixed assets, other than land and assets under construction, is recorded on a straight line basis over the estimated useful life of the fixed assets taking into account operational conditions.

The recommended depreciation and amortisation period is set in the depreciation and amortisation plan:

Category of assets	Depreciation/amortisation period in years
Structures	20 – 40
Machines and equipment	2 – 20
Vehicles	5 – 20
Furniture and fixtures	5 – 15
Software	3 – 5

If the inventory count indicates that the estimated useful life of assets has changed, the Company appropriately adjusts the depreciation period of the related asset.

The bulk of buildings and structures are depreciated over 45–60 years. The shorter depreciation period is applied to temporary structures and short-term structures (lighting, fencing, energy grids, pipelines, etc.). A depreciation period over 60 years is applied to structures with a long useful life, such as railway and road bridges, conveying tunnels, and production and administrative buildings.

The bulk of machinery and equipment is depreciated over 15–25 years. The shorter depreciation period is primarily applied to IT systems, management systems, devices, etc.; the longer depreciation period is applied in exceptional cases to agglomeration equipment.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the net book value of the asset at the sale date and is recognised through the profit and loss account.

### Provisioning

Provisions against fixed assets are recognised in circumstances where their carrying value is greater than value in use, which is equal to the present value of estimated future cash flows expected to arise from the continuing use of fixed assets/expected proceeds from the intended sale.

### Impairment

At each balance sheet date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

## 2.3. Non-Current Financial Assets

Non-current financial assets principally consist of equity investments in controlled entities, equity investments in associates, securities and equity investments available for sale.

### Valuation

Securities and equity investments are carried at cost upon acquisition. The cost of securities or equity investments includes direct costs of acquisition, such as fees and commissions paid to brokers, advisors and stock exchanges.

#### At the balance sheet date, the Company records:

Equity investments are measured at cost less any provisions.

Available-for-sale securities are valued pursuant to Section 27 of Act No. 563/1991 Coll., Act on Accounting, at fair value, determined by reference to the market value or a reasonable estimate. If the determination of fair value is not practicable, the securities are valued at their cost.

At the balance sheet date, changes in the fair value of available-for-sale securities are recorded through balance sheet lines 'Other securities and investments' and 'Gains or losses from the revaluation of assets and liabilities'. A deferred tax is determined in respect of the revaluation difference where the value of available-for-sale securities increases, and is recorded through accounts 'Gains or losses from the revaluation of assets and liabilities' and 'Deferred tax liability'.

Upon sale or any other disposal, securities of the same type are valued on the basis of the weighted average of acquisition costs.

Investments in enterprises in which the Company has the power to govern the financial and operating processes so as to obtain benefits from their activities are treated as 'Equity investments – controlled or controlling entity'.

Investments in enterprises in which the Company is in a position to exercise significant influence over their financial and operating processes so as to obtain benefits from their activities are treated as 'Equity investments in associates'.

### **Provisioning against Equity Investments**

Investments are provisioned if there is a risk that the fair value of a non-current financial asset is lower than its carrying value.

In charging provisions against equity securities that are not fair valued, the Company refers to its detailed knowledge of the relevant entity, the entity's anticipated cash flows and the results of the entity's operations and reflects its interest in the entity's equity.

## **2.4. Current Financial Assets and Cash**

Current financial assets principally consist of short-term debt securities with a maturity of less than one year and other securities available for sale.

Current financial assets are carried at cost upon acquisition.

Cash consists of cash on hand and cash at bank.

## **2.5. Inventory**

### **Valuation**

Purchased inventory is valued at acquisition costs. Acquisition costs include the purchase cost and indirect acquisition costs such as customs fees, freight costs and storage fees during transportation, commissions and insurance charges.

Inventory is issued out of stock at costs determined using the weighted arithmetic average method.

Internally produced inventory is valued at cost using a costing formula in which the pure charge is valued at the actual cost and processing costs are valued at planned rates of the particular year.

At the balance sheet date, the Company assesses the actual costs of the charge and the difference between the actual costs of the charge and the valuation of the charge from the prior month is reflected only in the financial accounting records. In respect of processing costs, the difference between the value of processing costs of the planned operations valued at planned rates of the particular year and the value of the actually completed operations valued at planned rates of the particular year is reflected in the financial accounting accounts.

### **Provisioning**

Provisions against the inventory of material are made in respect of inventory with low or no movement and a very low likelihood for processing following an individual analysis.

Provisions against the inventory of finished products and semi-finished products are charged based on their realisability.

## 2.6. Receivables

Upon origination, receivables are stated at their nominal value as subsequently reduced by appropriate provisions for doubtful and bad amounts.

### Provisioning

The Company recognises provisions against receivables, the recoverability of which is doubtful.

Tax deductible provisions against receivables are made pursuant to Act No. 586/1992 Coll., the Income Taxes Act, and Act No. 593/1992 Coll., the Provisioning Act.

Non-tax deductible provisions (other than intercompany) are created as follows:

- a) Receivables past due by 1 year and more are provisioned in full; and
- b) Receivables past due over six months but less than one year are provisioned at 50%.

In addition, provisions are recognised against receivables based on an individual assessment of their collectability.

The Company also creates provisions against interest-free long-term receivables. This provisioning charge is calculated as equal to the difference between the nominal value and the discounted value of these receivables.

## 2.7. Payables

Trade payables and other payables are stated at their nominal value. Long-term bills of exchange to be settled are recorded at nominal value. Interest on these bills is accrued over their maturity period.

## 2.8. Payables to Credit Institutions

Payables to credit institutions are reported at nominal value. The portion of long-term payables to credit institutions maturing within one year from the balance sheet date and revolving payables to credit institutions which are regularly rolled over to the following period are included in short-term payables to credit institutions.

## 2.9. Reserves

Other reserves are created to provide for future risks known at the balance sheet date. In addition, a reserve is recorded for the restoration and maintenance of a dump site and clean-up after termination of the operation of the site in accordance with Act No. 541/2020 Coll., on Waste.

## 2.10. Accruals and Deferrals

Accrual and deferral accounts include deferred and accrued income and expenses. Deferred expenses include deferrals of only such items which are very likely, or certain, to bring a specific measurable effect in the form of income or other economic benefits in the following years over which they are deferred. Immaterial and regular expenses or income up to CZK 20 thousand relating to several reporting periods are not deferred. Comprehensive deferred expenses include the costs of research and development and implementation of projects relating to software acquisition.

## 2.11. Foreign Currency Translations

Transactions denominated in foreign currencies conducted during the year are translated using the exchange rate of the Czech National Bank prevailing as of the date preceding the transaction date.

During the period, cash denominated in foreign currencies (foreign currency cash) is translated into Czech crowns using the fixed monthly exchange rate as notified by the Czech National Bank as of the first day of the month in which the assets were recorded.

At the balance sheet date, the relevant assets and liabilities are translated at the Czech National Bank's exchange rate prevailing as of that date.

Prepayments for tangible and intangible fixed assets received after 31 December 2020, if such prepayments are non-refundable, are considered as part of the purchase price of the specific fixed asset at the balance sheet date and are not translated at the Czech National Bank's exchange rate as of the balance sheet date. Prepayments for fixed assets received before 1 January 2021, reported in a foreign currency at the balance sheet date, are translated at the Czech National Bank's exchange rate applicable at the balance sheet date.

Foreign exchange prepayments received or granted after 31 December 2022, if such deposits are non-refundable, are considered as part of the acquisition cost of the asset as of the date of the financial statements and are not translated at the Czech National Bank rate as of the date of the financial statements. Prepayments received or made before 31 December 2022 that are denominated in a foreign currency as of the date of the financial statements are translated at the exchange rate of the Czech National Bank as of the date of the preparation of the financial statements. Foreign currency prepayments that are considered refundable are translated at the Czech National Bank's exchange rate as of the date of the financial statements.

Exchange rate differences on provisions for newly created foreign currency receivables after 31 December 2022 are recognised through financial profit or loss (account 563 foreign exchange losses or 663 foreign exchange gains). Exchange rate differences on provisions for foreign currency receivables exceeding CZK 1 million newly created after 31 December 2020 are recognised individually through financial profit or loss. Exchange rate differences on provisions for foreign currency receivables not exceeding CZK 1 million created before 31 December 2022 continue to be reported in the operating profit or loss as the recognition or a release of the provision for receivables.

Starting from the reporting period beginning on 1 January 2024, exchange rate differences on all provisions for receivables, regardless of the date of their creation or the carrying amount of the receivable, are recognised in financial profit or loss (in account 563 foreign exchange losses or 663 foreign exchange gains).

## 2.12. Taxation

### 2.12.1. DEPRECIATION OF FIXED ASSETS FOR TAX PURPOSES

Depreciation of fixed assets is recorded on an accelerated basis for tax purposes under Section 32 of Act No. 586/1992 Coll., on Income Taxes, with the exception of assets used in the Tube Rolling Mill (the VT operation), VL – Transport, Shipping and Logistics and VO – Steel Plant, VZ – Billet Rolling Mill, and the Universal Track and Track Fastenings Plants which are depreciated using the straight line and accelerated methods.

### 2.12.2. CURRENT TAX PAYABLE

The tax currently payable is based on taxable profit for the reporting period. The taxable profit differs from the net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using the tax rate that has been enacted by the balance sheet date.

### 2.12.3. DEFERRED TAX

Deferred tax is accounted for using the balance sheet liability method. In calculating deferred tax, the income tax rate applicable in the period in which the tax liability or tax asset is utilised. If this tax rate is not known, the rate applicable in the following reporting period is used.

Under the liability method, deferred tax is calculated at the income tax rate that is expected to apply in the period when the tax liability is settled.

The balance sheet liability method focuses on temporary differences which are differences between the tax base of an asset or liability and its carrying amount in the balance sheet. The tax base of an asset or liability is the amount that will be deductible for tax purposes in the future.

Deferred tax is charged or credited to the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

### 2.12.4. TOP-UP TAX

The Company is a top-up tax payer. The Company has made use of the transitional safe harbour rules (effective tax rate test), and therefore the top-up tax expense is zero. The top-up tax was not taken into account in the calculation of deferred tax.

## 2.13. Borrowing Costs

Borrowing costs arising from payables to credit institutions are directly expensed regardless of the purpose for which the loans were drawn.

## 2.14. Costs Relating to Employees Hired through an Employment Agency

In order to provide a true and fair presentation of the economic substance of the costs associated with agency employees, the Company applies the principle that, in economic terms, the employer is the entity assigning the work, not the employment agency.

In accordance with Sect. 24 of Decree No. 500/2002 Coll., the Company includes the actually paid wages to agency employees, including social security and health insurance costs, in staff costs. These costs for employees of an employment agency who are temporarily assigned to perform work at the Company under an agreement with the employment agency are reported as part of social costs ('Staff costs' in the profit and loss account). The reporting method based on the economic substance of the costs differs from the definition of staff costs under Czech Accounting Standard No. 019 for Entrepreneurs. The impact of this reporting method amounts to CZK 4,364 thousand in 2025 and CZK 1,372 thousand in 2024. The costs of other aids and protective drinks for these agency employees are reported under 'Consumed material and energy'. Other payments for the services of the employment agency, such as mediation fees or the agency's overheads, are reported under 'Services'.

## 2.15. Revenue Recognition

Revenues are recognised when goods are delivered and accepted by the customer or when services are rendered and are reported net of discounts and VAT.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Profit share income is recognised when the Company's General Meeting, i.e. the sole shareholder or sole owner acting in the capacity thereof, adopts a decision on profit distribution.

Insurance claims received are credited to income of the reporting period in which the amount of the claim is recognised by the insurer. If the claim has not been recognised, an estimated receivable for claims received is made only for the actual expenses incurred to recover the consequences of the claim in the relevant reporting period.

## 2.16. Net Turnover

The net turnover indicator is determined as the sum of revenues from the sale of products, goods, and the provision of services, as well as selected revenues from the sale of materials. These represent only revenues that form the basis of the reporting entity's business model, determined with regard to the industry and market in which the accounting unit operates, and the nature of activities performed for customers.

## 2.17. Use of Estimates

The presentation of financial statements requires making estimates and assumptions that affect the reported amounts of assets and liabilities as of the balance sheet date and the reported amounts of revenues and expenses during the reporting period. The Company has made these estimates and assumptions on the basis of all the relevant information available to it. Nevertheless, pursuant to the nature of estimates, the actual results and outcomes in the future may differ from these estimates.

## 2.18. Research and Development Expenditure

Research and development expenditure is capitalised as part of the cost and posted to the acquisition of tangible or intangible fixed assets if the research and development projects result in fixed assets (tangible and intangible). The output of a research and development project is capitalised on the basis of the results of opponent proceedings. A detailed analysis of the projects in progress is undertaken at the balance sheet date and the costs incurred are charged to expenses or recognised as complex deferred expenses in the event that there is doubt over the completion, or future utilisation, of the project.

Permanent development is posted directly to expenses, taking into account repeatability and materiality. The materiality criterion is defined as follows: "If the expenses on permanent development for the relevant reporting period do not exceed on average more than 50% of the expenses on permanent development for the previous 2 reporting periods, all such expenses are posted to expenses in the relevant reporting period. If the abovementioned threshold is exceeded, the entity will select the projects responsible for the materiality threshold being exceeded and, after analysis, capitalises them in the complex deferred expenses".

## 2.19. Subsidies

The subsidies received are credited to income on an accruals basis.

In accordance with Government Regulation No. 565/2020 Coll., on Conditions for the Provision of Compensations for Indirect Costs for Industrial Sectors in which a Significant Risk of Carbon Leakage was Identified, as a Result of the Effect of the Costs relating to Greenhouse Gas Emissions on Electricity Prices, these compensations are recognised in the reporting period in which the Ministry of Industry and Trade issues a resolution regarding the provision of compensation.

Subsidies to fund the acquisition of fixed assets reduce the cost of the related assets.

## 2.20. Cash Flow Statement

The cash flow statement is prepared using the indirect method.

For cash flow reporting purposes, cash and cash equivalents include cash on hand and duty stamps, cash at bank except for deposits with maturity longer than three months, and current liquid assets easily convertible into cash in an amount agreed in advance where no significant changes in their value are expected over time.

Cash and cash equivalents can be analysed as follows:

(IN CZK THOUSAND)

	Balance at 31 Dec 2025	Balance at 31 Dec 2024
Cash on hand	849	998
Cash at bank	1 675 750	809 502
Total current financial assets and cash	1 676 599	810 500
Cash and cash equivalents not included in the cash flow	-154	-3 877
<b>Total cash and cash equivalents</b>	<b>1 676 445</b>	<b>806 623</b>

The difference between cash and cash equivalents as of 31 December 2025 and 2024 reported in the cash flow statement as opposed to the current financial assets and cash disclosed in the balance sheet represents blocked deposits that are restricted with regard to the free handling of the funds.

## 3. ADDITIONAL INFORMATION

### 3.1. Fixed Assets

#### 3.1.1. INTANGIBLE FIXED ASSETS

##### Cost

(IN CZK THOUSAND)

	Balance at 31 Dec 2024	Additions	Disposals	Balance at 31 Dec 2025
Development	2 972	0	0	2 972
Valuable rights	307 021	49 552	874	355 699
Other intangible FA	468 151	6 161 772	6 433 078	196 845
Prepayments made for intangible FA	1 482	0	1 482	0
Intangible FA under construction	19 374	49 291	49 552	19 113
<b>Total</b>	<b>799 000</b>	<b>6 260 615</b>	<b>6 484 986</b>	<b>574 629</b>

##### Accumulated Amortisation

(IN CZK THOUSAND)

	Balance at 31 Dec 2024	Additions	Disposals	Balance at 31 Dec 2025
Development	2 972	0	0	2 972
Valuable rights	277 199	14 429	874	290 754
Other intangible FA	5 000	0	0	5 000
<b>Total</b>	<b>285 171</b>	<b>14 429</b>	<b>874</b>	<b>298 726</b>

**Net Book Value**

(IN CZK THOUSAND)

	Balance at 31 Dec 2024	Balance at 31 Dec 2025
Valuable rights	29 822	64 945
Other intangible FA	463 151	191 845
Prepayments made for intangible FA	1 482	0
Intangible FA under construction	19 374	19 113
<b>Total</b>	<b>513 829</b>	<b>275 903</b>

**Amortisation of Intangible Fixed Assets Charged to Expenses**

Amortisation of intangible fixed assets amounted to CZK 14,429 thousand and CZK 15,402 thousand as of 31 December 2025 and 2024, respectively.

Other intangible fixed assets primarily include emission allowances.

In 2025, the Company acquired 3,357,637 allowances free of charge for 2025 in the amount of CZK 6,161,772 thousand. As of 31 December 2025, the Company settled the adjustment of the use of allowances for 2024 in the amount of CZK (3,415) thousand and the use of allowances for 2025 in the amount of CZK 4,671,020 thousand. As of 31 December 2025, the Company did not revalue allowances acquired free of charge.

In 2025, the Company sold 1,005,000 allowances. The impact on profit or loss from the sale of allowances amounted to CZK 1,900,849 thousand.

In 2024, the Company acquired 3,358,385 allowances free of charge for 2024 in the amount of CZK 5,289,749 thousand. As of 31 December 2024, the Company settled the adjustment of the use of allowances for 2023 in the amount of CZK (14,071) thousand and the use of allowances for 2024 in the amount of CZK 4,120,228 thousand. As of 31 December 2024, the Company did not revalue allowances acquired free of charge.

In 2024, the Company sold 1,337,000 allowances. The impact on profit or loss from the sale of allowances amounted to CZK 2,131,515 thousand.

**Aggregate Balance of Low-Value Intangible Assets Not Reported on the Face of the Balance Sheet**

The aggregate cost of low-value intangible assets not reported on the face of the balance sheet was CZK 32,026 thousand and CZK 32,094 thousand as of 31 December 2025 and 2024, respectively.

**3.1.2. TANGIBLE FIXED ASSETS****Cost**

(IN CZK THOUSAND)

	Balance at 31 Dec 2024	Additions	Disposals	Balance at 31 Dec 2025
Land	579 703	316	56	579 963
Structures	11 266 371	495 876	386	11 761 861
Tangible movable assets and sets thereof	34 809 802	1 646 580	295 251	36 161 131
Other tangible FA	7 906	8 027	27	15 906
Prepayments for tangible FA	123 799	120 719	132 652	111 866
Tangible FA under construction	1 424 700	1 381 617	2 150 598	655 719
<b>Total</b>	<b>48 212 281</b>	<b>3 653 135</b>	<b>2 578 970</b>	<b>49 286 446</b>

**Accumulated Depreciation**

(IN CZK THOUSAND)

	Balance at 31 Dec 2024	Additions	Disposals	Balance at 31 Dec 2025
Structures	6 430 971	268 333	386	6 698 918
Tangible movable assets and sets thereof	25 137 709	1 315 415	295 251	26 157 873
Other tangible movable assets	982	14	0	996
<b>Total</b>	<b>31 569 662</b>	<b>1 583 762</b>	<b>295 637</b>	<b>32 857 787</b>

**Provisions**

(IN CZK THOUSAND)

	Balance at 31 Dec 2024	Additions	Disposals	Balance at 31 Dec 2025
Structures	8 917	0	923	7 994
Tangible movable assets and sets thereof	15 652	0	1 267	14 385
Tangible FA under construction	200	0	0	200
<b>Total</b>	<b>24 769</b>	<b>0</b>	<b>2 190</b>	<b>22 579</b>

**Net Book Value**

(IN CZK THOUSAND)

	Balance at 31 Dec 2024	Balance at 31 Dec 2025
Valuable rights	579 703	579 963
Other intangible FA	4 826 483	5 054 949
Prepayments made for intangible FA	9 656 441	9 988 873
Intangible FA under construction	6 924	14 910
Valuable rights	123 799	111 866
Other intangible FA	1 424 500	655 519
<b>Total</b>	<b>16 617 850</b>	<b>16 406 080</b>

Principal additions to tangible fixed assets for the year ended 31 December 2025 were as follows:

(IN CZK THOUSAND)

Technical improvements on KD rolling mill	346 321
Acquisition of the rail disc cutter	211 144
Technical improvements on motor locomotive 723.725-8	174 682

Principal additions to tangible fixed assets under construction, including prepayments made, for the year ended 31 December 2025 were as follows:

(IN CZK THOUSAND)

Heat treatment of rails	56 182
Modernisation and decarbonisation of steel production	55 622
Reconstruction of VP4	38 357

In 2025, items with a net book value of CZK 11,364 thousand were disposed of from tangible fixed assets. Major disposals principally comprised the partial decommissioning of Blast Furnace No. 4, the complete decommissioning of the automatic control system of Blast Furnace No. 4, and the partial decommissioning of equipment for ultrasonic testing of tubes.

**Depreciation of Tangible Fixed Assets Charged to Expenses**

Depreciation of tangible fixed assets amounted to CZK 1,583,020 thousand and CZK 1,585,562 thousand as of 31 December 2025 and 2024, respectively.

**Aggregate Balance of Low-Value Tangible Assets Not Reported on the Face of the Balance Sheet**

The aggregate costs of low-value tangible assets not reported on the face of the balance sheet were CZK 639,882 thousand and CZK 631,231 thousand as of 31 December 2025 and 2024, respectively.

### 3.1.3. ASSETS HELD UNDER OPERATING LEASE AGREEMENTS

In the years ended 31 December 2025 and 2024, the Company made lease payments of CZK 74,368 thousand and CZK 70,183 thousand, respectively.

### 3.1.4. PLEDGED FIXED ASSETS

31 December 2025

(IN CZK THOUSAND)

Description of assets	Net book value	Pledge/creditor
Tangible FA	193 700	
Land	96 121	
Tangible FA	169 185	
Land	27 406	
Tangible FA	324 961	
Tangible FA	401 566	Loan from Československá obchodní banka, a.s.
Tangible FA	227 884	
Land	7 719	
Tangible FA	217 101	
Tangible FA	276 100	
Land	42 148	
Tangible FA	1 179 966	Loan from ING BANK N.V.
Tangible FA	969 057	
Land	18 538	Loan from Raiffeisenbank a.s.
<b>Total</b>	<b>4 151 452</b>	

**31 December 2024**

(IN CZK THOUSAND)

Description of assets	Net book value	Pledge/creditor
Tangible FA	202 075	
Land	96 121	
Tangible FA	173 981	
Land	27 406	
Tangible FA	350 307	
Tangible FA	422 292	Loan from Československá obchodní banka, a.s.
Tangible FA	345 088	
Land	42 678	
Tangible FA	1 235 439	Loan from ING BANK N. V.
Tangible FA	1 001 235	
Land	18 538	Loan from Raiffeisenbank a.s.
<b>Total</b>	<b>3 915 160</b>	

**3.2. Non-Current Financial Assets****Cost**

(IN CZK THOUSAND)

	Balance at 31 Dec 2024	Additions	Disposals	Balance at 31 Dec 2025
Equity investments – controlled or controlling entity	8 613 888	0	0	8 613 888
Equity investments – associates	50 996	0	*1	50 995
Other non-current securities and equity investments	2	0	0	2
<b>Total</b>	<b>8 664 886</b>	<b>0</b>	<b>1</b>	<b>8 664 885</b>

\* rounding

**Provisions**

(IN CZK THOUSAND)

	Balance at 31 Dec 2024	Additions	Disposals	Balance at 31 Dec 2025
Equity investments – controlled or controlling entity	895 608	176 128	0	1 071 736
Equity investments – associates	18 937	1 746	0	20 683
<b>Total</b>	<b>914 545</b>	<b>177 874</b>	<b>0</b>	<b>1 092 419</b>

**Net Book Value**

(IN CZK THOUSAND)

	Balance at 31 Dec 2024	Balance at 31 Dec 2025
Equity investments – controlled or controlling entity	7 718 280	7 542 152
Equity investments – associates	32 059	30 312
Other non-current securities and equity investments	2	2
<b>Total</b>	<b>7 750 341</b>	<b>7 572 466</b>

**3.2.1. EQUITY INVESTMENTS – CONTROLLED OR CONTROLLING ENTITY****31 December 2025**

(IN CZK THOUSAND)

Company name and registered office	Equity investment %	Equity	Profit/loss for the period	Provision	Financial income
ŽDB DRÁTOVNA a.s., Pudlov, Bohumín	100,00	1 973 079	-22 250	-77 179	0
Strojírny a stavby Třinec, a.s., Staré Město, Třinec	100,00	658 592	45 578	0	37 000
ENERGETIKA TŘINEC, a.s., Staré Město, Třinec	100,00	3 003 616	90 002	0	0
Slévárny Třinec, a.s., Staré Město, Třinec	100,00	618 046	-22 613	-144 967	0
Šroubárna Kyjov, spol. s r.o., Kyjov	100,00	715 848	40 514	0	105 000
HŽP a.s., Prostějov	100,00	678 938	50 925	0	27 000
„D&D“ Drótaru Zrt., 3527 Miskolc, Sajósziget utca 4 (HUN)	100,00	378 127	-105 454	-173 038	0

 TABLE CONTINUES ON THE FOLLOWING PAGE

 CONTINUATION OF THE TABLE FROM THE PREVIOUS PAGE

Company name and registered office	Equity investment %	Equity	Profit/loss for the period	Provision	Financial income
„METALURGIA“ SPÓŁKA AKCYJNA, Radomsko (POL)	100,00	178 157	-31 137	-153 758	0
VÚHŽ a.s., Dobrá	100,00	399 468	50 218	0	64 000
Řetězárna a.s., Česká Ves	51,00	725 261	43 698	0	7 650
REFRASIL, s.r.o., Kanská, Třinec	100,00	215 748	21 155	0	20 000
Třinecké gastroslužby, s.r.o., Staré Město, Třinec	100,00	48 950	5 324	0	0
Moravia Security, a.s., Kanská, Třinec	100,00	24 446	3 256	0	3 000
TŘINECKÁ PROJEKCE, a.s., Kanada, Třinec	84,54	26 801	3 251	0	8 455
„ZAMECZEK BŁOGOCICE“ Spółka z ograniczoną odpowiedzialnością, Cieszyn (POL)	88,00	44 513	129	-10 637	0
TRISIA, a.s., Lyžbice, Třinec	66,00	40 591	-930	-8 166	0
IMOPRA s.r.o., Nivnice	100,00	90 435	4 462	-45 541	10 000
BOHEMIA RINGS s.r.o., Zámrsk	100,00	836 817	20 164	-458 450	15 000
ENEZA, s.r.o., Staré Město, Třinec	52,50	98 532	1 970	0	568
<b>TOTAL</b>				<b>-1 071 736</b>	<b>297 673</b>

Note: *italics – preliminary results as of 31 December 2025*

## 31 December 2024

(IN CZK THOUSAND)

Company name and registered office	Equity investment %	Equity	Profit/loss for the period	Provision	Financial income
ŽDB DRÁTOVNA a.s., Pudlov, Bohumín	100,00	1 995 329	-70 712	0	0
Strojírny a stavby Třinec, a.s., Staré Město, Třinec	100,00	650 015	41 523	0	60 000
ENERGETIKA TŘINEC, a.s., Staré Město, Třinec	100,00	2 965 911	92 069	0	20 000
Slévárny Třinec, a.s., Staré Město, Třinec	100,00	640 659	393	-207 974	0
Šroubárna Kyjov, spol. s r.o., Kyjov	100,00	780 334	100 959	0	45 000
HŽP a.s., Prostějov	100,00	655 013	66 749	0	61 000
„D&D“ Drótaru Zrt., 3527 Miskolc, Sajószigeti utca 4 (HUN)	100,00	471 593	-60 543	-78 520	0
„METALURGIA“ SPÓŁKA AKCYJNA, Radomsko (POL)	100,00	214 169	-59 991	-59 585	0
VÚHŽ a.s., Dobrá	100,00	413 250	50 324	0	67 000
Řetězárna a.s., Česká Ves	51,00	696 562	32 797	0	9 180
REFRASIL, s.r.o., Konská, Třinec	100,00	214 764	19 797	0	31 500
Třinecké gastroslužby, s.r.o., Staré Město, Třinec	100,00	46 936	4 222	0	0
Moravia Security, a.s., Konská, Třinec	100,00	24 191	3 219	0	7 000
TŘINECKÁ PROJEKCE, a.s., Kanada, Třinec	84,54	33 550	4 001	0	1 609
„ZAMECZEK BŁOGOCICE“ Spółka z ograniczoną odpowiedzialnością, Cieszyn (POL)	88,00	45 514	-359	-9 262	0
TRISIA, a.s., Lyžbice, Třinec	66,00	41 521	360	-7 676	0
IMOPRA s.r.o., Nivnice	100,00	95 973	8 050	-16 851	25 000
BOHEMIA RINGS s.r.o., Zámrsk	100,00	831 654	-127	-465 740	0
EKOSTROJÍRENSTVÍ TŘINEC, a.s., Staré Město, Třinec	100,00	-52 297	14 336	-50 000	0
ENEZA, s.r.o., Staré Město, Třinec	52,50	97 644	3 248	0	1 214
<b>TOTAL</b>				<b>-895 608</b>	<b>328 503</b>

As of 30 April 2025 (with the effective date of 1 January 2025) a merger by amalgamation was carried out in which EKOSTROJÍRENSTVÍ TŘINEC, a.s., as the dissolving company, was merged into ENERGETIKA TŘINEC, a.s., as the successor company. (hereinafter the „EKOSTROJÍRENSTVÍ“ Merger).

**3.2.2. EQUITY INVESTMENTS – ASSOCIATES****31 December 2025**

(IN CZK THOUSAND)

Company name and registered office	Equity investment %	Equity	Profit/loss for the period	Provision	Financial income
VESUVIUS ČESKÁ REPUBLIKA, a.s., Kinská, Třinec	40,00	341 342	12 360	0	2 777
Ocelářská unie a.s., Nové Město, Praha 1	39,94	39 604	-2 901	-20 683	0
HRAT, s.r.o., Staré Město, Třinec*	23,26	4 429	356	0	0
<b>TOTAL</b>				<b>-20 683</b>	<b>2 777</b>

Note: *italics – preliminary results as of 31 December 2025*

\* Equity as of 31 December 2025 and the profit or loss for the period from 1 April 2025 to 31 December 2025 (the financial year from 1 April 2025 to 31 March 2026).

**31 December 2024**

(IN CZK THOUSAND)

Company name and registered office	Equity investment %	Equity	Profit/loss for the period	Provision	Financial income
VESUVIUS ČESKÁ REPUBLIKA, a.s., Kinská, Třinec	40,00	335 926	6 944	0	25 348
Ocelářská unie a.s., Nové Město, Praha 1	39,94	37 767	-3 286	-18 937	0
HRAT, s.r.o., Staré Město, Třinec*	23,26	4 073	267	0	0
<b>TOTAL</b>				<b>-18 937</b>	<b>25 348</b>

Note: \* Equity as at 31 March 2025 and the profit or loss for the period from 1 April 2024 to 31 March 2025 (the financial year from 1 April 2024 to 31 March 2025)

**3.2.3. NON-CURRENT FINANCIAL ASSETS PLEDGED AS COLLATERAL**

As of 31 December 2025 and 31 December 2024, the Company has no non-current financial assets pledged as collateral.

## 3.3. Receivables

### 3.3.1. LONG-TERM RECEIVABLES

#### Other Receivables

As of 31 December 2025, the Company reports a long-term receivable under the Revolving Credit Agreement with the entity Střední průmyslová škola Třineckých železáren in the amount of CZK 8,920 thousand.

### 3.3.2. SHORT-TERM RECEIVABLES

As of 31 December 2025 and 2024, the Company recorded short-term trade receivables past their due dates in the gross amount of CZK 20,639 thousand (net CZK 5,023 thousand) and CZK 12,390 thousand (net CZK 4,424 thousand), respectively.

#### Other Receivables

Short-term prepayments made principally involve prepayments for supplied services.

As of 31 December 2025 and 31 December 2024, State – tax assets principally included a receivable arising from value-added tax, prepayments for corporate income tax, and prepayments for fees under Act No. 201/2012 Coll., on air protection.

As of 31 December 2025 and 31 December 2024, sundry receivables primarily included a receivable arising from an indisputable claim for a subsidy, a receivable arising from group registration for value-added tax, and receivables from individuals.

As of 31 December 2025 and 31 December 2024, estimated receivables primarily included an estimated receivable for expected insurance claims related to the accident of the wind heater (additional costs due to the interruption of operations), including other insurance claims, and an estimated receivable for service supplies. In connection with the expected insurance claims relating to the wind heater accident, the Company received prepayments from the insurance company (see Note 3.6.4). The portion of the insurance claim relating to property damage was already closed as of the financial statements date of 31 December 2025, including the final additional payment.

Receivables typically mature within 30 days.

### 3.3.3. INTERCOMPANY RECEIVABLES

As of the date of the financial statements, the Company records no long-term receivables with a maturity exceeding 5 years. As of 31 December 2025, the Company records no receivables secured by collateral.

As of 31 December 2024, the Company reported a long-term receivable from the related party EKOSTROJÍRENSTVÍ TŘINEC, a.s., in the amount of CZK 67,123 thousand under the Revolving Loan Agreement, for which a full provision had been created. As a result of the Ekostrojirenství Merger (see Note 3.2.1), the obligation to settle this receivable was transferred to the successor company ENERGETIKA TŘINEC, a.s. As of the financial statements' date of 31 December 2025, this receivable had been settled and the provision released.

**Short-Term Receivables**

(IN CZK THOUSAND)

Company name	Relation to the Company	Balance at 31 Dec 2025	Balance at 31 Dec 2024
Trade receivables			
ENERGETIKA TŘINEC, a.s.	Controlled entity	59 556	89 982
Šroubárna Kyjov, spol. s r.o.	Controlled entity	735	1 365
Strojírny a stavby Třinec, a.s.	Controlled entity	13 655	16 984
MORAVIA STEEL a.s.	Controlling entity	2 885 842	3 283 690
REFRASIL, s.r.o.	Controlled entity	597	873
Řetězárna a.s.	Controlled entity	475	62
Slévárny Třinec, a.s.	Controlled entity	30 999	27 840
TŘINECKÁ PROJEKCE, a.s.	Controlled entity	116	4 493
Třinecké gastroslužby, s.r.o.	Controlled entity	1 808	2 354
TRISIA, a.s.	Controlled entity	103	129
VESUVIUS ČESKÁ REPUBLIKA, a.s.	Associate	1 817	1 793
Beskydská golfová, a.s.	Fellow subsidiary	19	28
VÚHŽ a.s.	Controlled entity	465	1 903
Moravia Security, a.s.	Controlled entity	166	163
Moravskoslezský kovošrot, a.s.	Fellow subsidiary	255	5
„METALURGIA“ SPÓŁKA AKCYJNA	Controlled entity	502	629
HŽP a.s.	Controlled entity	344	695
M Steel Projects a.s.	Fellow subsidiary	8	13
„NEOMET“ Sp. z o.o.	Fellow subsidiary	29	50
ŽDB DRÁTOVNA a.s.	Controlled entity	2 769	2 892
Barrandov Studio a.s.	Fellow subsidiary	143	130
Kovárna VIVA a.s.	Fellow subsidiary	91	90
BOHEMIA RINGS s.r.o.	Controlled entity	7 715	6 651

 TABLE CONTINUES ON THE FOLLOWING PAGE

 CONTINUATION OF THE TABLE FROM THE PREVIOUS PAGE

Company name	Relation to the Company	Balance at 31 Dec 2025	Balance at 31 Dec 2024
Security Morava s.r.o.	Controlled entity	0	3
EKOSTROJÍRENSTVÍ TŘINEC, a.s.	Controlled entity	0	65
MINERFIN, a.s.	Group entity	4	1
ENEZA, s.r.o.	Controlled entity	300	236
IMOPRA, s.r.o.	Controlled entity	2	2
<b>Total</b>		<b>3 008 515</b>	<b>3 443 121</b>
Sundry receivables			
ENERGETIKA TŘINEC, a.s.	Controlled entity	4 678	1 425
<b>Total</b>		<b>4 678</b>	<b>1 425</b>
Accrued income			
EKOSTROJÍRENSTVÍ TŘINEC, a.s.	Controlled entity	0	894
REFRASIL, s.r.o.	Controlled entity	0	1
ENERGETIKA TŘINEC, a.s.	Controlled entity	1	2
MORAVIA STEEL a.s.	Controlling entity	0	10 551
Strojírny a stavby Třinec, a.s.	Controlled entity	0	1
<b>Total</b>		<b>1</b>	<b>11 449</b>
Estimated receivables			
MORAVIA STEEL a.s.	Controlling entity	1 839	1 579
Slévárny Třinec, a.s.	Controlled entity	0	1
Strojírny a stavby Třinec, a.s.	Controlled entity	0	6
Třinecké gastroslužby, s.r.o.	Controlled entity	0	3
<b>Total</b>		<b>1 839</b>	<b>1 589</b>
<b>Total short-term intercompany receivables including accruals</b>		<b>3 015 033</b>	<b>3 457 584</b>
Other than intercompany receivables		1 397 910	2 206 719
<b>Total short-term receivables including accruals</b>		<b>4 412 943</b>	<b>5 664 303</b>

## 3.4. Equity

Valuation differences include the difference from the revaluation of securities available for sale net of a deferred tax liability.

As a result of the Trialfa Merger (Note 2.1), the Company's equity increased by CZK 22,430 thousand as of 1 January 2025.

The sole shareholder decided to distribute the net profit of the Company after tax for 2024 in the amount of CZK 315,722 thousand as follows:

– Retained earnings brought forward                      CZK 315,722 thousand.

### 3.4.1. SHARE CAPITAL

The Company's share capital is composed of 8,109,863 ordinary registered shares in the certificate form, fully subscribed and paid up, with a nominal value of CZK 1 thousand per share.

### 3.4.2. PROPOSAL FOR THE ALLOCATION OF PROFIT FOR 2025

In 2025, the Company generated net profit after tax of CZK 185,580 thousand. It is proposed to be distributed as follows:

– Retained earnings brought forward:                      CZK 185,580 thousand.

## 3.5. Reserves

Other reserves principally consist of a reserve for employee bonuses and risks arising from business relations, including warranty claims.

## 3.6. Payables

### 3.6.1. LONG-TERM PAYABLES

Long-term trade payables as of 31 December 2025 include payables arising from retentions from suppliers under concluded contracts.

As of 31 December 2025, the Company records no long-term payables secured with material guarantees.

As of 31 December 2025, and as of 31 December 2024, the Company did not record trade payables with maturity longer than five years.

**3.6.2. DEFERRED INCOME TAX**

The deferred tax liability is analysed as follows:

(IN CZK THOUSAND)

<b>Deferred tax arising from</b>	<b>Balance at 31 Dec 2025</b>	<b>Balance at 31 Dec 2024</b>
Difference between tax and accounting carrying values of fixed assets	-6 654 406	-6 961 748
Revaluation of available-for-sale securities	2 054	2 054
Accounting reserves	146 449	136 108
Provisions	979 184	1 241 747
Expenses that are tax deductible in the following periods	51 890	83 076
<b>Total</b>	<b>-5 474 829</b>	<b>-5 498 763</b>
Tax rate (in %)	21	21
<b>Deferred tax liability</b>	<b>-1 149 714</b>	<b>-1 154 740</b>

(IN CZK THOUSAND)

<b>Analysis of movements</b>	
<b>31 Dec 2024</b>	<b>-1 154 740</b>
Current changes charged against the profit and loss account	5 026
<b>31 Dec 2025</b>	<b>-1 149 714</b>

**3.6.3. INCOME TAX**

(IN CZK THOUSAND)

	<b>Balance at 31 Dec 2025</b>	<b>Balance at 31 Dec 2024</b>
Profit/Loss before tax	201 763	339 229
Tax at the domestic income tax rate of 21%	42 370	71 238
Tax effect of expenses/income that are/is not deductible	-26 187	-47 731
<b>Total income tax for the period - recognised in deferred tax and income tax liability</b>	<b>16 183</b>	<b>23 507</b>

### 3.6.4. SHORT-TERM PAYABLES

As of 31 December 2025, the Company records no short-term trade payables past their due dates; as of 31 December 2024, the Company likewise recorded no short-term trade payables past their due dates.

As of 31 December 2025, short-term prepayments received primarily comprise prepayments for expected insurance claims related to the wind heater accident in the amount of CZK 450,000 thousand (additional costs due to the interruption of operations) and prepayments for service supplies. As of 31 December 2024, this item primarily included prepayments for expected insurance claims related to the wind heater accident in the amount of CZK 950,000 thousand (additional costs due to the interruption of operations and property damage) and prepayments for service supplies.

Payables typically fall due for settlement within 60 days.

#### Other Payables

In the years ended 31 December 2025 and 31 December 2024, the category 'State – tax liabilities and subsidies' principally comprised received subsidies for emission allowances, and a payable arising from personal income tax.

As of 31 December 2025 and 31 December 2024, estimated payables mainly consist of an estimated payable intended to cover all so far unrecognised payments relating to staff costs, an estimated payable for fees under Act No. 201/2012 Coll., on Air Protection, and an estimated payable arising from unbilled inventory including services.

As of 31 December 2025 and 31 December 2024, sundry payables primarily include payables arising from the group registration for value-added tax.

### 3.6.5. INTERCOMPANY PAYABLES

#### Long-Term Payables

(IN CZK THOUSAND)

Company name	Relation to the Company	Balance at 31 Dec 2025	Balance at 31 Dec 2024
<b>Long-term payables</b>			
• Trade payables			
Strojírny a stavby Třinec, a.s.	Controlled entity	397	397
<b>Total</b>		<b>397</b>	<b>397</b>
<b>Total long-term intercompany payables</b>		<b>397</b>	<b>397</b>
Other than intercompany payables		3 356 296	3 703 362
<b>Total long-term payables</b>		<b>3 356 693</b>	<b>3 703 759</b>

Other than intercompany long-term payables as of 31 December 2025 and 2024 primarily included a deferred tax liability of CZK 1,149,714 thousand and CZK 1,154,740 thousand, respectively, and payables to credit institutions of CZK 2,191,565 thousand and CZK 2,539,951 thousand, respectively.

**Short-Term Payables**

(IN CZK THOUSAND)

Company name	Relation to the Company	Balance at 31 Dec 2025	Balance at 31 Dec 2024
Trade payables			
ENERGETIKA TŘINEC, a.s.	Controlled entity	845 722	851 709
Ocelářská unie a.s.	Associate	924	923
Šroubárna Kyjov, spol. s r.o.	Controlled entity	1 883	2 059
MORAVIA STEEL a.s.	Controlling entity	1 967 107	2 098 113
REFRASIL, s.r.o.	Controlled entity	26 098	25 186
Řetězárna a.s.	Controlled entity	1 000	1 237
Slévárny Třinec, a.s.	Controlled entity	17 041	7 203
TRISIA, a.s.	Controlled entity	1 070	1 239
TŘINECKÁ PROJEKCE, a.s.	Controlled entity	6 619	0
Třinecké gastroslužby, s.r.o.	Controlled entity	9 762	9 530
VESUVIUS ČESKÁ REPUBLIKA, a.s.	Associate	3 385	44 258
Strojírny a stavby Třinec, a.s.	Controlled entity	275 454	194 911
VÚHŽ a.s.	Controlled entity	2 858	273
Moravia Security, a.s.	Controlled entity	11 587	10 596
Moravskoslezský kovošrot, a.s.	Fellow subsidiary	165 044	99 822
„ZAMECZEK BŁOGOCICE“ Sp. z o.o.	Controlled entity	96	99
ŽDB DRÁTOVNA a.s.	Controlled entity	919	2 599
„NEOMET“ Sp. z o.o.	Fellow subsidiary	80 191	99 788
Security Morava, s.r.o.	Controlled entity	1 489	1 681
BOHEMIA RINGS s.r.o.	Controlled entity	2 896	3 049
ENEZA, s.r.o.	Controlled entity	1 802	1 104
MSV Metal Studénka a.s.	Fellow subsidiary	165	163

 TABLE CONTINUES ON THE FOLLOWING PAGE

 CONTINUATION OF THE TABLE FROM THE PREVIOUS PAGE

Company name	Relation to the Company	Balance at 31 Dec 2025	Balance at 31 Dec 2024
EKOSTROJÍRENSTVÍ TŘINEC, a.s.	Controlled entity	0	27 202
„METALURGIA“ SPÓŁKA AKCYJNA	Controlled entity	338	179
<b>Total</b>		<b>3 423 450</b>	<b>3 482 923</b>
Accrued expenses			
MORAVIA STEEL a.s.	Controlling entity	8 536	4 061
BOHEMIA RINGS s.r.o.	Controlled entity	0	541
<b>Total</b>		<b>8 536</b>	<b>4 602</b>
Estimated payables			
MORAVIA STEEL a.s.	Controlling entity	792	4
ENERGETIKA TŘINEC, a.s.	Controlled entity	970	0
TRISIA, a.a.	Controlled entity	76	0
<b>Total</b>		<b>1 838</b>	<b>4</b>
Sundry payables			
MORAVIA STEEL a.s.	Controlling entity	49 007	49 745
<b>Total</b>		<b>49 007</b>	<b>49 745</b>
<b>Total short-term intercompany payables including accruals</b>		<b>3 482 831</b>	<b>3 537 274</b>
Other than intercompany payables		3 828 205	4 869 795
<b>Total short-term payables including accruals</b>		<b>7 311 036</b>	<b>8 407 069</b>

Other than intercompany short-term payables as of 31 December 2025 and 2024 predominantly include payables to credit institutions of CZK 982,635 thousand and CZK 953,175 thousand, respectively, and tax liabilities and subsidies of CZK 229,615 thousand and CZK 505,726 thousand, respectively.

### 3.6.6. PAYABLES TO CREDIT INSTITUTIONS

#### Long-Term Payables to Credit Institutions

(IN CZK THOUSAND)

Type of payable	Currency	Balance at 31 Dec 2025	Balance at 31 Dec 2024	Form of collateral at 31 Dec 2025
Investment	EUR	0	112 262	Immovable and movable assets, insurance receivables
Investment	Kč	120 000	360 000	Immovable and movable assets, insurance receivables, promissory note
Investment	EUR	347 916	567 922	Immovable and movable assets, insurance receivables, promissory note
Investment	EUR	454 594	661 106	No collateral
Investment	Kč	677 235	838 661	Immovable and movable assets, insurance receivables
Investment	EUR	48 490	0	No collateral
Investment	EUR	543 330	0	Immovable and movable assets, insurance receivables, promissory note
<b>Total</b>		<b>2 191 565</b>	<b>2 539 951</b>	

The Company records repayments of long-term payables to credit institutions over five years in the amount of CZK 72,493 thousand.

**Short-Term Payables to Credit Institutions**

(IN CZK THOUSAND)

Type of payable	Currency	Balance at 31 Dec 2025	Balance at 31 Dec 2024	Form of collateral at 31 Dec 2025
Investment	EUR	108 072	224 524	Immovable and movable assets, insurance receivables
Investment	CZK	240 000	240 000	Immovable and movable assets, insurance receivables, promissory note
Investment	EUR	198 809	206 517	Immovable and movable assets, insurance receivables, promissory note
Investment	EUR	181 837	188 887	No collateral
Investment	CZK	193 496	93 185	Immovable and movable assets, insurance receivables
Investment	EUR	60 370	0	Immovable and movable assets, insurance receivables, promissory note
Short-term loan	CZK	51	62	No collateral
<b>Total</b>		<b>982 635</b>	<b>953 175</b>	

**3.7. Details of Income from Ordinary Activities**

(IN CZK THOUSAND)

	31 Dec 2025	31 Dec 2024
Proceeds of the sale of goods	19	27
Proceeds of the sale of products and services	44 536 336	47 370 656
– Products	43 796 651	46 601 513
– Services	739 685	769 143
<b>Total sales of goods, products and services</b>	<b>44 536 355</b>	<b>47 370 683</b>

99.7% of the Company's sales of goods, products, and services are generated in the Czech Republic.

### 3.8. Other Expenses and Income

As of 31 December 2025, other operating income of the Company mainly includes the use of the subsidy related to emission allowances, including the income from the sale of allowances, of CZK 8,333,927 thousand (31 December 2024: CZK 8,909,833 thousand), and the settlement of the insurance claim related to the wind heater accident in respect of property damage, including the reassessment of the insurance claim for the interruption of operations, with a total impact of a reduction in income of CZK 59,796 thousand.

Other financial income as of 31 December 2025 predominantly comprises foreign exchange gains of CZK 153,713 thousand (31 December 2024: CZK 60,670 thousand).

As of 31 December 2025, other operating expenses primarily reflect the use of emission allowances, including the costs of the sale of allowances, of CZK 6,433,078 thousand (31 December 2024: CZK 6,778,318 thousand).

Other financial expenses as of 31 December 2025 predominantly include foreign exchange losses of CZK 53,645 thousand (31 December 2024: CZK 124,513 thousand).

Financial gifts are reported in operating expenses. The total amount of gifts provided in 2025 amounted to CZK 21,547 thousand (2024: CZK 21,948 thousand).

In the year ended 31 December 2025, the Company received and reported the compensation for indirect costs for industries identified as having a significant risk of carbon leakage due to the reflection of the costs associated with greenhouse gas emissions in the price of electricity for the calendar year 2024 in the amount of CZK 473,906 thousand.

In the year ended 31 December 2024, the Company received and reported the compensation for indirect costs for industries identified as having a significant risk of carbon leakage due to the reflection of the costs associated with greenhouse gas emissions in the price of electricity for the calendar year 2023 in the amount of CZK 165,723 thousand.

### 3.9. Subsidies

In 2025, the Company drew subsidies for the operation of the Museum of Třinec Ironworks and the City of Třinec and subsidies for environmental projects in the amount of CZK 8,265 thousand (2024: CZK 2,325 thousand).

In 2025, the Company drew subsidies for the acquisition of environmental and other investments in the amount of CZK 88,250 thousand (2024: CZK 39,965 thousand).

### 3.10. Research and Development Costs

(IN CZK THOUSAND)

	31 Dec 2025	31 Dec 2024
Research and development costs (net of subsidies)	14 287	16 290

### 3.11. Related Party Transactions

#### 3.11.1. INCOME GENERATED WITH RELATED PARTIES

Income from intercompany transactions amounted to CZK 45,650,599 thousand and CZK 48,582,500 thousand in the years ended 31 December 2025 and 2024, respectively. All intercompany transactions were at arm's length.

The following table shows the income generated with the controlling entity and other entities in the consolidation group for the year ended 31 December 2025:

(IN CZK THOUSAND)

Entity	Relation to the Company	Fixed assets	Inventory of material, products and goods	Services	Other income	Total
MORAVIA STEEL a.s.	Controlling entity	0	42 464 567	364 253	581	42 829 401
ENERGETIKA TŘINEC, a.s.	Controlled entity	* 1 900 849	370 571	50 483	1 542	2 323 445
REFRASIL, s.r.o.	Controlled entity	0	1 390	7 477	22	8 889
Řetězárna a.s.	Controlled entity	0	0	1 570	0	1 570
Slévárny Třinec, a.s.	Controlled entity	43	223 744	23 143	69	246 999
VESUVIUS ČESKÁ REPUBLIKA, a.s.	Associate	0	15	11 320	2	11 337
Šroubárna Kyjov, spol. s r.o.	Controlled entity	0	5 841	0	0	5 841
Strojírny a stavby Třinec, a.s.	Controlled entity	0	97 060	56 927	126	154 113
VÚHŽ a.s.	Controlled entity	0	2 252	2 643	1	4 896
HŽP a.s.	Controlled entity	0	0	3 345		3 345
„METALURGIA“ SPÓŁKA AKCYJNA**	Controlled entity	0	0	2 145	0	2 145
ŽDB DRÁTOVNA a.s.	Controlled entity	0	21	27 894	15	27 930
BOHEMIA RINGS s.r.o.	Controlled entity	0	0	6 580	0	6 580
Třinecké gastroslužby, s.r.o.	Controlled entity	0	1 683	8 464	898	11 045
Moravia Security, a.s.	Controlled entity	0	0	3 780	3	3 783
<b>TOTAL</b>		<b>1 900 892</b>	<b>43 167 144</b>	<b>570 024</b>	<b>3 259</b>	<b>45 641 319</b>

Note: The consolidation group was expanded as of 1 January 2025 to include Třinecké gastroslužby, s.r.o. and Moravia Security, a.s.

\* including the sale of allowances

\*\* The translation was made using the average value of the foreign exchange rate.

The income arising from intercompany profit shares for the year ended 31 December 2025 is disclosed in Note 3.2.

The following table shows the income generated with the controlling entity and other entities in the consolidation group for the year ended 31 December 2024:

(IN CZK THOUSAND)

Entity	Relation to the Company	Fixed assets	Inventory of material, products and goods	Services	Other income	Total
MORAVIA STEEL a.s.	Controlling entity	0	45 043 694	382 814	528	45 427 036
ENERGETIKA TŘINEC, a.s.	Controlled entity	*2 131 515	436 417	48 303	126	2 616 361
REFRASIL, s.r.o.	Controlled entity	0	1 549	7 294	42	8 885
Řetězárna a.s.	Controlled entity	0	0	192	0	192
Slévárny Třinec, a.s.	Controlled entity	0	237 181	25 139	301	262 621
VESUVIUS ČESKÁ REPUBLIKA, a.s.	Associate	0	10	10 954	2	10 966
Šroubárna Kyjov, spol. s r.o.	Controlled entity	0	1	6 015	0	6 016
Strojírny a stavby Třinec, a.s.	Controlled entity	0	123 880	60 413	109	184 402
VÚHŽ a.s.	Controlled entity	0	2 450	2 572	2	5 024
HŽP a.s.	Controlled entity	0	0	3 346	0	3 346
„METALURGIA“ SPÓŁKA AKCYJNA**	Controlled entity	0	0	2 610	0	2 610
ŽDB DRÁTOVNA a.s.	Controlled entity	0	12	22 104	32	22 148
BOHEMIA RINGS s.r.o.	Controlled entity	0	153	5 074	5	5 232
<b>TOTAL</b>		<b>2 131 515</b>	<b>45 845 347</b>	<b>576 830</b>	<b>1 147</b>	<b>48 554 839</b>

Note: \*including the sale of allowances

\*\* The translation was made using the average value of the foreign exchange rate.

The income arising from intercompany profit shares for the year ended 31 December 2024 is disclosed in Note 3.2.

### 3.11.2. PURCHASES FROM RELATED PARTIES

Total purchases from related parties amounted to CZK 32,518,500 thousand and CZK 34,837,152 thousand in the years ended 31 December 2025 and 2024. All related party transactions were at arm's length.

The following table shows purchases from the controlling entity and other entities included in the consolidation group in the year ended 31 December 2025:

(IN CZK THOUSAND)

Entity	Type of entity	Fixed assets	Inventory of material, products and goods	Services	Other expenses	Total
MORAVIA STEEL a.s.	Controlling entity	54	21 992 450	306 917	552	22 299 973
ENERGETIKA TŘINEC, a.s.	Controlled entity	17 344	4 056 815	126 520	984 150	5 184 829
REFRASIL, s.r.o.	Controlled entity	0	1 134	189 657	0	190 791
Řetězárna a.s.	Controlled entity	0	8 515	0	0	8 515
Slévárny Třinec, a.s.	Controlled entity	21 989	79 879	1 013	0	102 881
VESUVIUS ČESKÁ REPUBLIKA, a.s.	Associate	0	0	105 123	0	105 123
Šroubárna Kyjov, spol. s r.o.	Controlled entity	0	16 613	0	0	16 613
Strojírny a stavby Třinec, a.s.	Controlled entity	225 163	422 992	815 785	28	1 463 968
VÚHŽ a.s.	Controlled entity	0	4 612	4 604	0	9 216
„D&D“ Drótaru Zrt.*	Controlled entity	0	21 326	0	0	21 326
„METALURGIA“ SPÓŁKA AKCYJNA*	Controlled entity	0	0	7 488	0	7 488
ŽDB DRÁTOVNA a.s.	Controlled entity	0	4 292	236	0	4 528
BOHEMIA RINGS s.r.o.	Controlled entity	0	12 049	0	0	12 049
Třinecké gastroslužby, s.r.o.	Controlled entity	0	11 394	1 897	94 357	107 648
Moravia Security, a.s.	Controlled entity	968	0	105 663	523	107 154
<b>TOTAL</b>		<b>265 518</b>	<b>26 632 071</b>	<b>1 664 903</b>	<b>1 079 610</b>	<b>29 642 102</b>

Note: The consolidation group was expanded as of 1 January 2025 to include Třinecké gastroslužby, s.r.o. and Moravia Security, a.s.

\* The translation was made using the average value of the foreign exchange rate.

The following table shows purchases from the controlling entity and other entities included in the consolidation group in the year ended 31 December 2024:

(IN CZK THOUSAND)

Entity	Type of entity	Fixed assets	Inventory of material, products and goods	Services	Other expenses	Total
MORAVIA STEEL a.s.	Controlling entity	0	23 828 343	303 266	207	24 131 816
ENERGETIKA TŘINEC, a.s.	Controlled entity	596	4 382 377	120 666	774 081	5 277 720
REFRASIL, s.r.o.	Controlled entity	0	564	187 466	0	188 030
Řetězárna a.s.	Controlled entity	0	8 751	0	112	8 863
Slévárny Třinec, a.s.	Controlled entity	5 575	71 311	1 015	0	77 901
VESUVIUS ČESKÁ REPUBLIKA, a.s.	Associate	20 214	0	107 772	0	127 986
Šroubárna Kyjov, spol. s r.o.	Controlled entity	0	17 714	0	0	17 714
Strojírny a stavby Třinec, a.s.	Controlled entity	372 931	418 541	624 489	38 888	1 454 849
VÚHŽ a.s.	Controlled entity	0	2 418	2 103	0	4 521
„METALURGIA“ SPÓŁKA AKCYJNA*	Controlled entity	0	0	1 047	0	1 047
„D&D“ Drótaru Zrt.*	Controlled entity	0	17 996	0	0	17 996
ŽDB DRÁTOVNA a.s.	Controlled entity	0	6 744	3 504	0	10 248
BOHEMIA RINGS s.r.o.	Controlled entity	0	12 521	0	0	12 521
<b>TOTAL</b>		<b>399 316</b>	<b>28 767 280</b>	<b>1 351 328</b>	<b>813 288</b>	<b>31 331 212</b>

\* The translation was made using the average value of the foreign exchange rate.

## 3.12. Employees, Management, and Supervisory Board

### Staff Costs and Number of Employees

31 December 2025

(IN CZK THOUSAND)

	Number	Total staff costs
Employees	6 674.4	5 033 274
Management	34.6	125 067
<b>Total</b>	<b>6 709</b>	<b>5 158 341</b>

31 December 2024

(IN CZK THOUSAND)

	Number	Total staff costs
Employees	6 837.7	5 028 797
Management	40.8	126 569
<b>Total</b>	<b>6 878.5</b>	<b>5 155 366</b>

For the purposes of these financial statements, the category of management includes the members of the Supervisory Board, the members of the Board of Directors, Director of Human Resources and ESG, technical director, managers of operations and specialised units and the plant director.

The number of employees and management members is based on the average recalculated number of employees and management members. The values related to 2024 include the impact of the Trialfa Merger (Note 2.1).

## 3.13. Loans, Borrowings, and Other Benefits Provided

31 December 2025

(IN CZK THOUSAND)

	Management
Company cars used for private purposes (the figure increases the tax base of employees)	3 227
Liability insurance	612

**31 December 2024**

(IN CZK THOUSAND)

	<b>Management</b>
Company cars used for private purposes (the figure increases the tax base of employees)	3 358
Liability insurance	607

**3.14. Contingent Liabilities and Assets and Off Balance Sheet Commitments, Legal Disputes****Provided Guarantees****31 December 2025**

<b>Type</b>	<b>Total amount</b>	<b>Balance at 31 Dec 2025</b>
<i><b>Guarantees</b></i>		
To other entities	EUR 1,507 thousand	CZK 36,531 thousand

**31 December 2024**

<b>Type</b>	<b>Total amount</b>	<b>Balance at 31 Dec 2024</b>
<i><b>Guarantees</b></i>		
To other entities	EUR 3,249 thousand CZK 40,000 thousand	CZK 81,833 thousand CZK 40,000 thousand

**Received Guarantees****31 December 2025**

<b>Type</b>	<b>Total amount</b>	<b>Balance at 31 Dec 2025</b>
<i><b>Guarantees</b></i>		
From other entities	EUR 1,300 thousand CZK 13,346 thousand	CZK 31,530 thousand CZK 13,346 thousand

**31 December 2024**

Type	Total amount	Balance at 31 Dec 2024
<b>Guarantees</b>		
From other entities	EUR 4,487 thousand	CZK 113,004 thousand
	CZK 21,320 thousand	CZK 21,320 thousand

As of 31 December 2025, the Company records in off-balance sheet records both promissory notes issued by the Company in favour of credit institutions and promissory notes received, issued in favour of the Company to collateralise financial payables under the Revolving Credit Agreements.

**Legal Disputes**

A dispute based on an action filed by the Company on 14 February 2025 at the Municipal Court in Prague against the decision of the Ministry of Industry and Trade of the Czech Republic issued under Ref. No. MPO 86138/2025 on 12 December 2025. By this decision, the Company was awarded a compensation for indirect costs for 2024 (according to Government Regulation No. 565/2020 Coll.) only in a reduced amount, i.e. CZK 165,722,948.00, although the Company claimed compensation for indirect costs for 2024 in the amount of CZK 458,272,980.30 by a duly filed application. The contested decision of the Ministry of Industry and Trade provided compensation only in an amount reduced by the amount of other public support provided to the Company, specifically by the amount provided to the Company in the form of the electricity price cap. By this action, the Company seeks the annulment of the above-mentioned decision of the Ministry of Industry and Trade on the provision of compensation for indirect costs. Following the dismissal of the action by the Municipal Court in Prague, the Company filed a cassation complaint with the Supreme Administrative Court. The matter has not yet been resolved.

**Environmental Liabilities**

The Company was subject to an environmental audit, which highlighted the Company's environmental obligations. Based upon the audit, the Company entered into an agreement with the National Property Fund of the Czech Republic for the settlement of expenses involved in removing environmental liabilities up to CZK 514 million that had arisen prior to privatisation.

Under the amendment to this contract concluded on 3 November 2008 with the Czech Republic – the Ministry of Finance, the guarantee of the Ministry of Finance is capped at CZK 843.6 million. This guarantee covers environmental liabilities of the Company. For this reason, the Company does not create a reserve for environmental burdens.

As of 31 December 2025, the Company used up funds in the amount of CZK 556,802 thousand (2024: CZK 552,562 thousand).

**3.15. Post Balance Sheet Events**

After the balance sheet date of 31 December 2025, the following change in the Company's organisational structure becomes effective as of 1 January 2026:

– the Tube Rolling Mill Operation, the VWhb – Universal Mill Unit and the Section Rolling Mill Plant were merged into a new External Rolling Mills Operation under the authority of the Production Director.

## 09

# FINANCIAL PART II. CONSOLIDATED FINANCIAL STATEMENTS

## Consolidated financial statements for the year ended 31 December 2025

<b>Name of Company</b>	TŘINECKÉ ŽELEZÁRNY, a. s.
<b>Registered Office</b>	Průmyslová 1000, Staré Město, 739 61 Třinec
<b>Legal Status</b>	Joint Stock Company
<b>Corporate ID</b>	180 50 646

### Components of the Consolidated Financial Statements:

- Consolidated Balance Sheet
- Consolidated Profit and Loss Account
- Consolidated Statement of Changes in Equity
- Consolidated Cash Flow Statement
- Notes to the Consolidated Financial Statements

## These consolidated financial statements were prepared on 30 March 2026.

### Statutory body of the reporting entity

**Roman Heide**  
Chairman of the Board of Directors

**Radomíra Pekárková**  
Member of the Board of Directors

## CONSOLIDATED BALANCE SHEET FULL VERSION

(IN CZK THOUSAND)

		31.12.2025			31.12.2024
		Gross	Adjustment	Net	Net
<b>TOTAL ASSETS</b>		<b>101 406 828</b>	<b>-51 744 946</b>	<b>49 661 882</b>	<b>50 743 514</b>
<b>B.</b>	<b>Fixed assets</b>	<b>75 110 579</b>	<b>-50 470 121</b>	<b>24 640 458</b>	<b>25 705 338</b>
<i>B.I.</i>	<b>Intangible fixed assets</b>	<b>1 298 941</b>	<b>-470 068</b>	<b>828 873</b>	<b>1 314 148</b>
B.I.1.	Development	2 972	-2 972		
B.I.2.	<i>Valuable rights</i>	<b>571 317</b>	<b>-451 457</b>	<b>119 860</b>	<b>87 063</b>
B.I.2.1.	Software	369 002	-299 546	69 456	31 108
B.I.2.2.	Other valuable rights	202 315	-151 911	50 404	55 955
B.I.3.	Goodwill	335	-335		
B.I.4.	Other intangible fixed assets	704 596	-15 304	689 292	1 205 520
B.I.5.	<i>Prepayments for intangible fixed assets and intangible fixed assets under construction</i>	<b>19 721</b>		<b>19 721</b>	<b>21 565</b>
B.I.5.1.	Prepayments for intangible fixed assets				1 482
B.I.5.2.	Intangible fixed assets under construction	19 721		19 721	20 083
<i>B.II.</i>	<b>Tangible fixed assets</b>	<b>72 987 921</b>	<b>-49 542 175</b>	<b>23 445 746</b>	<b>23 740 554</b>
B.II.1.	<i>Land and structures</i>	<b>19 138 859</b>	<b>-10 573 317</b>	<b>8 565 542</b>	<b>8 325 417</b>
B.II.1.1.	Land	851 240		851 240	850 727
B.II.1.2.	Structures	18 287 619	-10 573 317	7 714 302	7 474 690
B.II.2.	Tangible movable assets and sets of tangible movable assets	52 439 650	-38 866 114	13 573 536	13 345 245
B.II.4.	<i>Other tangible fixed assets</i>	<b>141 861</b>	<b>-91 644</b>	<b>50 217</b>	<b>35 436</b>
B.II.4.3.	Sundry tangible fixed assets	141 861	-91 644	50 217	35 436
B.II.5.	<i>Prepayments for tangible fixed assets and tangible fixed assets under construction</i>	<b>1 267 551</b>	<b>-11 100</b>	<b>1 256 451</b>	<b>2 034 456</b>
B.II.5.1.	Prepayments for tangible fixed assets	48 204		48 204	72 336
B.II.5.2.	Tangible fixed assets under construction	1 219 347	-11 100	1 208 247	1 962 120

 TABLE CONTINUES ON THE FOLLOWING PAGE

CONTINUATION OF THE TABLE FROM THE PREVIOUS PAGE

### CONSOLIDATED BALANCE SHEET FULL VERSION

(IN CZK THOUSAND)

		31.12.2025		31.12.2024	
		Gross	Adjustment	Net	Net
<b>B.III.</b>	<b>Non-current financial assets</b>	<b>394 959</b>	<b>-85 370</b>	<b>309 589</b>	<b>356 062</b>
B.III.1.	Equity investments – controlled or controlling entity	348 756	-64 344	284 412	329 138
B.III.3.	Equity investments in associates	26 201	-21 026	5 175	6 922
B.III.5.	Other non-current securities and investments	2		2	2
B.III.7.	<i>Other non-current financial assets</i>	<b>20 000</b>		<b>20 000</b>	<b>20 000</b>
B.III.7.1.	Sundry non-current financial assets	20 000		20 000	20 000
<b>B.IV.</b>	<b>Goodwill on consolidation</b>	<b>292 221</b>	<b>-372 508</b>	<b>-80 287</b>	<b>160 203</b>
B.IV.1.	Positive goodwill on consolidation	381 589	-381 589		170 157
B.IV.2.	Negative goodwill on consolidation	-89 368	9 081	-80 287	-9 954
<b>B.V.</b>	<b>Securities and equity investments under equity accounting</b>	<b>136 537</b>		<b>136 537</b>	<b>134 371</b>
<b>C.</b>	<b>Current assets</b>	<b>26 296 249</b>	<b>-1 274 825</b>	<b>25 021 424</b>	<b>25 038 176</b>
<b>C.I.</b>	<b>Inventories</b>	<b>16 692 825</b>	<b>-1 160 135</b>	<b>15 532 690</b>	<b>15 830 081</b>
C.I.1.	Material	7 275 756	-470 493	6 805 263	6 703 597
C.I.2.	Work in progress and semifinished goods	5 451 015	-432 932	5 018 083	5 311 332
C.I.3.	<i>Products and goods</i>	<b>3 961 575</b>	<b>-256 710</b>	<b>3 704 865</b>	<b>3 799 443</b>
C.I.3.1.	Products	3 888 746	-252 739	3 636 007	3 718 177
C.I.3.2.	Goods	72 829	-3 971	68 858	81 266
C.I.5.	Prepayments for inventories	4 479		4 479	15 709

TABLE CONTINUES ON THE FOLLOWING PAGE

CONTINUATION OF THE TABLE FROM THE PREVIOUS PAGE

CONSOLIDATED BALANCE SHEET FULL VERSION

(IN CZK THOUSAND)

		31.12.2025		31.12.2024	
		Gross	Adjustment	Net	Net
<i>C.II.</i>	<b>Receivables</b>	<b>6 704 517</b>	<b>-114 690</b>	<b>6 589 827</b>	<b>7 912 003</b>
<i>C.II.1.</i>	<b>Long-term receivables</b>	<b>56 236</b>	<b>-914</b>	<b>55 322</b>	<b>41 272</b>
C.II.1.1.	Trade receivables	9 617	-462	9 155	5 936
C.II.1.4.	Deferred tax asset	9 926		9 926	11 543
C.II.1.5.	<i>Receivables - other</i>	<b>36 693</b>	<b>-452</b>	<b>36 241</b>	<b>23 793</b>
C.II.1.5.2.	Long-term prepayments made	306		306	306
C.II.1.5.4.	Sundry receivables	36 387	-452	35 935	23 487
<i>C.II.2.</i>	<b>Short-term receivables</b>	<b>6 385 682</b>	<b>-113 776</b>	<b>6 271 906</b>	<b>7 589 069</b>
C.II.2.1.	Trade receivables	5 031 654	-99 017	4 932 637	5 402 348
C.II.2.4.	<i>Receivables - other</i>	<b>1 354 028</b>	<b>-14 759</b>	<b>1 339 269</b>	<b>2 186 721</b>
C.II.2.4.1.	Receivables from partners	19		19	
C.II.2.4.3.	State - tax assets	420 599		420 599	488 578
C.II.2.4.4.	Short-term prepayments made	30 720		30 720	21 916
C.II.2.4.5.	Estimated receivables	847 081		847 081	1 613 755
C.II.2.4.6.	Sundry receivables	55 609	-14 759	40 850	62 472
<i>C.II.3.</i>	<b>Other assets</b>	<b>262 599</b>		<b>262 599</b>	<b>281 662</b>
C.II.3.1.	Deferred expenses	195 724		195 724	161 415
C.II.3.2.	Complex deferred expenses	53 674		53 674	67 066
C.II.3.3.	Accrued income	13 201		13 201	53 181
<i>C.IV.</i>	<b>Cash</b>	<b>2 898 907</b>		<b>2 898 907</b>	<b>1 296 092</b>
C.IV.1.	Cash on hand	4 307		4 307	3 491
C.IV.2.	Cash at bank	2 894 600		2 894 600	1 292 601

## CONSOLIDATED BALANCE SHEET FULL VERSION

(IN CZK THOUSAND)

	31.12.2025	31.12.2024
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>49 661 882</b>	<b>50 743 514</b>
<b>A. Equity</b>	<b>35 091 402</b>	<b>34 730 000</b>
<i>A.I. Share capital</i>	<b>8 109 863</b>	<b>8 109 863</b>
A.I.1. Share capital	8 109 863	8 109 863
<i>A.II. Share premium and capital funds</i>	<b>-111 006</b>	<b>-120 578</b>
A.II.2. Capital funds	<b>-111 006</b>	<b>-120 578</b>
A.II.2.1. Other capital funds	135 772	135 415
A.II.2.2. Gains or losses from the revaluation of assets and liabilities (+/-)	-246 778	-255 993
<i>A.III. Funds from profit</i>	<b>3 312 852</b>	<b>3 312 852</b>
A.III.1. Other reserve funds	3 312 852	3 312 852
<i>A.IV. Retained earnings (+/-)</i>	<b>22 606 316</b>	<b>22 429 935</b>
A.IV.1. Accumulated profits or losses brought forward (+/-)	22 609 796	22 429 935
A.IV.2. Other profit or loss brought forward (+/-)	-3 480	
<i>A.V. Profit or loss for the current period net of minority interests</i>	<b>410 425</b>	<b>237 753</b>
A.V.1. Profit or loss for the current period (+/-)	405 482	234 975
A.V.2. Share in profit or loss under equity accounting	4 943	2 778
<i>A.VII. Consolidation reserve fund</i>	<b>762 952</b>	<b>760 175</b>
<b>B.+C. Liabilities</b>	<b>14 215 103</b>	<b>15 672 199</b>
<b>B. Reserves</b>	<b>253 899</b>	<b>250 497</b>
B.1. Reserve for pensions and similar liabilities	1 009	942
B.3. Reserves under special legislation	15 644	1 140
B.4. Other reserves	237 246	248 415

 TABLE CONTINUES ON THE FOLLOWING PAGE

☺ CONTINUATION OF THE TABLE FROM THE PREVIOUS PAGE

### CONSOLIDATED BALANCE SHEET FULL VERSION

(IN CZK THOUSAND)

		31.12.2025	31.12.2024
<b>C.</b>	<b>Payables</b>	<b>13 961 204</b>	<b>15 421 702</b>
<i>C.I.</i>	<b>Long-term payables</b>	<b>4 409 187</b>	<b>4 378 993</b>
C.I.2.	Payables to credit institutions	2 446 941	2 857 360
C.I.3.	Long-term prepayments received	392 551	6 851
C.I.4.	Trade payables	15 407	8 982
C.I.8.	Deferred tax liability	1 554 288	1 505 800
<i>C.II.</i>	<b>Short-term payables</b>	<b>9 435 230</b>	<b>10 768 722</b>
C.II.2.	Payables to credit institutions	1 514 723	1 566 241
C.II.3.	Short-term prepayments received	659 214	1 082 993
C.II.4.	Trade payables	5 610 850	5 667 294
C.II.8.	Other payables	<b>1 650 443</b>	<b>2 452 194</b>
C.II.8.1.	Payables to partners	21	
C.II.8.2.	Short-term financial borrowings	64	84
C.II.8.3.	Payables to employees	440 096	641 695
C.II.8.4.	Social security and health insurance payables	282 735	279 041
C.II.8.5.	State – tax liabilities and subsidies	648 464	1 295 525
C.II.8.6.	Estimated payables	166 861	128 315
C.II.8.7.	Sundry payables	112 202	107 534
<i>C.III.</i>	<b>Other liabilities</b>	<b>116 787</b>	<b>273 987</b>
C.III.1.	Accrued expenses	113 919	271 553
C.III.2.	Deferred income	2 868	2 434
<b>D.</b>	<b>Minority equity</b>	<b>355 377</b>	<b>341 315</b>
D.1.	Minority share capital	58 800	58 800
D.2.	Minority capital funds	1	1
D.3.	Minority profit funds incl. accumulated profits or losses brought forward	275 164	264 625
D.5.	Minority profit or loss for the current period	21 412	17 889

## CONSOLIDATED PROFIT AND LOSS ACCOUNT STRUCTURED BY THE NATURE OF EXPENSE METHOD

(IN CZK THOUSAND)

		Year ended 31.12.2025	Year ended 31.12.2024
I.	Sales of products and services	56 808 614	59 678 393
II.	Sales of goods	293 245	256 014
A.	Purchased consumables and services	<b>46 443 074</b>	<b>50 056 539</b>
A.1.	Costs of goods sold	220 781	220 059
A.2.	Consumed material and energy	41 278 259	45 203 123
A.3.	Services	4 944 034	4 633 357
B.	Change in internally produced inventory (+/-)	625 463	488 843
C.	Own work capitalised (-)	-1 621 499	-1 883 449
D.	Staff costs	<b>8 765 191</b>	<b>8 314 625</b>
D.1.	Payroll costs	6 241 914	5 940 318
D.2.	Social security and health insurance costs and other charges	<b>2 523 277</b>	<b>2 374 307</b>
D.2.1.	Social security and health insurance costs	2 058 489	1 956 861
D.2.2.	Other charges	464 788	417 446
E.	Adjustments to values in operating activities	<b>2 178 518</b>	<b>2 115 426</b>
E.1.	<i>Adjustments to values of intangible and tangible fixed assets</i>	<b>2 508 663</b>	<b>2 404 821</b>
E.1.1.	Adjustments to values of intangible and tangible fixed assets – permanent	2 375 626	2 353 257
E.1.A.	Accounting for positive goodwill arising on consolidation	19 079	19 079
E.1.B.	Accounting for negative goodwill arising on consolidation	-4 468	-728
E.1.2.	Adjustments to values of intangible and tangible fixed assets – temporary	118 426	33 213
E.2.	Adjustments to values of inventories	-261 201	-286 448
E.3.	Adjustments to values of receivables	-68 944	-2 947

 TABLE CONTINUES ON THE FOLLOWING PAGE

CONTINUATION OF THE TABLE FROM THE PREVIOUS PAGE

CONSOLIDATED PROFIT AND LOSS ACCOUNT STRUCTURED BY THE NATURE OF EXPENSE METHOD

(IN CZK THOUSAND)

		Year ended 31.12.2025	Year ended 31.12.2024
III.	Other operating income	<b>7 701 183</b>	<b>7 532 721</b>
III.1.	Sales of fixed assets	19 272	56 019
III.2.	Sales of material	156 434	144 155
III.3.	Sundry operating income	7 525 477	7 332 547
F.	Other operating expenses	<b>7 770 253</b>	<b>7 740 555</b>
F.1.	Net book value of sold fixed assets	3 942	7 972
F.2.	Material sold	139 499	131 009
F.3.	Taxes and charges	112 492	99 366
F.4.	Reserves relating to operating activities and complex deferred expenses	16 897	48 609
F.5.	Sundry operating expenses	7 497 423	7 453 599
*	<b>Operating profit or loss (+/-)</b>	<b>642 042</b>	<b>634 589</b>
IV.	Income from non-current financial assets - equity investments	<b>23 221</b>	<b>42 025</b>
IV.1.	Income from equity investments - controlled or controlling entity	23 221	42 016
IV.2.	Other income from equity investments		9
V.	Income from other non-current financial assets		752
V.2.	Other income from other non-current financial assets		752
VI.	Interest income and similar income	<b>29 046</b>	<b>16 900</b>
VI.1.	Interest income and similar income - controlled or controlling entity		4 394
VI.2.	Other interest income and similar income	29 046	12 506

TABLE CONTINUES ON THE FOLLOWING PAGE

CONTINUATION OF THE TABLE FROM THE PREVIOUS PAGE

CONSOLIDATED PROFIT AND LOSS ACCOUNT STRUCTURED BY THE NATURE OF EXPENSE METHOD

(IN CZK THOUSAND)

	Year ended 31.12.2025	Year ended 31.12.2024
I. Adjustments to values and reserves relating to financial activities	31 237	10 963
J. Interest expenses and similar expenses	<b>132 263</b>	<b>233 939</b>
J.2. Other interest expenses and similar expenses	132 263	233 939
VII. Other financial income	267 185	230 448
K. Other financial expenses	206 801	303 857
<b>* Financial profit or loss (+/-)</b>	<b>-50 849</b>	<b>-258 634</b>
<b>** Profit or loss before tax (+/-)</b>	<b>591 193</b>	<b>375 955</b>
L. Income tax	<b>164 299</b>	<b>123 091</b>
L.1. Due income tax	126 968	134 636
L.2. Deferred income tax (+/-)	37 331	-11 545
<b>** Profit or loss net of tax (+/-)</b>	<b>426 894</b>	<b>252 864</b>
<b>** Consolidated profit or loss excluding equity accounted investments</b>	426 894	252 864
Consolidated profit or loss excluding minority interests	405 482	234 975
Minority profit or loss	21 412	17 889
<b>* Profit or loss under equity accounting</b>	4 943	2 778
Profit or loss for the current period (+/-)	431 837	255 642
<b>*** Profit or loss for the current period excluding minority interests (+/-)</b>	<b>410 425</b>	<b>237 753</b>
* Net turnover for the current period	<b>57 232 677</b>	<b>60 025 994</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(IN CZK THOUSAND)

	Share capital	Capital funds	Funds from profit, other reserve funds	Other profit or loss brought forward	Accumulated profits or losses brought forward	Profit or loss for the current period	Consolidation reserve fund	Profit or loss under equity accounting	TOTAL EQUITY
<b>Balance at 31 December 2023</b>	<b>8 109 863</b>	<b>-102 169</b>	<b>3 312 852</b>		<b>23 655 694</b>	<b>-1 248 189</b>	<b>734 826</b>	<b>25 348</b>	<b>34 488 225</b>
<b>Effect of the merger as of 1 January 2024</b>					<b>22 430</b>				<b>22 430</b>
<b>Balance at 1 January 2024</b>	<b>8 109 863</b>	<b>-102 169</b>	<b>3 312 852</b>		<b>23 678 124</b>	<b>-1 248 189</b>	<b>734 826</b>	<b>25 348</b>	<b>34 510 655</b>
Profit for the current period						234 975		2 778	237 753
Distribution of profit or loss					-1 248 189	1 248 189	25 348	-25 348	
Profit shares paid									
Revaluation of assets		-18 409							-18 409
Other							1		1
<b>Balance at 31 December 2024</b>	<b>8 109 863</b>	<b>-120 578</b>	<b>3 312 852</b>		<b>22 429 935</b>	<b>234 975</b>	<b>760 175</b>	<b>2 778</b>	<b>34 730 000</b>
<b>Effect of the merger as of 1 January 2025</b>					<b>-52 296</b>				<b>-52 296</b>
<b>Balance at 1 January 2025</b>	<b>8 109 863</b>	<b>-120 578</b>	<b>3 312 852</b>		<b>22 377 639</b>	<b>234 975</b>	<b>760 175</b>	<b>2 778</b>	<b>34 677 704</b>
Profit for the current period						405 482		4 943	410 425
Distribution of profit or loss		2 816			232 159	-234 975	2 778	-2 778	
Profit shares paid									
Revaluation of assets		6 756							6 756
Other profit or loss				-3 480					-3 480
Impact of changes in the consolidation group									
Ostatní					-2		-1		-3
<b>Balance at 31 December 2025</b>	<b>8 109 863</b>	<b>-111 006</b>	<b>3 312 852</b>	<b>-3 480</b>	<b>22 609 796</b>	<b>405 482</b>	<b>762 952</b>	<b>4 943</b>	<b>35 091 402</b>

## CONSOLIDATED CASH FLOW STATEMENT

(IN CZK THOUSAND)

		Year ended 31.12.2025	Year ended 31.12.2024
<b>P.</b>	<b>Opening balance of cash and cash equivalents</b>	<b>1 286 492</b>	<b>609 905</b>
	<b><i>Cash flows from ordinary activities (operating activities)</i></b>		
Z.	Profit or loss from ordinary activities before tax	591 193	375 955
A.1.	Adjustments for non-cash transactions	2 216 146	2 339 588
A.1.1.	Depreciation of fixed assets excluding net book value of fixed assets sold, amortisation of the valuation difference on acquired assets and goodwill and goodwill on consolidation	2 390 237	2 371 608
A.1.2.	Change in provisions and reserves	-163 585	-196 610
A.1.3.	Profit/(loss) on the sale of fixed assets	-15 330	-48 047
A.1.4.	Revenues from profit shares, except for those paid from consolidation entities	-23 221	-42 025
A.1.5.	Interest expense and interest income	103 217	217 039
A.1.6.	Adjustments for other non-cash transactions	-112 678	43 877
A.1.7.	Costs of emission allowance consumption	68 102	
A.1.8.	Non-cash transactions – merger	-30 596	-6 254
<b>A.*</b>	<b>Net operating cash flow before changes in working capital</b>	<b>2 807 339</b>	<b>2 715 543</b>
A.2.	Change in working capital	1 233 478	844 526
A.2.1.	Change in operating receivables and other assets	1 143 333	-408 589
A.2.2.	Change in operating payables and other liabilities	-479 282	-74 854
A.2.3.	Change in inventories	565 704	1 328 037
A.2.4.	Change in current financial assets	3 723	-68
<b>A.**</b>	<b>Net cash flow from operations before tax</b>	<b>4 040 817</b>	<b>3 560 069</b>

☺ TABLE CONTINUES ON THE FOLLOWING PAGE

CONTINUATION OF THE TABLE FROM THE PREVIOUS PAGE

## CONSOLIDATED CASH FLOW STATEMENT

(IN CZK THOUSAND)

		Year ended 31.12.2025	Year ended 31.12.2024
A.3.	Interest paid	-136 713	-236 053
A.4.	Interest received	31 688	16 859
A.5.	Income tax paid from ordinary operations	-128 757	-173 556
A.6.	Received profit shares	25 999	67 373
<b>A.***</b>	<b>Net operating cash flows</b>	<b>3 833 034</b>	<b>3 234 692</b>
	<b><i>Cash flows from investing activities</i></b>		
B.1.	Fixed assets expenditures	-2 015 384	-2 050 413
B.2.	Proceeds from fixed assets sold	46 977	55 325
B.3.	Loans and borrowings to related parties	67 123	
B.5.	Extension of the consolidation group	36 423	
B.6.	Increase in cash - merger	5 223	16 663
B.7.	Emission allowance expenditures	-167 234	
<b>B.***</b>	<b>Net investment cash flows</b>	<b>-2 026 872</b>	<b>-1 978 425</b>
	<b><i>Cash flow from financial activities</i></b>		
C.1.	Change in payables from financing	-462 197	-570 860
C.2.	Impact of changes in equity	-7 350	-8 820
C.2.6.	Profit shares paid except for those paid between consolidation entities	-7 350	-8 820
<b>C.***</b>	<b>Net financial cash flows</b>	<b>-469 547</b>	<b>-579 680</b>
<b>F.</b>	<b>Net increase or decrease in cash and cash equivalents</b>	<b>1 336 615</b>	<b>676 587</b>
<b>R.</b>	<b>Closing balance of cash and cash equivalents</b>	<b>2 623 107</b>	<b>1 286 492</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

# 1. GENERAL INFORMATION

## 1.1. Incorporation and Description of the Company

TŘINECKÉ ŽELEZÁRNY, a. s. (hereinafter the “Company”), was formed by the National Property Fund of the Czech Republic and was incorporated following its registration in the Register of Companies of the Regional Court in Ostrava on 21 March 1991. The Company is primarily engaged in metallurgy with a closed metallurgical cycle. In addition to the production of coke, pig iron and steel, the range of principal products provided by the Company involves the products of rolling mills, namely blooms, slabs, billets, rods, reinforcing bars and thin, medium and heavy sections, rails including the production of plates, clamps and jumpers for rails, steel tubes and drawing-quality steel.

The Company’s registered office is located at Průmyslová 1000, Staré Město, 739 61 Třinec.

The Company’s issued share capital is CZK 8,109,863 thousand.

The sole shareholder of the Company is MORAVIA STEEL a.s.

## 1.2. Group Identification

For the purposes of these notes to the consolidated financial statements, the Group includes (i) the Company, (ii) entity controlling the Company (hereinafter the “controlling entity”) or entity holding an equity investment in the Company that is treated as part of “Equity investments in associates”, (iii) entities in which the controlling entity, the Company or other entities controlled by them have an equity investment that is treated as part of “Equity investments – controlled or controlling entity” (hereinafter “subsidiaries”) or as part of “Equity investments in associates” (hereinafter “associates”).

In the year ended 31 December 2025, the Company was controlled by MORAVIA STEEL a.s., having its registered office at Průmyslová 1000, Staré Město, 739 61 Třinec, as the sole shareholder.

MORAVIA STEEL a.s. prepares the consolidated financial statements for the broadest group of reporting entities. These financial statements can be obtained at the registered office of MORAVIA STEEL a.s.

The Company prepares the consolidated financial statements for the narrowest group of reporting entities. These financial statements for the year 2025 can be obtained at the Company’s registered office.

### 1.3. Board of Directors and Supervisory Board as of 31 December 2025

	Position	Name
<b>Board of Directors</b>	Chairman	Roman Heide
	1st Vice Chairman	Tomáš Gajdzica
	Member	Radomíra Pekárková
	Member	Daniel Heczko
<b>Supervisory Board</b>	Chairman	Tomáš Chrenek
	1st Vice Chairman	Ján Moder
	2nd Vice Chairman	Evžen Balko
	Member	Jozef Blaško
	Member	Jana Kantorová
	Member	Marcel Pielesz

During 2025, the following changes were made in the composition of the Company's Board of Directors:

Position	Formerly	Now	Date of Change
2nd Vice Chairman	Henryk Huczala	-	17 December 2025

During 2025, no changes were made in the composition of the Company's Supervisory Board.

## 2. DEFINITION OF THE CONSOLIDATED GROUP, CONSOLIDATION SYSTEM AND METHODS

### 2.1. Organisational Structure

The bodies of the Company are as follows:

- General Meeting;
- Supervisory Board; and
- Board of Directors.

The Company's organisational structure is divided into individual levels, specifically the Chief Executive Officer and professional directors including HR and ESG Director, Finance Director, Production Director, Technical Director and Director for Investments and Strategy. Each professional director's division is further structured into professional sections and departments.

During 2025, the following changes were made to the Company's organisational structure:

- The Strategy and Marketing Department, which was under the authority of the CEO, was dissolved. A new Group Strategic Planning Department was established under the authority of the Finance Director.
- The Cybersecurity Department, which was under the authority of the Director for Investments, was changed to the Cybersecurity and Networks Division and transferred under the IT and Telecommunications Department.
- The Controlling Department was renamed Capital Holdings and Controlling.
- The Department for the Administration of Interests in Legal Entities, which was under the authority of the Finance Director, was changed to the Capital Holdings Division and transferred under the Capital Holdings and Controlling Department.
- A new specialist unit, Environmental Technologies, was established under the authority of the Technical Director.
- The Control Systems Department, which was under the authority of the Director for Investments, was dissolved. Its two divisions, Control Systems Service – Ostrava and Basic-Level Control Systems Service, were transferred under the IT and Telecommunications Department.

## 2.2. Names and Registered Offices of Subsidiaries and Associates included in the Consolidated Group

The following companies were included in the consolidated group for the year ended 31 December 2025:

### Subsidiaries:

Name of the company	Registered office	Business activities	Equity investment at 31 Dec 2025
ENERGETIKA TŘINEC, a.s.	Průmyslová 1024, Staré Město, 739 61 Třinec	Production and distribution of heat and electricity	100.00%
Slévárny Třinec, a.s.	Průmyslová 1001, Staré Město, 739 61 Třinec	Foundry industry	100.00%
VÚHŽ a.s.	č.p. 240, 739 51 Dobrá	Production, installation and repairs of electronic equipment, foundry industry, modelling	100.00%
Šroubárna Kyjov, spol. s r.o.	Jiráskova 987/50, 697 01 Kyjov	Railway route operation, locksmithing, tool engineering, metalworking	100.00%
Strojírny a stavby Třinec, a.s.	Průmyslová 1038, Staré Město, 739 61 Třinec	Production of machinery and technology units, machinery equipment, construction work	100.00%
„METALURGIA“ SPÓŁKA AKCYJNA	Świętej Rozalii 10/12, 97-500 Radomsko, Poland	Production of nails, wire and wire products	100.00%
„D&D“ Drótaru Ipari és Kereskedelmi Zártkörűen Működő Részvénytársaság*	3527 Miskolc, Sajószigeti utca 4., Hungary	Production of wire products	100.00%
ŽDB DRÁTOVNA a.s.	Jeremenkova 66, Pudlov, 735 51 Bohumín	Production of drawn wire, steel cord and tubular wire, ropes, tissues and welded networks, springs, draw plates and other wire products	100.00%
HŽP a.s.	Dolní 3137/100, 796 01 Prostějov	Production of leaf and helical springs for the automotive and railway industries	100.00%
SV servisní, s.r.o.	Dolní 3137/100, 796 01 Prostějov	Electricity trading and distribution, gas trading and distribution	100.00%
REFRASIL, s.r.o.	Průmyslová 720, Kanská, 739 61 Třinec	Production of building materials, porcelain, ceramic and plaster products	100.00%
BOHEMIA RINGS s.r.o.	č.p. 10, 565 43 Zámorsk	Smithery and metalworking	100.00%
Řetězárna a.s.	Polská 48, 790 81 Česká Ves	Production of chains, chain products and drawn wire	51.00%
Třinecké gastroslužby, s.r.o.	Průmyslová 1035, Staré Město, 739 61 Třinec	Catering services	100.00%
Moravia Security, a.s.	Průmyslová 725, Kanská, 739 61 Třinec	Provision of technical services for the protection of property and persons	100.00%

Note: \* hereinafter also “D&D” Drótaru Zrt.

**Associate:**

Name of the company	Registered office	Business activities	Equity investment at 31 Dec 2025
VESUVIUS ČESKÁ REPUBLIKA, a.s.	Průmyslová 726, Kanská, 739 61 Třinec	Production of isostatically pressed heat-resisting products for continuous steel casting	40.00%

In 2025, the consolidation group was expanded to include the company Třinecké gastroslužby, s.r.o. and the company Moravia Security, a.s. The inclusion of these companies in the consolidation group was carried out as of 1 January 2025.

**The following companies were included in the consolidated group for the year ended 31 December 2024:****Subsidiaries:**

Name of the company	Registered office	Business activities	Equity investment at 31 Dec 2024
ENERGETIKA TŘINEC, a.s.	Průmyslová 1024, Staré Město, 739 61 Třinec	Production and distribution of heat and electricity	100.00%
Slévárny Třinec, a.s.	Průmyslová 1001, Staré Město, 739 61 Třinec	Foundry industry	100.00%
VÚHŽ a.s.	č.p. 240, 739 51 Dobrá	Production, installation and repairs of electronic equipment, foundry industry, modelling	100.00%
Šroubárna Kyjov, spol. s r.o.	Jiráskova 987/50, 697 01 Kyjov	Railway route operation, locksmithing, tool engineering, metalworking	100.00%
Strojírny a stavby Třinec, a.s.	Průmyslová 1038, Staré Město, 739 61 Třinec	Production of machinery and technology units, machinery equipment, construction work	100.00%
„METALURGIA“ SPÓŁKA AKCYJNA	Świętej Rozalii 10/12, 97-500 Radomsko, Poland	Production of nails, wire and wire products	100.00%
„D&D“ Drótaru Ipari és Kereskedelmi Zártkörűen Működő Részvénytársaság*	3527 Miskolc, Sajósziget utca 4., Hungary	Production of wire products	100.00%
ŽDB DRÁTOVNA a.s.	Jeremenkova 66, Pudlov, 735 51 Bohumín	Production of drawn wire, steel cord and tubular wire, ropes, tissues and welded networks, springs, draw plates and other wire products	100.00%
HŽP a.s.	Dolní 3137/100, 796 01 Prostějov	Production of leaf and helical springs for the automotive and railway industries	100.00%
SV servisní, s.r.o.	Dolní 3137/100, 796 01 Prostějov	Electricity trading and distribution, gas trading and distribution	100.00%
REFRASIL, s.r.o.	Průmyslová 720, Kanská, 739 61 Třinec	Production of building materials, porcelain, ceramic and plaster products	100.00%
BOHEMIA RINGS s.r.o.	č.p. 10, 565 43 Zámrsk	Smithery and metalworking	100.00%
Řetězárna a.s.	Polská 48, 790 81 Česká Ves	Production of chains, chain products and drawn wire	51.00%

Note: \* hereinafter also “D&D” Drótaru Zrt.

**Associate:**

Name of the company	Registered office	Business activities	Equity investment at 31 Dec 2024
VESUVIUS ČESKÁ REPUBLIKA, a.s.	Průmyslová 726, Kanská, 739 61 Třinec	Production of isostatically pressed heat-resisting products for continuous steel casting	40.00%

No changes were made in the consolidation group in 2024.

The consolidation methods were used in compliance with the consolidation rules of the consolidated group – full consolidation was applied in the case of subsidiaries, consolidation under the equity method was used for associates.

### 2.3. The Balance Sheet Dates and Registered Offices of the Entities Included in the Consolidated Group

The financial statements of the companies included in the consolidated group were prepared as of and for the years ended 31 December 2025 and 2024. “METALURGIA” SPÓŁKA AKCYJNA is based in Poland, “D&D” Drótáru Zrt. in Hungary, and other companies in the consolidation group are based in the Czech Republic.

### 2.4. Companies Excluded from Consolidation

Entities in which the Company has control or substantial influence are not included in the consolidated group if the share in the consolidation group is not material in terms of giving a true and fair view of the financial position and performance of the consolidation group, when:

- The share of the recalculated consolidated assets of such subsidiary or associate in the total recalculated consolidated assets of the Company, subsidiaries and associates is less than 1.5 percent, and the value of consolidated assets is recalculated using the percentage of the interest in the entity which is owned by the Company;
- The share of the recalculated consolidated equity of such subsidiary or associate in the total recalculated consolidated equity of the Company, subsidiaries, associates is less than 1.5 percent, and the value of consolidated equity is recalculated using the percentage of the interest in the entity which is owned by the Company; and
- The share in the recalculated consolidated net turnover of such subsidiary or associate in the total recalculated consolidated net turnover of the Company, subsidiaries, associates is less than 1.5 percent, and the value of the consolidated net turnover is recalculated using the percentage of the interest in the entity which is owned by the Company.

If the entity exceeds any individual level of materiality for the inclusion in the consolidation group, there must be a real assumption for exceeding the individual level of materiality for the following reporting period. An entity that does not meet the individual level of materiality for the inclusion in the consolidation group, has to be included in the consolidation group if there is a real assumption of exceeding the level of materiality in the following reporting period.

The entities that meet the condition set out above for non-inclusion in the consolidated group, thereby not entering into consolidation based on individual assessment, must also meet the group materiality criterion for non-inclusion. Under the group materiality criterion, these entities are taken as one whole. This whole has to have (i) the share of the recalculated consolidated assets of this whole in the total recalculated consolidated assets of the Company, subsidiaries, associates less than 1.5 percent, while the value of consolidated assets for these purposes is recalculated using the percentage of the ownership share held by the Company (ii) the share of recalculated consolidated equity in total recalculated consolidated equity of the Company, subsidiaries, associates less than 1.5 percent, while the value of consolidated equity for these purposes is recalculated using the percentage of the ownership share held by the Company, and (iii) share of the recalculated consolidated net turnover in total recalculated consolidated net turnover of the Company, subsidiaries, associates less than 1.5 percent, while the value of the consolidated net turnover for these purposes is recalculated using the percentage of the ownership share held by the Company.

For calculating materiality levels, the Company, subsidiaries and associates with the exception of subsidiaries or associates in bankruptcy or liquidation are taken into account.

## 3. BASIS OF ACCOUNTING AND GENERAL ACCOUNTING PRINCIPLES

The accounting records are maintained, and the consolidated financial statements were prepared in accordance with Accounting Act 563/1991 Coll.; Regulation 500/2002 Coll. which provides implementation guidance on certain provisions of the Accounting Act for reporting entities that are businesses maintaining double-entry accounting records, and Czech Accounting Standards for Businesses.

The accounting records are maintained in compliance with general accounting principles, specifically the historical cost valuation basis, the accruals principle, the prudence concept and the going concern assumption.

For the purpose of preparing the consolidated financial statements of the Company, accounting principles and policies used within the Group were brought into line. Significant accounting principles and policies as they are used by individual companies are set out below.

The Company's consolidated financial statements have been prepared as of the balance sheet date of 31 December 2025 for the calendar year 2025. These consolidated financial statements are presented in thousands of Czech crowns ('CZK').

### 3.1. Financial Reporting Period

The Company's consolidated financial statements as of 31 December 2025 have been prepared as follows:

- The consolidated balance sheet includes comparative figures as of 31 December 2024,
- The consolidated profit and loss account includes comparative figures for the year ended 31 December 2024,
- The consolidated statement of changes in equity includes comparative figures as of 31 December 2024,
- The consolidated cash flow statement includes comparative figures as of 31 December 2024.

As a result of the merger by amalgamation with the effective date of 1 January 2025, all assets of EKOSTROJÍRENSTVÍ TŘINEC a.s., as the dissolving company, were transferred to ENERGETIKA TŘINEC, a.s., as the successor company, the dissolving company ceasing to exist without liquidation (hereinafter referred to as the "EKOSTROJÍRENSTVÍ Merger").

As a result of the merger by amalgamation with the effective date of 1 January 2024, all assets of TRIALFA, s.r.o., as the dissolving company, which ceased to exist without liquidation, were transferred to TŘINECKÉ ŽELEZÁRNY, a. s., as the successor company (hereinafter referred to as the "Trialfa Merger").

# 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

## 4.1. Tangible and Intangible Fixed Assets

### Valuation

Tangible fixed assets include assets with an acquisition cost greater than CZK 80 thousand on an individual basis and an estimated useful life greater than one year.

Intangible fixed assets include assets (such as software, valuable rights, research and development) with an acquisition cost greater than CZK 80 thousand on an individual basis and an estimated useful life greater than one year.

Tangible and intangible assets with an estimated useful life greater than one year and an acquisition cost equal to or lower than CZK 80 thousand are not treated as fixed assets. Such tangible assets are accounted for as inventory and when brought into use they are charged to 'Consumed material and energy' in the profit and loss account. Intangible assets costing CZK 80 thousand and less are expensed through the account 'Services' in the year of acquisition.

The cost of tangible and intangible fixed asset improvements exceeding CZK 80 thousand on an individual basis increases the cost of the related tangible and intangible fixed asset for the fiscal period.

Before the end of the year ended 31 December 2021, tangible fixed assets included assets with an acquisition cost greater than CZK 40 thousand on an individual basis and an estimated useful life greater than one year; intangible fixed assets included assets with an acquisition cost greater than CZK 60 thousand on an individual basis and an estimated useful life greater than one year. The cost of tangible fixed asset improvements exceeding CZK 40 thousand on an individual basis increased the cost of the related tangible fixed asset for the fiscal period. The cost of intangible asset improvements exceeding CZK 60 thousand on an individual basis increased the cost of the related intangible fixed asset for the fiscal period.

Purchased tangible and intangible fixed assets are valued at cost. Tangible and intangible fixed assets developed internally are valued at direct costs, incidental costs directly attributable to the internal production of assets (production overheads) and to the production period. Production overheads also comprise costs for engineering activities. Costs of sale are not included.

The following tangible and intangible fixed assets are stated at replacement cost: tangible and intangible fixed assets acquired through donation, assets recently entered in the accounting records and an investment of intangible and tangible fixed assets, except for cases where the investment is valued differently pursuant to a Memorandum of Association or a Foundation Deed.

The replacement cost is also applied to tangible fixed assets acquired under finance lease arrangements with an original cost exceeding CZK 1 million. These assets are carried at replacement cost and recorded in the statutory books as fully depreciated. Replacement cost is determined by an expert appraiser or through an estimate performed under the Group's internal regulations.

The results of the research and development activities, if designed for trading or resale, are recognised through the balance sheet line 'Development'. Research and development results designed for internal purposes are not classified as intangible fixed assets and are recorded off balance sheet in the valuation of own costs.

Greenhouse emission allowances (hereinafter the "allowances") are recognised as non-depreciable intangible fixed assets and are stated at cost, or replacement cost when acquired free of charge. The use of emission allowances is accounted for at the balance sheet date as a minimum, depending upon the level of greenhouse emissions produced by the Company in the relevant calendar year. Any difference arising during the verification of emissions by a verifier is accounted for in the reporting period in which the verification is performed. An initial free-of-charge acquisition of the allowances is recognised as a subsidy not reducing the carrying amount of the intangible fixed assets. This 'subsidy' is released into income on a systematic basis as the allowances are used and charged to expenses. The sale of free allowances is recorded as a component of 'Sundry operating income' in the profit and loss account. In case of sale of purchased allowances, such sale is recorded as a component of 'Sales of fixed assets' in the profit and loss account.

As of the consolidated balance sheet date, emission allowances acquired free of charge are not valued according to the EUROPEAN ENERGY EXCHANGE rate and are instead reported at the original replacement cost. The decrease in the valuation of purchased emission allowances that are held for sale and not for future consumption is reported as a provision against intangible fixed assets in the consolidated balance sheet in line 'Other intangible fixed assets' (Adjustment) and in the consolidated profit and loss account in line 'Adjustments to values of intangible and tangible fixed assets - temporary'. If there is a lack of allowances at the consolidated balance sheet date, a reserve is recognised and presented in the consolidated balance sheet as part of 'Other reserves' and in the consolidated profit and loss account as part of 'Reserves relating to operating activities and complex deferred expenses'. The reserve for the purchase of allowances is released in the following reporting period when the missing allowances are purchased or used from the free of charge allocation of the following period.

Due to the mergers completed in prior reporting periods, emission allowances are reported on standalone ETS Registry accounts depending on the locally defined operation facility. For the purposes of reporting, the EUA allowances are recorded in a single sub-ledger account; in reporting the disposal of emission allowances, the FIFO valuation method is applied.

### Depreciation for Accounting Purposes

Depreciation of fixed assets, other than land and assets under construction, is recorded on a straight line basis over the estimated useful life of the fixed assets taking into account operational conditions.

The recommended depreciation and amortisation period is set in the depreciation and amortisation plan:

Category of assets	Depreciation/amortisation period in years
Structures	20 - 40
Machines and equipment	2 - 20
Vehicles	5 - 20
Furniture and fixtures	5 - 15
Software	3 - 5

If the inventory count indicates that the estimated useful life of assets has changed, the depreciation period of the related asset is appropriately adjusted.

The bulk of buildings and structures are depreciated over 45 - 60 years. The shorter depreciation period is applied to temporary structures and short-term structures (lighting, fencing, energy grids, pipelines, etc.). A depreciation period over 60 years is applied to structures with a long useful life such as railway and road bridges, conveying tunnels, and production and administrative buildings.

The bulk of machines and equipment are depreciated over 15 - 25 years. The shorter depreciation period is primarily applied to IT systems, management systems, devices, etc.; the longer depreciation period is applied in exceptional cases to agglomeration equipment.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the net book value of the asset at the sale date and is recognised through the profit and loss account.

### Provisioning

Provisions against tangible assets are recognised in circumstances where the carrying value is greater than value in use, which is equal to the present value of estimated future cash flows expected to arise from the continuing use of fixed assets or anticipated income for the intended sale.

### Impairment

At each balance sheet date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

## 4.2. Non-Current Financial Assets

Non-current financial assets principally consist of equity investments in controlled entities, equity investments in associates, securities and equity investments available for sale.

### Valuation

Securities and equity investments are carried at cost upon acquisition. The cost of securities or equity investments includes direct costs of acquisition, such as fees and commissions paid to brokers, advisors and stock exchanges.

### At the consolidated balance sheet date:

Equity investments are valued at cost less provisions against equity investments.

Available-for-sale securities are valued pursuant to Section 27 of Act No. 563/1991 Coll, Act on Accounting, at fair value, determined by reference to the market value or a reasonable estimate. If the determination of fair value is not practicable, the securities are valued at cost.

At the consolidated balance sheet date, changes in the fair value of available-for-sale securities are recorded through balance sheet accounts 'Other non-current securities and equity investments' and 'Gains and losses from the revaluation of assets and liabilities'. A deferred tax is determined in respect of the revaluation difference where the value of available-for-sale securities increases, and is recorded through accounts 'Gains and losses from the revaluation of assets and liabilities' and 'Deferred tax liability'.

Upon sale or any other disposal, they are valued on the basis of the weighted average of the costs.

Investments in enterprises in which entities consolidated using the full method have the power to govern the financial and operating policies so as to obtain benefits from their activities are treated as 'Equity investments – controlled or controlling entity'.

Investments in enterprises in which entities consolidated using the full method are in a position to exercise significant influence over their financial and operating policies so as to obtain benefits from their activities are treated as 'Equity investments in associates'.

### Provisioning against equity investments

Investments are provisioned if there is a risk that the fair value of a non-current financial asset is lower than its carrying value.

In charging provisions against equity securities that are not fair valued, the Group refers to its detailed knowledge of the relevant entity, the results of its operations and reflects its interest in the entity's equity.

### 4.3. Derivative Financial Instruments

Derivative financial instruments are designated as either trading or hedging. The criteria for a derivative instrument to be accounted for as a hedge are as follows:

- At the inception of the hedge, a decision was made regarding hedged items and hedging instruments, risks to be hedged, the approach to establishing and documenting whether the hedge is effective;
- The hedge is highly effective (that is, within a range of 80 percent to 125 percent); and
- The hedge effectiveness can be measured reliably and is assessed on an ongoing basis, the effectiveness is assessed at the derivative trade date and subsequently at the balance sheet date.

If derivative instruments do not meet the criteria for hedge accounting referred to above, they are treated as trading derivatives.

Derivative financial instruments are concluded for the contracted transaction volume. Derivative financial instruments are carried at fair value at the consolidated balance sheet date. In determining the fair value, the Company has referred to the market value.

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a contract, a forecasted future transaction, groups of assets, groups of liabilities, or contracts or forecasted future transactions with similar characteristics where the same type and category of risk is the subject of the hedge. Gains or losses arising over the term of the hedge from changes in fair values of hedging derivatives contracted under cash flow hedging that are attributable to the hedged risks are retained on the balance sheet. The gains or losses are taken to income or expenses in the same period in which the income or expenses associated with the hedged item are recognised. Gains or losses arising from changes in fair values of hedging derivatives contracted under cash flow hedging that are attributable to unhedged risks are recorded as expenses or income from derivative transactions at the measurement date.

### 4.4. Current Financial Assets and Cash

Current financial assets principally consist of short-term debt securities with a maturity of less than one year and other securities available for sale.

Current financial assets are carried at cost upon acquisition.

Cash consists of cash on hand and cash at bank.

## 4.5. Inventory

### Valuation

Purchased inventory is valued at acquisition costs. Acquisition costs include the purchase cost and indirect acquisition costs such as custom fees, freight costs and storage fees during transportation, commissions and insurance charges.

Inventory is issued out of stock at costs determined using the weighted arithmetic average method.

Internally produced inventory is valued at cost using a costing formula in which the pure charge is valued at the actual cost and processing costs are valued at planned rates of the particular year.

At the consolidated balance sheet date, the Company assesses the actual costs of the charge and the difference between the actual costs of the charge and the valuation of the charge from the prior month is reflected only in the financial accounting records. In respect of processing costs, the difference between the value of processing costs of the planned operations valued at planned rates of the particular year and the value of the actually completed operations valued at planned rates of the particular year is reflected in the financial accounting accounts.

### Provisioning

Provisions against the inventory of material are made in respect of inventory with low or no movement and a very low likelihood for processing following an individual analysis.

Provisions against the inventory of finished products and semi-finished products are charged based on their realisability.

## 4.6. Receivables

Upon origination, receivables are stated at their nominal value as subsequently reduced by appropriate provisions for doubtful and bad amounts.

### Provisioning

The Group recognises provisions against receivables, the recoverability of which is doubtful.

Tax deductible provisions against receivables are made pursuant to Act No. 586/1992 Coll., the Income Taxes Act, and Act No. 593/1992 Coll., the Provisioning Act.

Non-tax deductible provisions (other than intercompany) are created as follows:

- a) Receivables past due for 1 year and more are provisioned in full; and
- b) Receivables past due over six months but less than one year are provisioned at 50%.

In addition, provisions are recognised against specific receivables following an assessment of their collectability.

The Company also creates provisions against interest-free long-term receivables. This provisioning charge is calculated as equal to the difference between the nominal value and the discounted value of these receivables.

## 4.7. Payables

Trade payables and other payables are stated at their nominal value. Long-term bills of exchange to be settled are recorded at nominal value. Interest on these bills is accrued over their maturity period.

## 4.8. Payables to Credit Institutions

Payables to credit institutions are reported at nominal value. The portion of long-term payables to credit institutions maturing within one year from the balance sheet date and revolving payables to credit institutions which are regularly rolled over to the following period are included in short-term payables to credit institutions.

## 4.9. Reserves

Other reserves are created to provide for future risks known at the balance sheet date. In addition, a reserve is recorded for the restoration and maintenance of a dump site and clean-up after termination of the operation of the site in accordance with Act No. 541/2020 Coll., on Waste.

## 4.10. Accruals and Deferrals

Accrual and deferral accounts include deferred and accrued income and expenses. Deferred expenses include deferrals of only such items which are very likely, or certain, to bring a specific measurable effect in the form of income or other economic benefits in the following years over which they are deferred. Immaterial and regular expenses or income up to CZK 20 thousand relating to several reporting periods are not deferred. Comprehensive deferred expenses include the costs of research and development and implementation of projects relating to software acquisition.

## 4.11. Foreign Currency Translation

Transactions in foreign currencies conducted during the year are translated using the exchange rate of the Czech National Bank prevailing on the date preceding the transaction date.

Cash denominated in foreign currencies (foreign currency cash) is translated into Czech crowns using the fixed monthly exchange rate as notified by the Czech National Bank as of the first day of the month in which it was recorded.

At the balance sheet date, the relevant assets and liabilities are translated at the Czech National Bank's exchange rate prevailing as of that date.

Prepayments for tangible and intangible fixed assets received after 31 December 2020, if such prepayments are non-refundable, are considered as part of the purchase price of the specific fixed asset at the consolidated balance sheet date and are not translated at the Czech National Bank's exchange rate as of the consolidated balance sheet date. Prepayments for fixed assets received before 1 January 2021, reported in a foreign currency at the consolidated balance sheet date, are translated at the Czech National Bank's exchange rate applicable at the consolidated balance sheet date.

Foreign exchange prepayments received or granted after 31 December 2022, if such deposits are non-refundable, are considered as part of the acquisition cost of the asset as of the date of the consolidated financial statements and are not translated at the Czech National Bank's exchange rate as of the date of the consolidated financial statements. Prepayments received or made before 31 December 2022 that are denominated in a foreign currency as of the date of the consolidated financial statements are translated at the exchange rate of the Czech National Bank as of the date of the consolidated financial statements. Foreign currency prepayments that are considered refundable are translated at the Czech National Bank's exchange rate as of the date of the consolidated financial statements.

Exchange rate differences on provisions for newly created foreign currency receivables after 31 December 2022 are recognised through financial profit or loss (account 563 foreign exchange losses or 663 foreign exchange gains). Exchange rate differences on provisions for foreign currency receivables exceeding CZK 1 million newly created after 31 December 2020 are recognised individually through financial profit or loss. Exchange rate differences on provisions for foreign currency receivables not exceeding CZK 1 million created before 31 December 2022 continue to be reported in the operating profit or loss as the recognition or release of the provision for receivables.

As of the reporting period beginning on 1 January 2024, foreign exchange gains or losses on all provisions for receivables, regardless of the date of their creation and the amount of the receivable, are recognised in financial profit or loss (in account 563 – foreign exchange losses or 663 – foreign exchange gains).

## 4.12. Taxation

### 4.12.1. DEPRECIATION OF FIXED ASSETS FOR TAX PURPOSES

Depreciation of fixed assets is recorded on an accelerated basis for tax purposes under Section 32 of Act No. 586/1992 Coll., on Income Taxes, with the exception of assets used in the Tube Rolling Mill (the VT operations), VL – Transport, Shipping and Logistics, VO – Steel Plant, VK – Coking plant and Secondary Raw Materials, VZ – Billet Rolling Mill and the Universal Mill Unit and the Track Fastenings Plant and assets used by ŽDB DRÁTOVNA a.s. and Řetězárna a.s. which are depreciated using both the straight line and accelerated methods for tax purposes. HŽP a.s., SV servisní, s.r.o., Slévárny Třinec, a.s., REFRASIL, s.r.o. and VÚHŽ a.s. and Třinecké gastroslužby, s.r.o. use the straight line method for the calculation of depreciation for tax purposes.

#### **4.12.2. CURRENT TAX PAYABLE**

The tax currently payable is based on taxable profit for the reporting period. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted by the consolidated balance sheet date.

#### **4.12.3. DEFERRED TAX**

Deferred tax is accounted for using the balance sheet liability method. In calculating deferred tax, the income tax rate applicable in the period in which the tax liability or tax asset is utilised. If this tax rate is not known, the rate applicable in the following reporting period is used.

Under the liability method, deferred tax is calculated at the income tax rate that is expected to apply in the period when the tax liability is settled.

The balance sheet liability method focuses on temporary differences which are differences between the tax base of an asset or liability and its carrying amount in the balance sheet. The tax base of an asset or liability is the amount that will be deductible for tax purposes in the future.

Deferred tax is charged or credited to the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

The deferred tax asset/liability reported by the Group is the sum of deferred tax assets/liabilities of individual companies of the consolidation group that are reported by companies in their separate financial statements.

#### **4.12.4. TOP-UP TAX**

The Company is subject to a top-up tax. The Company has made use of the transitional safe harbour rules (effective tax rate test), and therefore the topup tax expense is zero. The top-up tax was not taken into account in the calculation of the deferred tax.

### **4.13. Borrowing Costs**

Borrowing costs arising from payables to credit institutions are included directly in expenses regardless of the purpose for which they were drawn.

#### **4.14. Costs Relating to Employees Hired through an Employment Agency**

In order to provide a true and fair view of the economic substance of the costs associated with agency employees, the Company applies the principle that, in economic terms, the employer is the entity assigning the work, not the employment agency.

In accordance with Sect. 24 of Decree No. 500/2002 Coll., the Company includes the actually paid wages to agency employees, including social security and health insurance costs, in staff costs. These costs for employees of an employment agency who are temporarily assigned to perform work at the Company under an agreement with the employment agency are reported as part of social costs ('Staff costs' in the profit and loss account). The defined reporting method based on the economic substance of the costs differs from the definition of staff costs under Czech Accounting Standard No. 019 for Entrepreneurs. The impact of this reporting method amounts to CZK 82,494 thousand in 2025 and CZK 45,174 thousand in 2024. The costs of other aids and protective drinks for these agency employees are reported under 'Consumed material and energy'. Other payments for the services of the employment agency, such as mediation fees or the agency's overheads, are reported under 'Services'.

#### **4.15. Revenue Recognition**

Revenues are recognised when goods are delivered and accepted by the customer or when services are rendered and are reported net of discounts and VAT.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Profit share income is recognised when the Company's General Meeting, i.e. the sole shareholder or sole owner acting in the capacity thereof, adopts a decision on profit distribution.

Insurance claims received are credited to income of the reporting period in which the amount of the claim is recognised by the insurer. If the claim has not been recognised, an estimated receivable for claims received is made only for the actual expenses incurred to recover the consequences of the claim in the relevant reporting period.

#### **4.16. Net Turnover**

The net turnover indicator is determined as the sum of revenues from the sale of products, goods, and the provision of services, as well as selected revenues from the sale of materials and selected sundry operating income. These represent only revenues that form the basis of the reporting entity's business model, determined with regard to the industry and market in which the accounting unit operates, and the nature of activities performed for customers.

#### **4.17. Use of Estimates**

The presentation of consolidated financial statements requires making estimates and assumptions that affect the reported amounts of assets and liabilities as of the balance sheet date and the reported amounts of revenues and expenses during the reporting period. The Company has made these estimates and assumptions on the basis of all the relevant information available to it. Nevertheless, pursuant to the nature of estimates, the actual results and outcomes in the future may differ from these estimates.

## 4.18. Research and Development Expenditure

Research and development expenditure is capitalised as part of cost and posted to the acquisition of tangible or intangible fixed assets if the research and development projects result in fixed assets (tangible and intangible). The output of a research and development project is capitalised on the basis of the results of opponent proceedings. A detailed analysis of the projects in progress is undertaken at the consolidated balance sheet date and the costs incurred are charged to expenses or recognised as complex deferred expenses in the event that there is doubt over the completion or future utilisation of the project.

Permanent development is posted directly to expenses, taking into account repeatability and materiality. The materiality criterion is defined as follows: "If the expenses on permanent development for the relevant reporting period do not exceed on average more than 50% of the expenses on permanent development for the previous 2 reporting periods, all such expenses are posted to expenses in the relevant reporting period. If the abovementioned threshold is exceeded, the entity will select the projects responsible for the materiality threshold being exceeded and, after analysis, capitalises them in the complex deferred expenses".

## 4.19. Subsidies

Operating subsidies received are credited to income on an accruals basis.

In accordance with Government Regulation no. 565/2020 Coll., on Conditions for the Provision of Compensations for Indirect Costs for Industrial Sectors in which a Significant Risk of Carbon Leakage was Identified, as a Result of the Effect of the Costs relating to Greenhouse Gas Emissions on Electricity Prices, these compensations are recognised in the reporting period in which the Ministry of Industry and Trade issues a resolution regarding the provision of compensation.

Subsidies for the acquisition of fixed assets reduce the cost of assets.

## 4.20. Cash Flow Statement

The cash flow statement is prepared using the indirect method.

For cash flow reporting purposes, cash and cash equivalents include cash on hand and duty stamps, cash at bank except for deposits with maturity longer than three months, and current liquid assets easily convertible into cash in an amount agreed in advance where no significant changes in their value are expected over time.

Cash and cash equivalents can be analysed as follows:

(IN CZK THOUSAND)

	31 Dec 2025	Impact of merger as of 1 Jan 2025	31 Dec 2024
Cash on hand	4 307	4	3 491
Cash at bank	2 894 600	5 219	1 292 601
Other current financial assets	0	0	0
Provisions against other current financial assets	0	0	0
<b>Total current financial assets and cash</b>	<b>2 898 907</b>	<b>5 223</b>	<b>1 296 092</b>
Cash and cash equivalents not included in the cash flow	-275 800	0	-9 600
<b>Total cash and cash equivalents</b>	<b>2 623 107</b>	<b>5 223</b>	<b>1 286 492</b>

The difference between cash and cash equivalents as of 31 December 2025 and 2024 reported in the cash flow statement as opposed to the current financial assets and cash disclosed in the balance sheet represents blocked deposits that are restricted with regard to the free handling of the funds.

## 4.21. Consolidation Rules

The individual items of the balance sheets and the profit and loss accounts of subsidiaries consolidated under the full consolidation method were added up in total amounts with the balance sheet and the profit and loss account of the Company. Furthermore, financial investments of the Company were eliminated against acquired equity, inter-company supplies, receivables and payables, including profits from the sale of the fixed assets realised among the consolidated group companies, and profit margins relating to inventories not yet consumed.

Under the equity consolidation method, financial investments of the Company were eliminated from the balance sheet against acquired equity. The assets in the consolidated balance sheet include the item 'Securities and equity interests under equity accounting', whose balance is calculated as the share in the equity of associates. This item was adjusted by a portion of the profit margin, reflecting the share in the equity of an associate, on intercompany supplies of inventories not yet consumed. Liabilities of the consolidated balance sheet include the item 'Share of income from associates' which represents the Company's share in the current period's results of associates, and the 'Consolidation reserve fund' comprising an associate's accumulated profit/loss of previous years.

Goodwill arising on consolidation represents the difference between the cost of an investment in the consolidated entity and its value determined on the basis of the Company's interest in the fair value of equity which arises as a difference between the fair values of assets and the fair values of liabilities as of the acquisition date or as of the date of a further capital increase (a further increase of investments). The acquisition date is the date from which the effectively controlling entity starts to exercise influence over the consolidated entity.

From the reporting period beginning on 1 January 2018 onwards, the Company has amortised goodwill arising on consolidation reported in the consolidated financial statements as of 31 December 2017 over 20 years on a straight-line basis in compliance with Czech Accounting Standard No. 20.

Previously, positive (negative) goodwill arising on consolidation was measured at cost which was adjusted by accumulated losses (accumulated profits) from the change in this value, with the testing of the change in the value performed on an annual basis. The method of reporting goodwill arising on consolidation was based on International Accounting Standards and did not have a material impact on the Group's profits or losses.

Amortisation charges of goodwill arising on consolidation are recognised in a special consolidated profit and loss account line item the release of a positive consolidation difference (goodwill) or release of a negative consolidation difference (bargain purchase gain) with a charge against expenses or a credit to income from common activities as appropriate.

The assets and liabilities of companies included in the consolidated group after 1 January 2003 were remeasured at fair value in accordance with the accounting regulations applicable for consolidation.

The consolidation of the financial statements was performed using the direct consolidation method.

The financial statements for the years ended 31 December 2025 and 2024 prepared by the companies included in the consolidated group, as well as the financial statements of subsidiaries and associates not included in the consolidated group that were received by the Company as of the consolidated financial statement preparation date are available in the registered office of the Company.

The consolidation rules for 2025 and 2024 (definition of the consolidated group, method of transformation of data from individual financial statements into the consolidated financial statements) are available at the registered office of the Company.

# 5. ANALYSIS OF IMPACTS ON PROFIT/LOSS

## 5.1. Consolidated Profit/Loss for 2025

### 5.1.1. STRUCTURE OF THE CONSOLIDATED PROFIT/LOSS FOR 2025

(IN CZK THOUSAND)

Profit/(loss) for the current period TŘINECKÉ ŽELEZÁRNY, a. s.	185 580
Profit/(loss) for the current period ENERGETIKA TŘINEC, a.s.	90 002
Profit/(loss) for the current period Slévárny Třinec, a.s.	-22 613
Profit/(loss) for the current period Šroubárna Kyjov, spol. s r.o.	40 514
Profit/(loss) for the current period Strojírny a stavby Třinec, a.s.	46 762
Profit/(loss) for the current period VÚHŽ a.s.	50 186
Profit/(loss) for the current period „METALURGIA“ SPÓŁKA AKCYJNA	-29 890
Profit/(loss) for the current period „D&D“ Drótaru Zrt.	-106 886
Profit/(loss) for the current period ŽDB DRÁTOVNA a.s.	-22 249
Profit/(loss) for the current period HŽP a.s.	50 925
Profit/(loss) for the current period SV servisní, s.r.o.	14 872
Profit/(loss) for the current period BOHEMIA RINGS s.r.o.	20 164
Profit/(loss) for the current period REFRASIL, s.r.o.	21 155
Profit/(loss) for the current period Třinecké gastroslužby, s.r.o.	5 324
Profit/(loss) for the current period Moravia Security, a.s.	3 256
Share in Profit/(loss) for the current period Řetězárna a.s.	22 286
Share in Profit/(loss) for the current period v ekvivalenci	4 943
Adjustments within the full method of consolidation (see below)	38 871
Adjustments within the equity method of consolidation (see below)	-2 777
<b>Consolidated profit</b>	<b>410 425</b>

**5.1.2. ADJUSTMENTS TO THE PROFIT OR LOSS WITHIN THE FULL CONSOLIDATION METHOD FOR 2025**

(IN CZK THOUSAND)

Elimination of profits and losses from unrealised inventory from intercompany sales within the consolidation group, including the deferred tax impact	17 516
Writeoff of the revaluation of assets to fair value	5 028
Writeoffs of the margin from the sale of assets, including the deferred tax impact	20 886
Elimination of proceeds from the sale of emission allowances	272 477
Elimination of paid profit shares of the consolidated group entities	-288 650
Elimination of provisioning against Slévárny Třinec, a.s.	-63 007
Elimination of provisioning against "METALURGIA" SPÓŁKA AKCYJNA	94 173
Elimination of provisioning against "D&D" Drótáru Zrt.	94 517
Elimination of provisioning against BOHEMIA RINGS s.r.o.	-7 289
Elimination of provisioning against ŽDB DRÁTOVNA a.s.	77 179
Elimination of provisioning against ENERGETIKA TŘINEC, a.s. (merger with EKOSTROJÍRENSTVÍ)	-50 000
Provision for the positive goodwill arising on consolidation of BOHEMIA RINGS s.r.o.	4 736
Provision for the positive goodwill arising on consolidation of ŽDB DRÁTOVNA a.s.	-124 086
Write-off of the positive goodwill arising on consolidation of ŽDB DRÁTOVNA a.s.	-13 089
Write-off of the positive goodwill arising on consolidation of BOHEMIA RINGS s.r.o.	-5 992
Write-off of the negative goodwill arising on consolidation of REFRASIL, s.r.o.	728
Write-off of the negative goodwill arising on consolidation of Třinecké gastroslužby, s.r.o.	2 172
Write-off of the negative goodwill arising on consolidation of Moravia Security, a.s.	1 572
<b>Total adjustments</b>	<b>38 871</b>

**5.1.3. ADJUSTMENTS TO THE PROFIT OR LOSS WITHIN THE EQUITY METHOD FOR 2025**

(IN CZK THOUSAND)

Elimination of paid profit shares of VESUVIUS ČESKÁ REPUBLIKA, a.s.	-2 777
<b>Total adjustments</b>	<b>-2 777</b>

## 5.2. Consolidated Profit/Loss for 2024

### 5.2.1. STRUCTURE OF THE CONSOLIDATED PROFIT/LOSS FOR 2024

(IN CZK THOUSAND)

Profit/(loss) for the current period – TŘINECKÉ ŽELEZÁRNY, a. s.	315 722
Profit/(loss) for the current period – ENERGETIKA TŘINEC, a.s.	92 045
Profit/(loss) for the current period – Slévárny Třinec, a.s.	393
Profit/(loss) for the current period – Šroubárna Kyjov, spol. s r.o.	100 959
Profit/(loss) for the current period – Strojirny a stavby Třinec, a.s.	41 523
Profit/(loss) for the current period – VÚHŽ a.s.	50 324
Profit/(loss) for the current period – „METALURGIA“ SPÓŁKA AKCYJNA	-59 991
Profit/(loss) for the current period – „D&D“ Drótaru Zrt.	-60 544
Profit/(loss) for the current period – ŽDB DRÁTOVNA a.s.	-70 712
Profit/(loss) for the current period – HŽP a.s.	66 749
Profit/(loss) for the current period – SV servisní, s.r.o.	17 109
Profit/(loss) for the current period – BOHEMIA RINGS s.r.o.	-127
Profit/(loss) for the current period – REFRASIL, s.r.o.	19 797
Share in profit/(loss) for the current period Řetězárna a.s.	16 726
Share in profit/(loss) for the current period under the equity method	2 778
Adjustments within the full method of consolidation (see below)	-269 650
Adjustments within the equity method of consolidation (see below)	-25 348
<b>Consolidated profit</b>	<b>237 753</b>

**5.2.2. ADJUSTMENTS TO THE PROFIT OR LOSS WITHIN THE FULL CONSOLIDATION METHOD FOR 2024**

(IN CZK THOUSAND)

Elimination of profits and losses from unrealised inventory from intercompany sales of inventory in the consolidated group, including the deferred tax impact	-15 970
Write-off of the revaluation of assets at fair value	11 158
Write-offs of the margin from the sale of assets including the deferred tax impact	16 063
Elimination of proceeds from the sale of emission allowances	-7 371
Elimination of paid profit shares of the consolidated group entities	-318 680
Elimination of provisioning against Slévárny Třinec, a.s	-53 651
Elimination of provisioning against „METALURGIA“ SPÓŁKA AKCYJNA	59 585
Elimination of provisioning against Strojírny a stavby Třinec, a.s.	-46 964
Elimination of provisioning against „D&D“ Drótáru Zrt.	78 520
Elimination of provisioning against BOHEMIA RINGS s.r.o.	17 781
Other effects	3 494
Provision for positive goodwill arising on consolidation of BOHEMIA RINGS s.r.o.	4 736
Write-off of positive goodwill arising on consolidation of ŽDB DRÁTOVNA a.s.	-13 089
Write-off of positive goodwill arising on consolidation of BOHEMIA RINGS s.r.o.	-5 990
Write-off of negative goodwill arising on consolidation of REFRASIL, s.r.o.	728
<b>Total adjustments</b>	<b>-269 650</b>

**5.2.3. ADJUSTMENTS TO THE PROFIT OR LOSS WITHIN THE EQUITY METHOD FOR 2024**

(IN CZK THOUSAND)

Elimination of paid profit shares of VESUVIUS ČESKÁ REPUBLIKA, a.s.	-25 348
<b>Total adjustments</b>	<b>-25 348</b>

# 6. ADDITIONAL CONSOLIDATED BALANCE SHEET INFORMATION

## 6.1. Intangible Fixed Assets

### Cost

(IN CZK THOUSAND)

	Balance at 31 Dec 2024	Impact of expansion of consol. group	Impact of merger as of 1 Jan 2025	Additions	Disposals	Impact of foreign exchange differences	Balance at 31 Dec 2025
Development	2 972	0	0	0	0	0	2 972
Valuable rights	516 754	3 835	578	52 615	2 723	258	571 317
Goodwill	344	0	0	0	0	-9	335
Other intangible FA	1 220 189	0	0	6 426 461	6 955 823	0	704 596
Prepayments made for intangible FA	1 482	0	0	0	1 482	0	0
Intangible FA under construction	20 083	0	0	218 979	219 343	2	19 721
<b>Total</b>	<b>1 761 824</b>	<b>3 835</b>	<b>578</b>	<b>6 698 055</b>	<b>7 165 602</b>	<b>251</b>	<b>1 298 941</b>

### Accumulated Amortisation

(IN CZK THOUSAND)

	Balance at 31 Dec 2024	Impact of expansion of consol. group	Impact of merger as of 1 Jan 2025	Additions	Disposals	Impact of foreign exchange differences	Balance at 31 Dec 2025
Development	2 972	0	0	0	0	0	2 972
Valuable rights	429 691	2 931	523	20 827	2 726	211	451 457
Goodwill	344	0	0	0	0	-9	335
Other intangible FA	14 669	0	0	574	0	61	15 304
<b>Total</b>	<b>447 676</b>	<b>2 931</b>	<b>523</b>	<b>21 401</b>	<b>2 726</b>	<b>263</b>	<b>470 068</b>

**Provisions**

(IN CZK THOUSAND)

	Balance at 31 Dec 2024	Impact of expansion of consol. group	Impact of merger as of 1 Jan 2025	Additions	Disposals	Impact of foreign exchange differences	Balance at 31 Dec 2025
Valuable rights	0	0	55	0	55	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>55</b>	<b>0</b>	<b>55</b>	<b>0</b>	<b>0</b>

**Net Book Value**

(IN CZK THOUSAND)

	Balance at 31 Dec 2024	Impact of merger as of 1 Jan 2025	Balance at 31 Dec 2025
Development	0	0	0
Valuable rights	87 063	0	119 860
Goodwill	0	0	0
Other intangible FA	1 205 520	0	689 292
Prepayments made for intangible FA	1 482	0	0
Intangible FA under construction	20 083	0	19 721
<b>Total</b>	<b>1 314 148</b>	<b>0</b>	<b>828 873</b>

**Amortisation of Intangible Fixed Assets Charged to Expenses**

Amortisation of intangible fixed assets amounted to CZK 21,401 thousand as of 31 December 2025 and CZK 22,306 thousand as of 31 December 2024.

Other intangible assets primarily include allowances.

In 2025, the Company acquired 3,412,833 allowances free of charge for 2025 in the amount of CZK 6,259,227 thousand. As of the consolidated financial statements' date on 31 December 2025, the use of allowances for 2024 in the amount of CZK 95 thousand and the use of allowances for 2025 in the amount of CZK 6,939,997 thousand was settled. As of the consolidated financial statements' date on 31 December 2025, the Company did not revalue allowances acquired free of charge.

In 2024, the Company acquired 3,419,415 allowances free of charge for 2024 in the amount of CZK 5,374,972 thousand. As of the consolidated financial statements' date on 31 December 2024, the use of allowances for 2023 in the amount of CZK (13,530) thousand, the revaluation of allowances as of 31 December 2023 in the amount of CZK 306,177 thousand, and the use of allowances for 2024 in the amount of CZK 6,956,905 thousand was settled. As of the consolidated financial statements' date on 31 December 2024, the Company did not revalue allowances acquired free of charge.

### Aggregate Balance of Low-value Intangible Assets Not Reported on the Balance Sheet

The aggregate cost of low-value intangible assets not reported on the face of the balance sheet amounted to CZK 41,506 thousand as of 31 December 2025 and CZK 86,878 thousand as of 31 December 2024.

## 6.2. Tangible Fixed Assets

### Cost

(IN CZK THOUSAND)

	Balance at 31 Dec 2024	Impact of expansion of consol. group	Impact of merger as of 1 Jan 2025	Additions	Disposals	Impact of foreign exchange differences	Balance at 31 Dec 2025
Land	850 727	0	0	316	161	358	851 240
Structures	17 600 358	49 209	0	646 399	6 975	-1 372	18 287 619
Tangible movable assets and their sets	50 754 104	100 243	1 820	2 076 648	491 720	-1 445	52 439 650
Other tangible FA	122 730	59	0	19 170	1 451	1 353	141 861
Prepayments for tangible FA	72 336	0	0	169 111	193 274	31	48 204
Tangible FA under construction	1 968 036	20	0	2 124 878	2 875 780	2 193	1 219 347
<b>Total</b>	<b>71 368 291</b>	<b>149 531</b>	<b>1 820</b>	<b>5 036 522</b>	<b>3 569 361</b>	<b>1 118</b>	<b>72 987 921</b>

### Accumulated Amortisation

(IN CZK THOUSAND)

	Balance at 31 Dec 2024	Impact of expansion of consol. group	Impact of merger as of 1 Jan 2025	Additions	Disposals	Impact of foreign exchange differences	Balance at 31 Dec 2025
Structures	10 069 361	21 393	0	437 215	5 194	-3 033	10 519 742
Tangible movable assets and their sets	37 323 713	70 729	1 437	1 904 209	488 850	-3 554	38 807 684
Other tangible FA	87 271	48	0	4 896	1 364	770	91 621
<b>Total</b>	<b>47 480 345</b>	<b>92 170</b>	<b>1 437</b>	<b>2 346 320</b>	<b>495 408</b>	<b>-5 817</b>	<b>49 419 047</b>

**Provisions**

(IN CZK THOUSAND)

	Balance at 31 Dec 2024	Additions	Disposals	Impact of foreign exchange differences	Balance at 31 Dec 2025
Structures	56 307	3 042	5 774	0	53 575
Tangible movable assets and their sets	85 146	454	27 170	0	58 430
Other tangible FA	23	0	0	0	23
Tangible FA under construction	5 916	10 900	5 716	0	11 100
<b>Total</b>	<b>147 392</b>	<b>14 396</b>	<b>38 660</b>	<b>0</b>	<b>123 128</b>

**Net Book Value**

(IN CZK THOUSAND)

	Balance at 31 Dec 2024	Impact of merger as of 1 Jan 2025	Balance at 31 Dec 2025
Land	850 727	0	851 240
Structures	7 474 690	0	7 714 302
Tangible movable assets and their sets	13 345 245	383	13 573 536
Other tangible FA	35 436	0	50 217
Prepayments for tangible FA	72 336	0	48 204
Tangible FA under construction	1 962 120	0	1 208 247
<b>Total</b>	<b>23 740 554</b>	<b>383</b>	<b>23 445 746</b>

Principal additions to tangible fixed assets for the year ended 31 December 2025 were as follows:

(IN CZK THOUSAND)

Technical improvements on Blast Furnace No. 4	346 321
Acquisition of the Rail Heat Treatment equipment	211 144
Construction of the new TZK hall	174 682
Technical improvements – Roll Turning Shop Halls	78 015
Extension of Hall XII	29 339
Gas cogeneration unit MP 1250M Cu	24 986
Annealing furnace No. 1	13 570
Extension of the hall incl. crane track	13 532

Principal additions to tangible fixed assets under construction for the year ended 31 December 2025 were as follows:

(IN CZK THOUSAND)

Construction of the R-T3 100 kV substation	97 524
Modernisation and decarbonisation of steel production	56 182
Iron ore briquetting line	55 622
SACMI press 3	43 878
Connection of EOP to the ČEPS transmission system	38 357
Galvanising and electroplating line L804	37 951
New naturalgas source – combined cycle PPC1	28 799
Light chamber furnace No. 4	28 514

### Depreciation of Tangible Fixed Assets Charged to Expenses

Depreciation of tangible fixed assets amounted to CZK 2,354,225 thousand and CZK 2,330,951 thousand as of 31 December 2025 and 2024, respectively.

### Aggregate Balance of Low Value Tangible Assets Not Reported on the Balance Sheet

The aggregate costs of low value tangible fixed assets not reported on the face of the balance sheet were CZK 1,024,171 thousand and CZK 922,542 thousand as of 31 December 2025 and 2024, respectively.

## 6.3. Assets Held under Operating Lease Agreements

### Operating Lease

Lease payments of CZK 82,917 thousand and CZK 83,814 thousand were made in the years ended 31 December 2025 and 2024, respectively.

## 6.4. Pledged Fixed Assets

2025

(IN CZK THOUSAND)

Description of Assets	Net Book Value	Description, Scope and Purpose of Pledge/Lien
Tangible Fixed Assets	169 185	
Land	27 406	
Tangible Fixed Assets	324 961	
Tangible Fixed Assets	401 566	
Tangible Fixed Assets	193 700	
Land	96 121	Loan from Československá obchodní banka, a. s.
Tangible Fixed Assets	227 884	
Land	7 719	
Tangible Fixed Assets	217 101	
Tangible Fixed Assets	276 100	
Tangible Fixed Assets	1 179 966	
Land	42 148	Loan from ING Bank N.V.
Tangible Fixed Assets	969 057	
Land	18 538	Loan from Raiffeisenbank a.s.
Tangible Fixed Assets	59 935	Collateral for an investment bank loan with UniCredit Bank Czech Republic and Slovakia, a.s.
Tangible Fixed Assets*	95 776	Loan from Bank Polska Kasa Opieki Spółka Akcyjna, collateralised by machinery of up to PLN 16,674 thousand
Tangible Fixed Assets*	22 976	Loan from Bank Polska Kasa Opieki Spółka Akcyjna, collateralised by machinery of up to PLN 4,000 thousand
Tangible Fixed Assets*	112 008	Loan from Bank Polska Kasa Opieki Spółka Akcyjna, collateralised by machinery of up to PLN 19,500 thousand
Tangible Fixed Assets*	25 848	Loan from Bank Polska Kasa Opieki Spółka Akcyjna, collateralised by machinery of up to PLN 4,500 thousand

TABLE CONTINUES ON THE FOLLOWING PAGE

CONTINUATION OF THE TABLE FROM THE PREVIOUS PAGE

Tangible Fixed Assets	131 398	
Land	2 384	
Technologies	26 775	Loan from Citibank Europe plc.
Tangible Fixed Assets*	26 178	Investment loan from K&H Bank Zrt.
Tangible Fixed Assets*	25 034	Investment loan from K&H Bank Zrt.
Tangible Fixed Assets*	54 050	Investment loan from K&H Bank Zrt.
Tangible Fixed Assets*	26 862	Investment loan from K&H Bank Zrt.
Land	4 772	
Tangible Fixed Assets	161 153	Loan from Raiffeisenbank a.s.
Land	283	
Tangible Fixed Assets	40 901	Loan from Česká spořitelna, a.s.
Tangible Fixed Assets	7 695	Subsidised bank loan from Národní rozvojová banka, a.s.
<b>Total</b>	<b>4 975 480</b>	

Note: \* translated using the Czech National Bank's exchange rate as of 31 December 2025

2024

(IN CZK THOUSAND)

Description of Assets	Net Book Value	Description, Scope and Purpose of Pledge/Lien
Tangible fixed assets	173 981	
Land	27 406	
Tangible fixed assets	350 307	
Tangible fixed assets	422 292	
Tangible fixed assets	202 075	
Land	96 121	Loan from Československá obchodní banka, a. s.
Tangible fixed assets	345 088	
Tangible fixed assets	1 235 439	
Land	42 678	Loan from ING Bank N.V.

TABLE CONTINUES ON THE FOLLOWING PAGE

 CONTINUATION OF THE TABLE FROM THE PREVIOUS PAGE

Description of Assets	Net Book Value	Description, Scope and Purpose of Pledge/Lien
Tangible fixed assets	1 001 235	
Land	18 538	Loan from Raiffeisenbank a.s.
Tangible fixed assets	64 336	Collateral for an investment bank loan with UniCredit Bank Czech Republic and Slovakia, a.s.
Tangible fixed assets*	7 952	Loan from BNP Paribas Bank Polska S.A., collateralised by machinery of up to PLN 1,350 thousand
Tangible fixed assets*	23 560	Loan from BNP Paribas Bank Polska S.A., collateralised by machinery of up to PLN 4,000 thousand
Tangible fixed assets*	26 505	Loan from Bank Polska Kasa Opieki Spółka Akcyjna, collateralised by machinery of up to PLN 4,500 thousand
Tangible fixed assets	138 078	
Land	2 384	
Technologies	29 791	Loan from Citibank Europe plc.
Tangible fixed assets*	26 820	Investment loan from K&H Bank Zrt
Tangible fixed assets*	25 501	Investment loan from K&H Bank Zrt
Land	4 772	
Tangible fixed assets	183 882	Loan from Raiffeisenbank a.s.
Land	283	
Tangible fixed assets	40 976	Loan from Česká spořitelna, a.s.
Tangible fixed assets	29 416	Long-term loan from Československá obchodní banka, a. s.
<b>Total</b>	<b>4 519 416</b>	

Note: \* translated using the Czech National Bank's exchange rate as of 31 December 2024

## 6.5. Non-Current Financial Assets

### Cost

(IN CZK THOUSAND)

	Balance at 31 Dec 2024	Impact of expansion of consol. group	Impact of merger as of 1 Jan 2025	Additions	Disposals	Revaluation	Impact of exchange rate gains or losses	Balance at 31 Dec 2025
Equity investments – controlled or controlling entity	412 927	-14 171	-50 000	0	0	0	0	348 756
Equity investments in associates	26 202	0	0	0	1	0	0	26 201
Other non-current securities and equity investments	2	0	0	0	0	0	0	2
Other non-current financial assets	20 000	0	0	0	0	0	0	20 000
<b>Total</b>	<b>459 131</b>	<b>-14 171</b>	<b>-50 000</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>394 959</b>

### Provisions

(IN CZK THOUSAND)

	Balance at 31 Dec 2024	Impact of expansion of consol. group	Impact of merger as of 1 Jan 2025	Additions	Disposals	Revaluation	Impact of exchange rate gains or losses	Balance at 31 Dec 2025
Equity investments – controlled or controlling entity	83 789	0	-50 000	30 555	0	0	0	64 344
Equity investments in associates	19 280	0	0	1 746	0	0	0	21 026
Other non-current securities and equity investments	0	0	0	0	0	0	0	0
Other non-current financial assets	0	0	0	0	0	0	0	0
<b>Total</b>	<b>103 069</b>	<b>0</b>	<b>-50 000</b>	<b>32 301</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>85 370</b>

**Net Book Value**

(IN CZK THOUSAND)

	Balance at 31 Dec 2024	Balance at 31 Dec 2025
Equity investments – controlled or controlling entity	329 138	284 412
Equity investments in associates	6 922	5 175
Other non-current securities and equity investments	2	2
Other non-current financial assets	20 000	20 000
<b>Total</b>	<b>356 062</b>	<b>309 589</b>

**6.6. Summary of Unconsolidated Financial Investments****6.6.1. EQUITY INVESTMENTS – CONTROLLED OR CONTROLLING ENTITY****31 December 2025**

(IN CZK THOUSAND)

Name of the entity, registered office	Equity investment %	Equity	Profit or loss for the period	Provision	Financial income
TŘINECKÁ PROJEKCE, a.s., Kanada, Třinec	84.54	26 801	3 251	0	8 455
„ZAMECZEK BŁOGOCICE” Spółka z ograniczoną odpowiedzialnością, Cieszyn (POL)	88.00	44 513	129	-10 637	0
TRISIA, a.s., Lyžbice, Třinec	66.00	40 591	-930	-8 166	0
Reťaze Slovakia s.r.o., Skalica (SK)	80.00	13 032	2 569	0	598
JuBo Jeseník s. r. o., Jeseník	80.00	6 379	840	0	1 000
Řetězárna servis s.r.o., Jeseník	100.00	5 195	2 855	0	900
Security Morava, s.r.o., Kyjov	100.00	13 803	2 828	0	1 700
IMOPRA s.r.o., Nivnice	100.00	90 435	4 462	-45 541	10 000
ENEZA, s.r.o., Staré Město, Třinec	52.50	98 532	1 970	0	568
<b>Total</b>				<b>-64 344</b>	<b>23 221</b>

Note: italics – preliminary results as of 31 December 2025

As of 30 April 2025, with the effective date of 1 January 2025, a merger by amalgamation was carried out in which EKOSTROJÍRENSTVÍ TŘINEC, a.s., as the dissolving company, was merged into ENERGETIKA TŘINEC, a.s., as the successor company.

**31 December 2024**

(IN CZK THOUSAND)

Name of the entity, registered office	Equity investment %	Equity	Profit or loss for the period	Provision	Financial income
Třinecké gastroslužby, s.r.o., Staré Město, Třinec	100.00	46 672	4 222	0	0
Moravia Security, a.s., Konská, Třinec	100.00	24 191	3 219	0	7 000
TŘINECKÁ PROJEKCE, a.s., Kanada, Třinec	84.54	33 550	4 001	0	1 609
„ZAMECZEK BŁOGOCICE” Spółka z ograniczoną odpowiedzialnością, Cieszyn (POL)	88.00	45 514	-359	-9 262	0
TRISIA, a.s., Lyžbice, Třinec	66.00	41 521	360	-7 676	0
Reťaze Slovakia s.r.o., Skalica (SK)	80.00	11 624	833	0	1 593
JuBo Jeseník s. r. o., Jeseník	80.00	6 789	1 507	0	1 200
Řetězárna servis s.r.o., Jeseník	100.00	3 241	933	0	4 400
IMOPRA s.r.o., Nivnice	100.00	95 973	8 050	-16 851	25 000
EKOSTROJÍRENSTVÍ TŘINEC, a.s., Staré Město, Třinec	100.00	-52 297	14 336	-50 000	0
ENEZA, s.r.o., Staré Město, Třinec	52.50	97 644	3 248	0	1 214
<b>Total</b>				<b>-83 789</b>	<b>42 016</b>

**6.6.2. EQUITY INVESTMENTS – ASSOCIATES****31 December 2025**

(IN CZK THOUSAND)

Name of the entity, registered office	Equity investment %	Equity	Profit or loss for the period	Provision	Financial income
Ocelářská unie a.s., Nové Město, Praha 1	40.44**	39 604	-2 901	-21 026	0
HRAT, s.r.o., Staré Město, Třinec*	23.26	4 429	356	0	0
<b>Total</b>				<b>-21 026</b>	<b>0</b>

Note.: *italics – preliminary results as of 31 December 2025*

\* profit or loss for the period from 1 April 2025 to 31 December 2025 (fiscal year from 1 April 2025 to 31 March 2026)

\*\* equity investments of the Company and the VÚHŽ a.s. subsidiary

**31 December 2024**

(IN CZK THOUSAND)

Name of the entity, registered office	Equity investment %	Equity	Profit or loss for the period	Provision	Financial income
Ocelářská unie a.s., Nové Město, Praha 1	40.44**	37 767	-3 286	-18 937	0
HRAT, s.r.o., Staré Město, Třinec*	23.26	4 073	267	0	0
<b>Total</b>				<b>-18 937</b>	<b>0</b>

Note: \* profit or loss for the period from 1 April 2024 to 31 March 2025 (fiscal year from 1 April 2024 to 31 March 2025)

\*\* equity investments of the Company and the VÚHŽ a.s. subsidiary

**6.7. Accounting for Goodwill Arising on Consolidation****2025**

(IN CZK THOUSAND)

	Gross	Adjustment	Net	Recognition in equity	Recognition in expenses	Recognition in income
Positive goodwill arising on consolidation						
ŽDB DRÁTOVNA a.s.	261 780	-261 780	0	0	170 157	0
BOHEMIA RINGS s.r.o.	119 809	-119 809	0	0	0	0
<b>Total</b>	<b>381 589</b>	<b>-381 589</b>	<b>0</b>	<b>0</b>	<b>170 157</b>	<b>0</b>
Negative goodwill arising on consolidation						
REFRASIL, s.r.o.	-14 566	5 341	-9 225	0	0	728
Třinecké gastroslužby, s.r.o.	-43 400	2 170	-41 230	0	0	2 170
Moravia Security, a.s.	-31 402	1 570	-29 832	0	0	1 570
<b>Total</b>	<b>-89 368</b>	<b>9 081</b>	<b>-80 287</b>	<b>0</b>	<b>0</b>	<b>4 468</b>

The gross value of the positive goodwill arising on consolidation of ŽDB DRÁTOVNA a.s. amounts to CZK 261,780 thousand as of 31 December 2025, which, starting from the 2021 reporting period, includes the overall deferred tax arising from the difference from the revaluation of assets and liabilities at the acquisition date in the amount of CZK 20,703 thousand.

In 2025, the Company recognised a writeoff of the positive goodwill arising on consolidation of ŽDB DRÁTOVNA a.s. of CZK 13,089 thousand and a provision for the positive goodwill arising on consolidation of CZK 157,068 thousand.

The gross value of the positive goodwill arising on consolidation of BOHEMIA RINGS s.r.o. amounts to CZK 119,809 thousand as of 31 December 2025, which, starting from the 2021 reporting period, includes the overall deferred tax arising from the difference from the revaluation of assets and liabilities at the acquisition date in the amount of CZK 45,256 thousand.

In 2025, the Company recognised a writeoff of the positive goodwill arising on consolidation of BOHEMIA RINGS s.r.o. of CZK 5,990 thousand, and a partial release of a provision for the positive goodwill arising on consolidation of CZK 5,990 thousand.

The gross amount of the negative goodwill arising on consolidation of REFRASIL, s.r.o. as of 31 December 2025 amounts to CZK 14,566 thousand.

In 2025, the Company recognised a writeoff of the negative goodwill arising on consolidation of REFRASIL, s.r.o. of CZK 728 thousand.

The gross amount of the negative goodwill arising on consolidation of Třinecké gastroslužby, s.r.o. as of 31 December 2025 amounts to CZK 43,400 thousand.

In 2025, the Company recognised a writeoff of the negative goodwill arising on consolidation of Třinecké gastroslužby, s.r.o. of CZK 2,170 thousand.

The gross amount of the negative goodwill arising on consolidation of Moravia Security, a.s. as of 31 December 2025 amounts to CZK 31,402 thousand.

In 2025, the Company recognised a writeoff of the negative goodwill arising on consolidation of Moravia Security, a.s. of CZK 1,570 thousand.

## 2024

(IN CZK THOUSAND)

	Gross	Adjustment	Net	Recognition in equity	Recognition in expenses	Recognition in income
<b>Positive goodwill arising on consolidation</b>						
ŽDB DRÁTOVNA a.s.	261 780	-91 623	170 157	0	13 089	0
BOHEMIA RINGS s.r.o.	119 809	-119 809	0	0	0	0
<b>Total</b>	<b>381 589</b>	<b>-211 432</b>	<b>170 157</b>	<b>0</b>	<b>13 089</b>	<b>0</b>
<b>Negative goodwill arising on consolidation</b>						
REFRASIL, s.r.o.	-14 566	4 612	-9 954	0	0	728
<b>Total</b>	<b>-14 566</b>	<b>4 612</b>	<b>-9 954</b>	<b>0</b>	<b>0</b>	<b>728</b>

The gross value of the positive goodwill arising on consolidation of ŽDB DRÁTOVNA a.s. as of 31 December 2024 amounted to CZK 261,780 thousand, which, starting from the 2021 reporting period, included the overall deferred tax arising from the difference from the revaluation of assets and liabilities at the acquisition date in the amount of CZK 20,703 thousand.

In 2024, the Company recognised a writeoff of the positive goodwill arising on consolidation of ŽDB DRÁTOVNA a.s. of CZK 13,089 thousand.

The gross value of the positive goodwill arising on consolidation of BOHEMIA RINGS s.r.o. as of 31 December 2024 amounted to CZK 119,809 thousand, which, starting from the 2021 reporting period, included the overall deferred tax arising from the difference from the revaluation of assets and liabilities at the acquisition date in the amount of CZK 45,256 thousand.

In 2024, the Company recognised a writeoff of the positive goodwill arising on consolidation of BOHEMIA RINGS s.r.o. of CZK 5,990 thousand and a partial release of a provision for the positive goodwill arising on consolidation of CZK 5,990 thousand.

The gross amount of the negative goodwill arising on consolidation of REFRASIL, s.r.o. as of 31 December 2024 amounted to CZK 14,566 thousand.

In 2024, the Company recognised a writeoff of the negative goodwill arising on consolidation of REFRASIL, s.r.o. of CZK 728 thousand.

## 6.8. Securities and Equity Investments under Equity Accounting

(IN CZK THOUSAND)

Securities and equity investments under equity accounting	2025	2024
VESUVIUS ČESKÁ REPUBLIKA, a.s.	136 537	134 371
<b>Total</b>	<b>136 537</b>	<b>134 371</b>

## 6.9. Pledged Non-Current Financial Assets

As of 31 December 2025 and 31 December 2024, the consolidated group had no non-current financial assets pledged as collateral.

## 6.10. Inventory

As of 31 December 2025, "METALURGIA" SPÓŁKA AKCYJNA has pledged inventory of up to PLN 19,500 thousand (CZK 112,008 thousand) with BNP Paribas Bank Polska S.A. in relation to the drawn loan and inventory of up to PLN 13,500 thousand (CZK 77,544 thousand) with Bank Polska Kasa Opieki Spółka Akcyjna in relation to the drawn loan.

As of 31 December 2024, "METALURGIA" SPÓŁKA AKCYJNA had pledged inventory of up to PLN 19,500 thousand (CZK 114,855 thousand) with BNP Paribas Bank Polska S.A. in relation to the drawn loan and inventory of up to PLN 19,500 thousand (CZK 114,855 thousand) with Bank Polska Kasa Opieki Spółka Akcyjna in relation to the drawn loan.

## 6.11. Receivables

### 6.11.1. LONG-TERM RECEIVABLES

Long-term trade receivables generally include retained receivables from customers during guarantee periods.

As of 31 December 2025, the Company recorded long-term receivables with maturity period greater than five years of CZK 47 thousand (2024: CZK 47 thousand).

### 6.11.2. SHORT-TERM RECEIVABLES

As of 31 December 2025 and 2024, gross short-term trade receivables past their due dates amounted to CZK 342,160 thousand (net CZK 243,143 thousand) and CZK 314,549 thousand (net CZK 252,893 thousand), respectively.

#### Other Receivables

Short-term prepayments made principally involve prepayments for supplied services.

As of 31 December 2025 and 31 December 2024, State – tax assets predominantly included a receivable arising from valueadded tax, prepayments for corporate income tax and prepayments for fees under Act No. 201/2012 Coll., on air protection.

As of 31 December 2025 and 31 December 2024, sundry receivables principally included a receivable arising from an indisputable claim for a subsidy, a receivable arising from group registration for valueadded tax, and receivables from individuals.

As of 31 December 2025 and 31 December 2024, estimated receivables primarily included an estimated receivable for expected insurance claims relating to an accident of the wind heater (additional costs due to the interruption of operations), including other insurance claims, and an estimated receivable for service supplies. In connection with the expected insurance claims relating to the wind heater accident, the Company received prepayments from the insurance company (see Note 7.4). The portion of the insurance claim relating to property damage was already closed as of the financial statements' date of 31 December 2025, including the final settlement.

Receivables typically mature within 30 days.

### 6.11.3. PLEDGED RECEIVABLES

As of 31 December 2025, "METALURGIA" SPÓŁKA AKCYJNA records pledged receivables of PLN 3,417 thousand (CZK 19,629 thousand) with BNP Paribas Faktoring Sp. z o.o. and pledged receivables of PLN 1,303 thousand (CZK 7,482 thousand) with Pekao Faktoring Sp. z o.o. As of 31 December 2024, pledged receivables amounted to PLN 5,397 thousand (CZK 31,790 thousand) with BNP Paribas Faktoring Sp. z o.o. and pledged receivables of PLN 2,439 thousand (CZK 14,365 thousand) with Pekao Faktoring Sp. z o.o.

### 6.11.4. INTERCOMPANY RECEIVABLES

As of 31 December 2024, the Company reported a long-term receivable from the related party EKOSTROJÍRENSTVÍ TŘINEC, a.s., in the amount of CZK 67,123 thousand under the Revolving Loan Agreement, for which a full provision had been created. As a result of the EKOSTROJÍRENSTVÍ Merger (see Note 3.1), the obligation to settle this receivable was transferred to the successor company ENERGETIKA TŘINEC, a.s. As of the financial statements' date of 31 December 2025, this receivable had been settled and the provision released.

## Short-term Receivables

(IN CZK THOUSAND)

Name of the entity	Relation to the Company	Balance at 31 Dec 2025	Balance at 31 Dec 2024
• Trade receivables			
JuBo Jeseník s. r. o.	Controlled Entity	1 932	2 935
Moravia Security, a.s.*	Controlled Entity	0	229
MORAVIA STEEL a.s.	Controlling Entity	2 900 833	3 297 464
TŘINECKÁ PROJEKCE, a.s.	Controlled Entity	277	4 645
Třinecké gastroslužby, s.r.o.*	Controlled Entity	0	4 121
TRISIA, a.s.	Controlled Entity	620	129
VESUVIUS ČESKÁ REPUBLIKA, a.s.	Associate	13 825	11 056
Beskydská golfová, a.s.	Fellow Subsidiary	39	28
NEOMET Sp. z o.o.	Fellow Subsidiary	29	50
IMOPRA s.r.o.	Controlled Entity	2	2
M Steel Projects a.s.	Fellow Subsidiary	8	13
Security Morava, s.r.o.	Controlled Entity	100	17
Moravskoslezský kovošrot, a.s.	Fellow Subsidiary	2 046	1 545
Kovárna VIVA a.s.	Fellow Subsidiary	472	311
MINERFIN a.s.	Group entity	4	527
Barrandov Studio a.s.	Fellow Subsidiary	8 703	130
Reťaze Slovakia, s.r.o.	Controlled Entity	8 129	1 158
Řetězárna servis s.r.o.	Controlled Entity	17	5
EKOSTROJÍRENSTVÍ TŘINEC, a.s.**	Controlled Entity	0	133
MSV Metal Studénka, a.s.	Fellow Subsidiary	3 105	3 194
KUŹNIA OSTRÓW WIELKOPOLSKI SP. Z O.O.	Fellow Subsidiary	0	310
ALPER a.s.	Fellow Subsidiary	0	2
ENEZA, s.r.o.	Controlled Entity	1 414	1 502
<b>Total</b>		<b>2 941 555</b>	<b>3 329 506</b>

 TABLE CONTINUES ON THE FOLLOWING PAGE

CONTINUATION OF THE TABLE FROM THE PREVIOUS PAGE

Name of the entity	Relation to the Company	Balance at 31 Dec 2025	Balance at 31 Dec 2024
• Estimated receivables			
MORAVIA STEEL a.s.	Controlling Entity	1 862	1 593
Třinecké gastroslužby, s.r.o.*	Controlling Entity	0	3
<b>Total</b>		<b>1 862</b>	<b>1 596</b>
• Accrued income			
MORAVIA STEEL a.s.	Controlling Entity	4	10 551
EKOSTROJÍRENSTVÍ TŘINEC, a.s.	Controlled Entity	0	894
<b>Total</b>		<b>4</b>	<b>11 445</b>
<b>Total short-term intercompany receivables including accruals</b>		<b>2 943 421</b>	<b>3 342 547</b>
Other than intercompany receivables		3 591 084	4 528 184
<b>Total short-term receivables including accruals</b>		<b>6 534 505</b>	<b>7 870 731</b>

Note: \* The consolidation group was expanded as of 1 January 2025 to include Třinecké gastroslužby, s.r.o. and Moravia Security, a.s.

\* As a result of the Ekostrojirenství Merger as of 1 January 2025 (see Note 3.1), the receivables were transferred to the successor company ENERGETIKA TŘINEC, a.s.

## 6.12. Equity

Valuation differences include the difference from the revaluation of securities available for sale net of a deferred tax liability.

As a result of the EKOSTROJÍRENSTVÍ Merger (see Note 3.1), the Company's equity decreased by CZK 52,296 thousand as of 1 January 2025.

As a result of the Trialfa Merger (see Note 3.1), the Company's equity increased by CZK 22,430 thousand as of 1 January 2024.

The sole shareholder of the Company decided to distribute the net profit of the Company after tax generated by the Company in 2024 in the amount of CZK 315,722 thousand as follows:

Retained earnings brought forward                      CZK 315,722 thousand.

### Share Capital

The Company's share capital is composed of 8,109,863 ordinary registered shares in the certificate form, fully subscribed and paid up, with a nominal value of CZK 1 thousand per share.

### Proposal for the Allocation of Profit for 2025

In 2025, the Company generated net profit after tax of CZK 185,580 thousand. It is proposed to be allocated as follows:

- Retained earnings brought forward:                      CZK 185,580 thousand.

## 6.13. Reserves

Other reserves principally consist of reserves for employee bonuses, risks arising from business relations, including warranty claims.

## 6.14. Payables

### 6.14.1. LONG-TERM PAYABLES

Long-term trade payables as of 31 December 2025 primarily include payables arising from retention fees from suppliers according to concluded contracts.

As of 31 December 2025, the Company recorded no long-term payables covered by material guarantees.

As of 31 December 2025, the Company records long-term trade payables with maturity longer than 5 years in the amount of CZK 69 thousand. As of 31 December 2024, the Company records long-term trade payables with maturity longer than 5 years in the amount of CZK 69 thousand.

### 6.14.2. SHORT-TERM TRADE PAYABLES

As of 31 December 2025, short-term trade payables past their due dates amount to CZK 9,494 thousand (2024: CZK 21,325 thousand).

As of 31 December 2025, the Company reports short-term prepayments received, primarily comprising prepayments for expected insurance claims related to the wind heater accident in the amount of CZK 450,000 thousand (additional costs due to the interruption of operations) and prepayments for service supplies. As of 31 December 2024, this item primarily included prepayments for expected insurance claims related to the wind heater accident in the amount of CZK 950,000 thousand (additional costs due to the interruption of operations and property damage) and prepayments for service supplies.

Payables typically fall due for settlement within 60 days.

### 6.14.3. OTHER PAYABLES

As of 31 December 2025 and 31 December 2024, the category 'State – tax liabilities and subsidies' principally comprised received subsidies for emission allowances, and a payable arising from personal income tax.

As of 31 December 2025 and 31 December 2024, estimated payables mainly consist of an estimated payable intended to cover all so far unrecognised payments relating to staff costs, an estimated payable for fees under Act No. 201/2012 Coll., on Air Protection, and an estimated payable arising from unbilled inventory including services and energy costs.

As of 31 December 2025 and 31 December 2024, sundry payables primarily include payables arising from the Group's registration for value added tax.

## 6.14.4. INTERCOMPANY PAYABLES

### Long-Term Payables

As of 31 December 2025, the Group recorded no long-term intercompany payables.

As of 31 December 2025, other long-term payables outside the Group primarily include a deferred tax liability of CZK 1,554,288 thousand, and payables to credit institutions of CZK 2,446,941 thousand. As of 31 December 2024, these items primarily included a deferred tax liability of CZK 1,505,800 thousand and payables to credit institutions of CZK 2,857,360 thousand.

### Short-term Payables

(IN CZK THOUSAND)

Name of the entity	Relation to the Company	Balance at 31 Dec 2025	Balance at 31 Dec 2024
• Trade payables			
Řetězárna servis s.r.o.	Controlled entity	2 556	1 475
JuBo Jeseník s. r. o.	Controlled entity	14	0
Ocelářská unie, a.s.	Associate	924	923
MORAVIA STEEL a.s.	Controlling entity	2 680 909	2 735 771
Moravia Security, a.s.*	Controlled entity	0	12 646
Security Morava, s.r.o.	Controlled entity	2 110	2 827
TRISIA, a.s.	Controlled entity	1 557	1 615
TŘINECKÁ PROJEKCE, a.s.	Controlled entity	8 715	1 937
Třinecké gastroslužby, s.r.o.*	Controlled entity	0	16 083
VESUVIUS ČESKA REPUBLIKA, a.s.	Associate	3 385	44 258
Beskydská golfová, a.s.	Fellow subsidiary	53	0
Barrandov Studio a.s.	Controlled entity	33	0
„ZAMECZEK BŁOGOCICE” Sp. z o.o.	Controlled entity	96	99
Moravskoslezský kovošrot, a.s.	Fellow subsidiary	176 596	110 251

▼ TABLE CONTINUES ON THE FOLLOWING PAGE

 CONTINUATION OF THE TABLE FROM THE PREVIOUS PAGE

Name of the entity	Relation to the Company	Balance at 31 Dec 2025	Balance at 31 Dec 2024
MORAVIA STEEL ITALIA s.r.l.	Fellow subsidiary	538	319
MORAVIA STEEL SLOVENIJA d.o.o.	Fellow subsidiary	232	54
MORAVIA STEEL IBÉRIA, S.A.	Fellow subsidiary	163	269
MORAVIA STEEL UK LIMITED	Fellow subsidiary	114	69
Moravia Steel Deutschland GmbH	Fellow subsidiary	1 096	1 053
NEOMET Sp. z o.o.	Fellow subsidiary	80 191	99 788
MSV Metal Studénka, a.s.	Fellow subsidiary	190	173
EKOSTROJÍRENSTVÍ TŘINEC, a.s.**	Controlled entity	0	27 202
ENEZA, s.r.o.	Controlled entity	25 246	25 979
Reťaze Slovakia, s.r.o.	Controlled entity	0	18
<b>Total</b>		<b>2 984 718</b>	<b>3 082 809</b>
• Estimated payables			
MORAVIA STEEL a.s.	Controlling entity	2 197	389
TRISIA, a.s.	Fellow subsidiary	102	0
Beskydská golfová, a.s.	Fellow subsidiary	397	0
MORAVIA STEEL IBÉRIA, S.A.	Fellow subsidiary	6	40
MORAVIA STEEL SLOVENIJA d.o.o.	Fellow subsidiary	0	273
<b>Total</b>		<b>2 702</b>	<b>702</b>

 TABLE CONTINUES ON THE FOLLOWING PAGE

 CONTINUATION OF THE TABLE FROM THE PREVIOUS PAGE

Name of the entity	Relation to the Company	Balance at 31 Dec 2025	Balance at 31 Dec 2024
• Other payables			
MORAVIA STEEL a.s.	Controlling entity	49 007	49 745
<b>Total</b>		<b>49 007</b>	<b>49 745</b>
• Accrued expenses			
MORAVIA STEEL a.s.	Controlling entity	8 909	4 605
MORAVIA STEEL IBÉRIA, S.A.	Fellow subsidiary	87	242
MORAVIA STEEL SLOVENIJA d.o.o.	Fellow subsidiary	32	18
<b>Total</b>		<b>9 028</b>	<b>4 865</b>
<b>Total short-term intercompany payables including accruals</b>		<b>3 045 455</b>	<b>3 138 121</b>
Other than intercompany payables		6 506 562	7 904 588
<b>Total short-term payables including accruals</b>		<b>9 552 017</b>	<b>11 042 709</b>

Note: \* The consolidation group was expanded as of 1 January 2025 to include the company Třinecké gastroslužby, s.r.o. and the company Moravia Security, a.s.

\*\* As a result of the Ekostrojřrenství Merger as of 1 January 2025 (see Note 3.1), the receivables were transferred to the successor company ENERGETIKA TŘINEC, a.s.

Short-term payables outside of the group as of 31 December 2025 and 2024 predominantly include payables to credit institutions of CZK 1,514,723 thousand and CZK 1,566,241 thousand, respectively, and tax liabilities and subsidies of CZK 648,464 thousand and CZK 1,295,525 thousand as of 31 December 2025 and 2024, respectively.

## 6.15. Deferred Income Tax

### 6.15.1. DEFERRED TAX LIABILITY

In determining the deferred tax liability amount, the Group used the tax rate in line with the legislation of each state for the period in which the deferred tax liability is anticipated to be realised.

(IN CZK THOUSAND)

Deferred tax basis	Tax rate in %	Balance at 31 Dec 2025	Balance at 31 Dec 2024
Difference between tax and accounting net book value of fixed assets	21	-9 556 200	-9 928 798
Difference between tax and accounting net book value of fixed assets	9	-124 232	-100 991
Remeasurement of securities available for sale	21	2 054	2 054
Remeasurement of assets to fair value	21	-180 351	-147 546
Remeasurement of assets to fair value	19	-19 454	-18 417
Remeasurement of assets to fair value	9	-24 813	-26 189
Accounting reserves	21	204 659	207 914
Provisions	21	1 182 539	1 453 671
Provision for positive goodwill on consolidation	21	230 451	79 371
Unpaid default interest	21	-18	-954
Expenses that are tax deductible in subsequent periods	21	95 925	130 221
Utilisable tax loss	21	136 838	145 898
Unrealised gains on the intragroup sale of inventory	21	29 725	53 752
Unrealised gains on the intragroup sale of inventory	9	1 611	0
Unrealised gains on intragroup sales of tangible and intangible fixed assets	21	533 796	904 809
Unrealised gains on intragroup sales of tangible and intangible fixed assets	19	136	463
Unrealised gains on intragroup sales of tangible and intangible fixed assets (equity)	19	-136	-133
<b>Total tax base</b>		<b>-7 487 470</b>	<b>-7 244 875</b>
<b>Deferred tax liability</b>		<b>-1 554 288</b>	<b>-1 505 800</b>

(IN CZK THOUSAND)

Analysis of movements	
<b>31 Dec 2024</b>	<b>-1 505 800</b>
Expansion of the consolidation group	-1 236
Current changes charged to the profit and loss account	-35 982
Current changes recognised in equity	-286
Accounting against positive goodwill	-10 984
<b>31 Dec 2025</b>	<b>-1 554 288</b>

### 6.15.2. DEFERRED TAX ASSET

The tax rate used to calculate the deferred tax asset was the tax rate in accordance with the legislation of each country applicable to the period in which the tax asset is expected to be utilised.

(IN CZK THOUSAND)

Arising from	Tax rate (in %)	Balance at 31 Dec 2025	Balance at 31 Dec 2024
Difference between the tax amount and the carrying amount of fixed assets	19	-23 605	-27 607
Expenses that are tax deductible in subsequent periods	19	19 860	25 434
Provisions	19	17 196	9 256
Applicable tax loss	19	38 793	53 668
<b>Total tax base</b>		<b>52 244</b>	<b>60 751</b>
<b>Deferred tax asset</b>		<b>9 926</b>	<b>11 543</b>

(IN CZK THOUSAND)

Analysis of movements	
<b>31 Dec 2024</b>	<b>11 543</b>
Current changes charged to the profit and loss account	-1 349
Current changes recognised in equity	-268
<b>31 Dec 2025</b>	<b>9 926</b>

## 6.16. Payables to Credit Institutions

### Long-Term Payables to Credit Institutions

(IN CZK THOUSAND)

Type of payable	Currency	Balance at 31 Dec 2025	Balance at 31 Dec 2024	Form of collateral as of 31 December 2025
Investment loan	CZK	120 000	360 000	Immovable and movable assets, insurance receivables, own promissory note
Investment loan	CZK	677 235	838 661	Immovable and movable assets, insurance receivables
Investment loan	EUR	0	112 262	Immovable and movable assets, insurance receivables
Investment loan	EUR	347 916	567 922	Immovable and movable assets, insurance receivables, own promissory note
Investment loan	EUR	454 594	661 106	No collateral
Investment loan	EUR	48 490	0	No collateral
Investment loan	EUR	543 330	0	Immovable and movable assets, insurance receivables, own promissory note
Investment loan	CZK	0	950	No collateral
Investment loan	EUR	3 771	5 876	No collateral
Investment loan	CZK	7 200	0	No collateral
Investment loan	EUR	24 367	32 637	Promissory note
Special purpose loan	EUR	101 829	148 088	Receivables
Investment loan	EUR	0	11 126	Own blank promissory note, pledge of movable assets
Special purpose loan	CZK/EUR	42 034	12 000	No collateral
Agreement on a subsidised loan	CZK	4 066	0	Own promissory notes, pledge of movable assets
Investment loan	EUR	0	1 470	Blank promissory note
Investment loan	EUR	3 636	18 889	Own blank promissory note
Investment loan	EUR	35 735	56 466	Own blank promissory note
Investment loan	EUR	1 657	5 143	Mortgage, insurance security
Investment loan	EUR	31 081	24 764	Mortgage, insurance security
<b>Total</b>		<b>2 446 941</b>	<b>2 857 360</b>	

**Short-Term Payables to Credit Institutions**

(IN CZK THOUSAND)

Type of payable	Currency	Balance at 31 Dec 2025	Balance at 31 Dec 2024	Form of collateral as of 31 December 2025
Overdraft	CZK	15	0	No collateral
Investment loan	EUR	1 415	5 876	Blank promissory note
Overdraft	PLN	2 155	0	Pledge of inventories, goods, materials and finished products together with transfer of the insurance policy, blank promissory notes
Overdraft	EUR	21 999	10 869	Pledge of inventories, goods, materials and finished products together with transfer of the insurance policy, blank promissory notes
Overdraft	PLN	1 656	574	Pledge of inventories, goods, materials and finished products together with transfer of the insurance policy, blank promissory notes
Overdraft	EUR	26 751	33 087	Pledge of inventories, goods, materials and finished products together with transfer of the insurance policy, blank promissory notes
Investment loan	PLN	2 260	6 952	Pledge of inventories, goods, materials and finished products together with transfer of the insurance policy, blank promissory notes
Investment loan	EUR	4 451	6 922	Pledge of inventories, goods, materials and finished products together with transfer of the insurance policy, blank promissory notes
Overdraft – credit cards	CZK	102	120	No collateral
Singlepurpose investment loan	EUR	0	26 384	Movable and immovable assets
Overdraft	EUR	22 342	63 269	Receivables
Special purpose loan	EUR	40 732	42 311	Receivables
Overdraft	EUR	42 629	0	Promissory note
Investment loan	EUR	108 072	224 524	Immovable and movable assets, insurance receivables
Investment loan	EUR	198 809	206 517	Immovable and movable assets, insurance receivables, own promissory note
Investment loan	CZK	240 000	240 000	Immovable and movable assets, insurance receivables, own promissory note
Short-term loan	CZK	51	62	No collateral
Investment loan	EUR	181 837	188 887	No collateral

 TABLE CONTINUES ON THE FOLLOWING PAGE

☺ CONTINUATION OF THE TABLE FROM THE PREVIOUS PAGE

Type of payable	Currency	Balance at 31 Dec 2025	Balance at 31 Dec 2024	Form of collateral as of 31 December 2025
Investment loan	EUR	193 496	93 185	Securities, own promissory note
Investment loan	EUR	60 370	0	Immovable and movable assets, insurance receivables, own promissory note
Investment loan	CZK	950	1 900	No collateral
Investment loan	EUR	1 886	1 959	No collateral
Investment loan	CZK	2 400	0	No collateral
Credit cards	CZK	32	6	No collateral
Investment loan	EUR	8 486	8 815	Promissory note
Special purpose loan	CZK	0	5 000	Pledge on movable assets
Special purpose loan	CZK/EUR	11 965	6 000	No collateral
Agreement on a subsidised loan	CZK	2 217	0	Own promissory notes, pledge on movable assets
Investment loan	CZK	0	18 000	Blank promissory note, pledge on movable assets
Investment loan	CZK	0	0	Blank promissory note
Overdraft	CZK	0	16 097	Blank promissory note
Overdraft	CZK	0	4 735	Blank promissory note
Overdraft	CZK	0	3 502	Blank promissory note
Overdraft	EUR	0	64 489	Blank promissory note
Overdraft	CZK	26 117	32 508	Own blank promissory note
Overdraft	CZK	26 117	33 077	Own blank promissory note
Investment loan	EUR	10 710	14 830	Own blank promissory note, pledge on movable assets
Overdraft	EUR	25 015	5 143	Blank promissory note
Operating loan	CZK	44 992	12 859	Pledge of immovable assets, blank promissory note, assignment of property insurance

☺ TABLE CONTINUES ON THE FOLLOWING PAGE

 CONTINUATION OF THE TABLE FROM THE PREVIOUS PAGE

Type of payable	Currency	Balance at 31 Dec 2025	Balance at 31 Dec 2024	Form of collateral as of 31 December 2025
Operating loan	EUR	70 571	78 979	Blank promissory note Own
Operating loan	CZK	48 033	4 572	Blank promissory note Own
Investment loan	EUR	0	9 289	Blank promissory note Own
Investment loan	EUR	14 547	15 111	Blank promissory note Own
Investment loan	EUR	20 420	20 609	Blank promissory note Own
Operating loan	CZK	35 373	0	Pledge of immovable assets, blank promissory note, assignment of property insurance
Investment loan	EUR	0	3 465	Mortgage, insurance security
Investment loan	EUR	3 314	3 429	Mortgage, insurance security
Overdraft	EUR	0	39 460	No collateral
Investment loan	EUR	12 436	12 868	Mortgage, insurance security
<b>Total</b>		<b>1514 723</b>	<b>1566 241</b>	

Repayments of long-term payables to credit institutions with maturities exceeding five years amount to CZK 93,185 thousand.

## 6.17. Off Balance Sheet Assets and Liabilities, Legal Disputes and Other Matters

TŘINECKÉ ŽELEZÁRNY, a. s.

### Provided Guarantees

31 December 2025

Type	Total amount	Balance at 31 Dec 2025
<i>Guarantees</i> – to other entities	EUR 1,507 thousand	CZK 36,531 thousand

31 December 2024

Type	Total amount	Balance at 31 Dec 2024
<i>Guarantees</i> – to other entities	EUR 3,249 thousand CZK 40,000 thousand	CZK 81,833 thousand CZK 40,000 thousand

### Received Guarantees

31 December 2025

Type	Total amount	Balance at 31 Dec 2025
<i>Guarantees</i> – from other entities	EUR 1,300 thousand CZK 13,346 thousand	CZK 31,530 thousand CZK 13,346 thousand

31 December 2024

Type	Total amount	Balance at 31 Dec 2024
<i>Guarantees</i> – from other entities	EUR 4,487 thousand CZK 21,320 thousand	CZK 113,004 thousand CZK 21,320 thousand

As of 31 December 2025, the Company records in off-balance sheet records both promissory notes issued by the Company in favour of credit institutions and promissory notes received, issued in favour of the Company to collateralise financial payables under the Revolving Credit Agreements.

### Legal Disputes

A dispute based on an action filed by the Company on 14 February 2025 at the Municipal Court in Prague against the decision of the Ministry of Industry and Trade of the Czech Republic issued under Ref. No. MPO 86138/2024 on 12 December 2024. By this decision, the Company was awarded compensation for indirect costs for 2023 (according to Government Regulation No. 565/2020 Coll.) only in a reduced amount, i.e. CZK 165,722,948.00, although the Company claimed compensation for indirect costs for 2023 in the amount of CZK 458,272,980.30 by a duly filed application. The contested decision of the Ministry of Industry and Trade provided compensation only in an amount reduced by the amount of other public support provided to the Company, specifically by the amount provided to the Company in the form of the electricity price cap. By this action, the Company seeks the annulment of the above-mentioned decision of the Ministry of Industry and Trade on the provision of compensation for indirect costs. Following the dismissal of the action by the Municipal Court in Prague, the Company filed a cassation complaint with the Supreme Administrative Court. The matter has not yet been resolved.

### Environmental Liabilities

The Company was subject to an environmental audit, which highlighted the Company's environmental obligations. Based upon the audit, the Company entered into an agreement with the National Property Fund of the Czech Republic for the settlement of expenses involved in removing environmental liabilities up to CZK 514 million that had arisen prior to privatisation.

Under the amendment to this contract concluded on 3 November 2008 with the Czech Republic – the Ministry of Finance, the guarantee of the Ministry of Finance is capped at CZK 843.6 million. This guarantee covers environmental liabilities of the Company. For this reason, the Company does not create a reserve for environmental burdens.

As of 31 December 2025, the Company used up funds in the amount of CZK 556,802 thousand (2024: CZK 552,562 thousand).

### Other Entities Included in the Consolidation Group

#### ENERGETIKA TŘINEC, a.s.

#### Collateral for payables

(IN CZK THOUSAND)

Type of liability	Balance at 31 Dec 2025	Balance at 31 Dec 2024
Blank promissory notes – collateral for own overdrafts	670 000	550 000
Blank promissory notes – collateral for own long-term loans	0	90 000
<b>Total</b>	<b>670 000</b>	<b>640 000</b>

**Strojírny a stavby Třinec, a.s.****Provided Guarantees****31 December 2025**

Type	Total amount	Balance at 31 Dec 2025
<i>Guarantees</i> - to other entities	CZK 7,097 thousand EUR 26,048 thousand	CZK 7,097 thousand CZK 630,822 thousand

## 31 December 2024

Type	Total amount	Balance at 31 Dec 2024
<i>Guarantees</i> - to other entities	CZK 17,807 thousand EUR 3,083 thousand	CZK 17,807 thousand CZK 77,271 thousand

**Received guarantees**

## 31 December 2025

Type	Total amount	Balance at 31 Dec 2025
<i>Guarantees</i> - from other entities	CZK 2,410 thousand	CZK 2,410 thousand

## 31 December 2024

Type	Total amount	Balance at 31 Dec 2024
<i>Guarantees</i> - from other entities	CZK 4,885 thousand	CZK 4,885 thousand

Other payables and receivables not discussed in the accounting and legal disputes of entities included in the consolidation group are described in detail in separate financial statements of these entities. These payables, receivables and legal disputes are not significant from the Group's perspective.

# 7. ADDITIONAL CONSOLIDATED PROFIT AND LOSS ACCOUNT INFORMATION

## 7.1. Income from Ordinary Activities and Sold Goods

### 7.1.1. THE GROUP'S INCOME FROM ORDINARY ACTIVITIES AND SALE OF GOODS FOR 2025

(IN CZK THOUSAND)

Activities	In-country	Cross-border	Total
Metallurgic production	45 251 432	5 986 382	51 237 814
Other production	2 017 676	1 845 804	3 863 480
Sale of goods	118 332	174 913	293 245
Services	1 567 618	139 702	1 707 320
<b>Total</b>	<b>48 955 058</b>	<b>8 146 801</b>	<b>57 101 859</b>

### 7.1.2. THE GROUP'S INCOME FROM ORDINARY ACTIVITIES AND SALE OF GOODS FOR 2024

(IN CZK THOUSAND)

Activities	In-country	Cross-border	Total
Metallurgic production	47 030 756	7 361 163	54 391 919
Other production	1 894 723	1 992 526	3 887 249
Sale of goods	13 641	242 373	256 014
Services	1 234 169	165 056	1 399 225
<b>Total</b>	<b>50 173 289</b>	<b>9 761 118</b>	<b>59 934 407</b>

## 7.2. Grants and Subsidies

In the year ended 31 December 2025, the Company drew a subsidy for the acquisition of environmental and other investments in the amount of CZK 88,250 thousand.

In the year ended 31 December 2024, the Company drew a subsidy for the acquisition of environmental and other investments in the amount of CZK 39,965 thousand.

Subsidies for operating purposes amounting to CZK 9,041 thousand utilised in the year ended 31 December 2025 include the subsidy for the operation of the Museum of Třinec Ironworks and the City of Třinec, subsidies for environmental projects and the subsidy for education.

Subsidies for operating purposes amounting to CZK 3,121 thousand utilised in the year ended 31 December 2024 include the subsidy the operation of the Museum of Třinec Ironworks and the City of Třinec and the subsidy for education.

## 7.3. Total Remuneration Charged by the Auditor

(IN CZK THOUSAND)

	Year ended 31 December 2025	Year ended 31 December 2024
Obligatory audit of the financial statements	12 843	12 717
Other assurance services	117	121
Other non-audit services	176	5
<b>Total</b>	<b>13 136</b>	<b>12 843</b>

## 7.4. Other Expenses and Income

Other operating income for 2025 predominantly includes the drawing of the subsidy for allowances in the amount of CZK 6,871,991 thousand (2024: CZK 6,943,374 thousand), and the settlement of the insurance claim related to the wind heater accident in respect of property damage, including the reassessment of the insurance claim for the interruption of operations, with a total impact of a reduction in income of CZK 59,796 thousand.

Other financial income for 2025 predominantly includes foreign exchange gains of CZK 250,747 thousand (2024: CZK 212,380 thousand).

Other operating expenses for 2025 predominantly include the use of emission allowances in the amount of CZK 6,940,092 thousand (2024: CZK 6,943,374 thousand).

Other financial expenses for 2025 predominantly include foreign exchange losses of CZK 177,266 thousand (2024: CZK 263,649 thousand).

Financial gifts are reported in operating expenses. The total amount of gifts provided in 2025 was CZK 29,256 thousand (2024: CZK 29,886 thousand).

In the year ended 31 December 2025, the Company received and reported the compensation for indirect costs for industries identified as having a significant risk of carbon leakage due to the reflection of the costs associated with greenhouse gas emissions in the price of electricity for the calendar year 2024 in the amount of CZK 473,906 thousand.

In the year ended 31 December 2024, the Company received and reported the compensation for indirect costs for industries identified as having a significant risk of carbon leakage due to the reflection of the costs associated with greenhouse gas emissions in the price of electricity for the calendar year 2023 in the amount of CZK 165,723 thousand.

## 7.5. Total Research and Development Costs

(IN CZK THOUSAND)

	31 Dec 2025	31 Dec 2024
Development costs (less subsidies)	36 525	38 900

## 7.6. Related Party Transactions

### 7.6.1. INCOME GENERATED WITH RELATED PARTIES

The income generated with related parties amounted to CZK 43,190 thousand in the year ended 31 December 2025, of which income generated with MORAVIA STEEL a.s. amounted to CZK 42,959 thousand (CZK 45,725 thousand in 2024, of which income generated with MORAVIA STEEL a.s. amounted to CZK 45,536 thousand). All transactions with related parties were conducted on an arm's length basis.

The income generated from profit shares received from entities in the Group in the years ended 31 December 2025 and 2024 is disclosed in Note 6.6.

### 7.6.2. PURCHASES FROM RELATED PARTIES

Total purchases from related parties amounted to CZK 30,747 thousand for the year ended 31 December 2025, of which CZK 27,563 thousand from MORAVIA STEEL a.s. (CZK 33,599 thousand in 2024, of which CZK 29,779 thousand from MORAVIA STEEL a.s.). All transactions with related parties were conducted on an arm's length basis.

# 8. EMPLOYEES AND MANAGEMENT OF ENTITIES IN THE CONSOLIDATION GROUP

## 8.1. Staff Costs and Number of Employees

31 December 2025

(IN CZK THOUSAND)

	Number	Total staff costs
Employees	11 517	8 428 385
Management	157	336 806
<b>Total</b>	<b>11 674</b>	<b>8 765 191</b>

31 December 2024

(IN CZK THOUSAND)

	Number	Total staff costs
Employees	11 312	7 989 283
Management	148	325 342
<b>Total</b>	<b>11 460</b>	<b>8 314 625</b>

The number of employees and company management members is based on the average recalculated number of employees and company management members. The values for 2025 and 2024 include the impact of the Mergers (Note 3.1).

For the purposes of these notes to the consolidated financial statements, the category of management includes the members of the Supervisory Boards, the members of the Board of Directors, statutory executives and professional directors. In respect of the Company, they also include managers of operations and specialised units, and the plant director.

## 8.2. Loans, Borrowings, and Other Benefits Provided

The amount of other supplies provided to managers:

(IN CZK THOUSAND)

	2025	2024
Use of management cars (the figure increases the tax base of employees)	12 014	11 925
Contribution for life insurance	188	230
Liability insurance	750	742

## 9. POST BALANCE SHEET EVENTS

Based on the decision of the Company's Board of Directors and in accordance with Section 22aa of Act No. 563/1991 Coll., on Accounting, the Company will not prepare consolidated financial statements of the smallest group of accounting entities starting from the reporting period beginning on 1 January 2026, as it is already a consolidated entity included in the consolidation group of another consolidating entity.

### **TŘINECKÉ ŽELEZÁRNY, a. s.**

After the balance sheet date of 31 December 2025, the following change in the Company's organisational structure becomes effective as of 1 January 2026:

- the Tube Rolling Mill Operation, the VWhb – Universal Mill Unit and the Billet Rolling Mill were merged under the new External Rolling Mills Operation under the authority of the Production Director.

### **ŽDB DRÁTOVNA a.s.**

With effect from 1 January 2026, at the Supervisory Board meeting held on 2 January 2026, Mr. Roman Heide was elected a member of the Supervisory Board and, with effect from 2 January 2026, was elected its chairman. At the same meeting, Mr. Krzysztof Roch Ruciński was elected vice-chairman of the Supervisory Board with effect from 2 January 2026.

The composition of the Supervisory Board as of 1 January 2026 is as follows:

<b>Supervisory Board</b>	Chairman	Roman Heide
	Vice-Chairman	Krzysztof Roch Ruciński
	Member	Petra Honyszová

The above changes had not been entered in the Register of Companies as of the date of preparation of the financial statements.

## 10

# REPORT ON RELATED PARTY TRANSACTIONS FOR THE YEAR 2025

This Related Party Transactions Report between TŘINECKÉ ŽELEZÁRNY, a. s., with its registered office at Průmyslová 1000, Staré Město, 739 61 Třinec, corporate ID: 18050646, recorded in File B, Insert 146 of the Register of Companies held by the Regional Court in Ostrava (hereinafter “TŽ” or the “Company”) and the controlling entity, and between TŽ and entities controlled by the same controlling entity has been prepared in line with Section 82 of Act No. 90/2012 Coll., on Business Companies and Cooperatives (hereinafter the “Act on Business Corporations”) for the 2025 reporting period (hereinafter the “reporting period”).

## 1. DEFINITION OF THE CONTROLLING ENTITY AND CONTROLLED ENTITIES AND THE STRUCTURE OF THE RELATIONS BETWEEN THESE ENTITIES

### A. CONTROLLING ENTITY

**MORAVIA STEEL a.s.**, registered office: Průmyslová 1000, Staré Město, 739 61 Třinec, Corporate ID: 63474808

Relation: In the reporting period, MORAVIA STEEL a.s. was in the position of the controlling entity of TŽ.

**B. ENTITIES CONTROLLED BY THE SAME CONTROLLING ENTITY**

**Moravskoslezský kovošrot, a.s.**, registered office: Božkova 936/73, Přívoz, 702 00 Ostrava, Corporate ID: 26855097

Relation: In the reporting period, the entity was controlled by MORAVIA STEEL a.s.

**M Steel Projects a.s.**, registered office: Průmyslová 1000, Staré Město, 739 61 Třinec, Corporate ID: 28602331

Relation: In the reporting period, the entity was controlled by MORAVIA STEEL a.s.

**Barrandov Studio a.s.**, registered office: Kříženeckého nám. 322/5, 152 00 Prague 5 – Hlubočepy Corporate ID: 28172469

Relation: In the reporting period, the entity was controlled by MORAVIA STEEL a.s.

**Beskydská Golfová, a.s.**, registered office: no. 415, 739 61 Ropice; Corporate ID: 25352920

Relation: In the reporting period, the entity was controlled by MORAVIA STEEL a.s.

**MS – Slovensko s.r.o.**, registered office: Námestie Ľudovíta Štúra 2, Bratislava 811 02, Slovakia Corporate ID: 35900601

Relation: In the reporting period, the entity was controlled by MORAVIA STEEL a.s.

**MORAVIA STEEL IBÉRIA, S.A.**, registered office: Campo Grande, 35 – 9. A, P-1700 Lisbon, Portugal

Relation: In the reporting period, the entity was controlled by MORAVIA STEEL a.s.

**MORAVIA STEEL ITALIA s.r.l.**, registered office: Corso Sempione 39, 20145 Milano, Italy

Relation: In the reporting period, the entity was controlled by MORAVIA STEEL a.s.

**MORAVIA STEEL SLOVENIJA d.o.o.**, registered office: Valvazorjeva 14, 3000 Celje, Slovenia

Relation: In the reporting period, the entity was controlled by MORAVIA STEEL a.s.

**Moravia Steel Deutschland GmbH**, registered office: Cliev 19, 51515 Kürten-Herweg, Germany

Relation: In the reporting period, the entity was controlled by MORAVIA STEEL a.s.

**MORAVIA STEEL UK LIMITED**, registered office: 5 Bradwall Court, Bradwall Road, Sandbach, Cheshire, CW11 1 GE, UK

Relation: In the reporting period, the entity was controlled by MORAVIA STEEL a.s.

**„NEOMET” SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ**, registered office: Ul. BATALIONÓW CHŁOPSKICH 2, 42-680 TARNOWSKIE GÓRY, Republic of Poland

Relation: In the reporting period, the entity was controlled by MORAVIA STEEL a.s.

**Moravia Steel Arabia LLC**, registered office: Mousah Center – 2, Office 265, Olaya Street, 12221 Riyadh, Kingdom of Saudi Arabia  
Relation: In the reporting period, the entity was controlled by MORAVIA STEEL a.s. as of 1 July 2025.

**Kovárna VIVA a.s.**, registered office: Vavrečkova 5333, 760 01 Zlín Corporate ID: 46978496  
Relation: In the reporting period, the entity was controlled by MORAVIA STEEL.

**MSV Metal Studénka, a.s.**, registered office: R. Tomáška 859, 742 13 Studénka, Corporate ID: 47675942  
Relation: In the reporting period, the entity was controlled by MORAVIA STEEL a.s.

**M Steel Projects, s.r.o** registered office: Na Bráne 8665/4, Žilina 010 01, Slovakia Corporate ID: 46685570  
Relation: In the reporting period, the entity was controlled by MORAVIA STEEL a.s.

**AHP HYDRAULIKA, a.s.**, registered office: Vojtecha Tvrdého 793/21, Žilina 010 01, Slovakia Corporate ID: 31563104  
Relation: In the reporting period, the entity was controlled by MORAVIA STEEL a.s.

**MSPProjects International s.r.o.**, registered office at nám. Svobody 526, Lyžbice, 739 61 Třinec Corporate ID: 03587649  
Relation: In the reporting period, the entity was controlled by MORAVIA STEEL a.s.

**Barrandov Productions s.r.o.**, registered office: Kříženeckého náměstí 322/5, Hlubočepy, 152 00 Prague 5 Corporate ID: 25621025  
Relation: In the reporting period, the entity was controlled by MORAVIA STEEL a.s.

**FILMOVÁ NADACE**, registered office: Kříženeckého náměstí 322/5, Hlubočepy, 152 00 Prague 5 Corporate ID: 27437213  
Relation: The sole founder of the entity is Barrandov Studio a.s. which was controlled by MORAVIA STEEL a.s. in the reporting period.

**Moravia Steel Nepremičnine d.o.o.**, registered office: Ljubljanska cesta 3A, 3000 Celje, Slovenia  
Relation: In the reporting period, the entity was controlled by MORAVIA STEEL a.s.

**ALPER a.s.**, registered office: Vrahovická 4530, 796 01 Prostějov, Corporate ID: 27126226  
Relation: In the reporting period, the entity was controlled by MORAVIA STEEL a.s.

**KUŹNIA OSTRÓW WIELKOPOLSKI SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ**, registered office: Wrocławska 93, 63-400, Ostrów Wielkopolski, Poland  
Relation: In the reporting period, the entity was controlled by MORAVIA STEEL a.s.

**B.A. Zlín, s.r.o.**, registered office: Vavrečkova 5333, 760 01 Zlín, Corporate ID: 26301687  
Relation: In the reporting period, the entity was controlled by MORAVIA STEEL a.s.

**C. ENTITIES CONTROLLED BY TŽ**

**ENERGETIKA TŘINEC, a.s.**, registered office: Průmyslová 1024, Staré Město, 739 61 Třinec Corporate ID: 47675896

Relation: In the reporting period, the entity was controlled by TŽ.

**Slévárny Třinec, a.s.**, registered office: Průmyslová 1001, Staré Město, 739 61 Třinec, Corporate ID: 25830716

Relation: In the reporting period, the entity was controlled by TŽ.

**Třinecké gastroslužby, s.r.o.**, registered office: Průmyslová 1035, Staré Město, 739 61 Třinec Corporate ID: 25838148

Relation: In the reporting period, the entity was controlled by TŽ.

**Řetězárna a.s.**, registered office: Polská 48, 790 81 Česká Ves, Corporate ID: 47672081

Relation: In the reporting period, the entity was controlled by TŽ.

**Reťaze Slovakia, s.r.o.**, registered office: Nádražná 30, 909 01 Skalica, Slovakia Corporate ID : 34143483

Relation: In the reporting period, the entity was controlled by TŽ.

**JuBo Jeseník s. r. o.**, registered office: U Jatek 600/2, 790 01 Jeseník, Corporate ID: 48391514

Relation: In the reporting period, the entity was controlled by TŽ.

**Řetězárna servis s.r.o.** registered office: U Jatek 600/2, 790 01 Jeseník, Corporate ID: 05644267

Relation: In the reporting period, the entity was controlled by TŽ.

**TRISIA, a.s.**, registered office: nám. Svobody 526, Lyžbice, 739 61 Třinec, Corporate ID: 64610152

Relation: In the reporting period, the entity was controlled by TŽ.

**REFRASIL, s.r.o.**, registered office: Průmyslová 720, Kanská, 739 61 Třinec, Corporate ID: 48395862

Relation: In the reporting period, the entity was controlled by TŽ.

**VÚHŽ a.s.**, registered office: Dobrá 240, 739 51 Dobrá, Corporate ID: 27768953

Relation: In the reporting period, the entity was controlled by TŽ.

**Šroubárna Kyjov, spol. s r.o.**, registered office: Jiráskova 987/50, 697 01 Kyjov, Corporate ID: 42293588

Relation: In the reporting period, the entity was controlled by TŽ.

**Moravia Security, a.s.**, registered office: Průmyslová 725, Kanská, 739 61 Třinec, Corporate ID: 27835481

Relation: In the reporting period, the entity was controlled by TŽ.

**Security Morava, s.r.o.**, registered office: Jiráskova 987, 697 01 Kyjov, Corporate ID: 28346262

Relation: In the reporting period, the entity was controlled by TŽ.

**Strojírny a stavby Třinec, a.s.**, registered office: Průmyslová 1038, Staré Město, 739 61 Třinec, Corporate ID: 47674539

Relation: In the reporting period, the entity was controlled by TŽ.

**"METALURGIA" SPÓŁKA AKCYJNA**, registered office: Świętej Rozalii10/12, 97-500 Radomsko, Poland

Relation: In the reporting period, the entity was controlled by TŽ.

**"ZAMECZEK BŁOGOCICE" SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ**, registered office: Stefana Żeromskiego 1, 43-400 Cieszyn, Poland

Relation: In the reporting period, the entity was controlled by TŽ.

**"D&D" Drótaru Ipari és Kereskedelmi Zártkörűen Működő Részvénytársaság**, registered office: Sajószigeti utca 4, 3527 Miskolc, Hungary

Relation: In the reporting period, the entity was controlled by TŽ.

**TŘINECKÁ PROJEKCE, a.s.**, registered office: Míru 274, Kanada, 739 61 Třinec, Corporate ID: 47677741

Relation: In the reporting period, the entity was controlled by TŽ.

**ŽDB DRÁTOVNA a.s.**, registered office: Jeremenkova 66, Pudlov, 735 51 Bohumín, Corporate ID: 29400066

Relation: In the reporting period, the entity was controlled by TŽ.

**HŽP, a.s.**, registered office: Dolní 3137/100, 796 01 Prostějov, Corporate ID: 269 55 342

Relation: In the reporting period the entity was controlled by TŽ.

**SV servisní, s.r.o.**, registered office: Dolní 3137/100, 796 01 Prostějov, Corporate ID: 607 25 974

Relation: In the reporting period the entity was controlled by TŽ.

**IMOPRA s.r.o.**, registered office: U Dvora 217, 687 51 Nivnice, Corporate ID: 262 77 697

Relation: In the reporting period the entity was controlled by TŽ

**BOHEMIA RINGS s.r.o.**, registered office: 10, 565 43 Zámorsk, Corporate ID: 496 85 643

Relation: In the reporting period the entity was controlled by TŽ.

**EKOSTROJÍRENSTVÍ TŘINEC, a.s.**, registered office: Průmyslová 1038, Staré Město, 739 61 Třinec Corporate ID: 087 30 377

Relation: In the reporting period, the entity was controlled by TŽ until 30 April 2025, when it ceased to exist by deletion from the Register of Companies without liquidation as a result of a merger with ENERGETIKA TŘINEC, a.s. as the successor company.

**ENEZA, s.r.o.**, registered office: Průmyslová 1021, Staré Město, 739 61 Třinec Corporate ID: 25855344

Relation: In the reporting period, the entity was controlled by TŽ.

The registered office addresses disclosed in Chapter I have been outlined in accordance with the status as of 31 December 2025.

## 2. ROLE OF TŽ AND THE METHOD AND MEANS OF CONTROL

In line with Chapter I, TŽ's role in the structure of transactions with its related parties involves acting as a manufacturing company, the principal business activities of which comprise the production of metallurgical products.

TŽ is directly controlled by MORAVIA STEEL a.s. (hereinafter also "MS"). In the reporting period, MS was the controlling entity of TŽ and its sole shareholder with a 100% equity investment and 100% of TŽ's voting rights. MS exercised controlling influence over TŽ in its role as the sole shareholder acting in the capacity of the General Meeting of TŽ.

TŽ acts as a controlling entity in relation to a part of a business group which primarily includes other manufacturing companies. TŽ exercised controlling influence over these entities that are directly controlled by TŽ in its role as the majority shareholder under the provisions of Sections 73 and 74 (3) of the Act on Business Corporations, in that it used its shareholding in the voting rights of the controlled entities at their General Meetings, or that it exercised its role as the sole owner or the sole shareholder acting in the capacity as the General Meeting of the relevant controlled entities.

### 3. LIST OF ACTS AND CONTRACTS

#### A. List of acts and mutual contracts between TŽ and the controlling entity and between TŽ and entities controlled by the same controlling entity:

- a) In the reporting period, TŽ recorded no acts at the initiative or in the interest of the controlling entity or entities controlled by the controlling entity that would relate to assets exceeding 10% of the equity of TŽ identified according to the financial statements for the year ended 31 December 2024 in accordance with Section 82 (2) d) of the Act on Business Corporations.
- b) The list of mutual contracts for the reporting period between TŽ and the controlling entity and between TŽ and entities controlled by the same controlling entity in accordance with Section 82 (2) e) of the Act on Business Corporations, except for entities controlled by TŽ under Section C Chap. I., is listed below in Sections B through J of this Chapter, i.e. a list of such contracts between TŽ and
- MS is given in part B;
  - Beskydská golfová, a.s., in part C;
  - Moravskoslezský kovošrot, a.s., in part D;
  - M Steel Projects a.s. in part E;
  - "NEOMET" SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ in part F;
  - Barrandov Studio a.s. in part G;
  - MSProjects International s.r.o. in part H;
  - Kovárna VIVA a.s. in part I;
  - MSV Metal Studénka, a.s. in part J; and
  - Moravia Steel Deutschland GmbH in part K.
- c) Relations defined by Section 82 (2) d) and e) of the Act on Business Corporations that may have arisen in the reporting period between TŽ and entities controlled by TŽ according to part C. of Chapter I., are subject to the reports on related party transactions of these entities.

## B. List of Contracts between TŽ and MS

### B.1. Purchase and sale of metallurgical products, materials and raw materials

The business relations between TŽ and MS concerning the purchase and sale of metallurgical products, materials and raw materials were, in the past reporting period, governed by:

- Master Contract for the Supply of Metallurgical Products dated 21 December 2020,
- Master Contract for the Supply of Raw Materials and Input Materials dated 21 December 2020.

The individual performances are included in the partial purchase contracts concluded pursuant to the above contracts for a particular product, quantity, shape and design, price and performance deadline.

The agreed prices respect the specifics of purchases and sales in the metallurgical industry and are determined with regard to the elimination of foreign exchange risks, the adjustment of payment conditions and commercial risks.

### B.2. Contracts under which TŽ provides products and/or services in favour of MS

1. Master Contract for the Supply of Metallurgical Products dated 21 December 2020 and partial purchase contracts concluded under this Master Contract – sale of metallurgical products.
2. Licence Contract for using the trademark “Three hammers in a circle” dated 30 June 2002.
3. Service Agreement dated 29 June 2018 – provision of security and asset protection services, fire protection, filing office, document management and archiving, forwarding and customs clearance, IT services, pricing services, payroll and HR services, dispatching management, selected technical services, quality services, environmental protection services and selected accounting services.
4. Lease Contract dated 9 March 2000 – lease of premises, movable assets and parking places in the TŽ premises in Třinec.
5. Contracts for Lease of Non-Residential Premises dated 23 January 1997 – lease of garage boxes in the TŽ premises in Třinec.
6. Contract for Lease of Non-Residential Premises dated 22 July 2002 – lease of non-residential premises and a parking place in the TŽ premises in Bohumín.
7. Lease Contract dated 1 January 2011 – lease of Non-Residential Premises and movable assets in the TŽ premises in Ostrava-Vítkovice.
8. Contract for the Placement of Equipment dated 1 April 2011 – placement of technological equipment for data transmission inside the telecommunications building within the TŽ premises in Třinec.
9. Contract for Lease of NonResidential Premises dated 20 December 2011 – lease of non-residential premises in a building in Staré Město.
10. Contract on the Provision of Telecommunication Services dated 31 December 1998.
11. Contract on Internet Connection via the computer network of TŘINECKÉ ŽELEZÁRNY, a.s., dated 20 July 1999.

12. Consignment Agreement dated 13 August 2007 on representing the principal in customs proceedings – customs services.
13. Consignment Agreement dated 3 January 2005 on representing the principal in customs proceedings – customs services.
14. Contract dated 6 December 2024 – employee transportation in 2025.
15. Master Purchase Contract dated 30 January 2008 and partial purchase contracts concluded under this Master Contract – sale of goods from inventory.
16. Master Purchase Contract dated 17 June 2020 and partial purchase contracts concluded under this Master Contract – sale of goods from inventory.
17. Service Agreement dated 11 August 2003 – services related to smart cards.
18. Mandate Contract on representation in customs proceedings dated 19 July 2017.
19. Contract on Business Cooperation for supplies for the public tender “Supply of Rails for Tram and Metro Lines” for Dopravní podnik hl. m. Prahy, akciová společnost, dated 16 March 2022.
20. Contract on Business Cooperation for the supply of rails for Správa štátnych hmotných rezerv Slovenskej republiky dated 7 October 2025.
21. Contract on Business Cooperation for supplies for the public tender “Fine Rolled Rail 2025” for Správa železnic, státní organizace, dated 21 November 2024.
22. Contract dated 27 January 2025 – supply of the “Třinecký Hutník” weekly for 2025–2026.
23. Contract dated 14 April 2025 – securing transport for employee convalescence stays.
24. Project Consulting Contract dated 28 June 2019.
25. Contract dated 12 December 2024 – technical standards and related services.
26. Contract dated 12 December 2024 – services related to postal agenda handling for 2025.
27. Contract dated 3 November 2025 – sale of a scanner.
28. Contract dated 31 January 2025 – repairs of telephone devices for 2025.
29. Contracts dated 21 October 2024 and 26 September 2025 – supply of printed materials.
30. Contract dated 6 June 2025 – additional tests for a customer.
31. Contract dated 25 April 2025 – repair of drawing steel.
32. Contract dated 2 December 2025 – additional works related to material damage.
33. Contract dated 22 January 2025 – acceptance of tubes.
34. Contract dated 22 January 2025 – acceptance of goods.
35. Contract dated 30 June 2025 – sale of a mobile phone.
36. Contract dated 29 October 2025 – re-invoicing of travel expenses.

**B.3. Contracts under which MS provides products and/or services in favour of TŽ**

1. Master Contract for the Supply of Raw Materials and Input Materials dated 21 December 2020 and partial purchase contracts concluded under this Master Contract – purchase of raw materials and materials.
2. Master Contract on the Conditions of Freight Transportation of Goods dated 8 August 2019 and partial contracts concluded under this Master Contract – securing freight transportation and necessary related acts.
3. Mandate Contracts dated 8 August 2019 – handling business matters related to the purchase of works and services, technical and overhead material, spare parts, metallic scrap and fuels.
4. Master Purchase Contract dated 6 January 2014 and partial purchase contracts concluded under this Master Contract – supply of promotional items.
5. Contract on the Provision of Invoicing Services dated 1 January 2017.
6. Master Agreement on Conditions for Settlement of Selected Costs dated 8 June 2018 and partial contracts concluded under this Master Agreement.
7. Contract on Cooperation Conditions for the resale of packaging material dated 4 September 2018.
8. Mandate Contract dated 16 June 2020 – purchase of fluidised lime.
9. Master Contract on the Provision of Performances related to the organisation and realisation of the events “Queen Steel 2025” and “Metallurgy Day 2025” dated 27 March 2025.
10. Contract dated 20 August 2025 – freight transport.
11. Contract dated 6 February 2025 – works on rail vehicles.
12. Contract dated 25 February 2025 – public relations services.
13. Contract dated 4 March 2025 – freight transport.
14. Contract dated 6 June 2025 – re-invoicing of accommodation.
15. Contract dated 11 June 2025 – re-invoicing of additional costs related to a defective piece.
16. Contract dated 1 July 2025 – re-invoicing of accommodation.
17. Contract dated 4 July 2025 – freight transport.
18. Contract dated 8 July 2025 – re-invoicing of transport.
19. Contract dated 20 August 2025 – freight transport.
20. Contract dated 3 September 2025 – consulting services.
21. Contract dated 14 October 2025 – transport of material for test straightening.
22. Contract dated 15 October 2025 – promotional items.
23. Contract dated 3 November 2025 – freight transport.
24. Contract dated 7 November 2025 – re-invoicing of accommodation.

25. Contract dated 13 November 2025 – freight transport.
26. Contract dated 14 November 2025 – freight transport.
27. Contract dated 2 December 2025 – briquettes.
28. Contract dated 4 December 2025 – re-invoicing of extra costs for repeated acceptance.
29. Contract dated 29 December 2025 – re-invoicing of extra costs for unmet quantity.

#### **B.4. Other Contracts**

1. Agreement on the method of payment of trade payables dated 17 December 2008.
2. Agreement on publishing contracts pursuant to Act No. 340/2015 Coll., dated 9 May 2017.
3. Agreement on mutual rights and obligations of VAT Group members dated 3 January 2017.
4. Agreement on electronic approval and conclusion of contracts dated 28 February 2018.
5. Approval of concluding agreements on electronic invoicing dated 1 April 2019.

### **C. List of Contracts between TŽ and Beskydská golfová, a.s.**

#### **C.1. Contracts under which TŽ provides products and/or services in favour of Beskydská golfová, a.s.**

1. Service Agreement dated 29 June 2018 – filing office, IT and HR services.
2. Contract on the provision of access to Internet services via the computer network of TŘINECKÉ ŽELEZÁRNY, a.s., dated 31 July 2009.
3. Master Purchase Contract on the supply of goods from inventory dated 27 October 2020 and partial purchase contracts concluded under this master contract.
4. Contract dated 30 January 2025 – recipient's card for receiving postal items.
5. Purchase Contract dated 19 May 2025 – sale of land.

#### **C.2. Contracts under which Beskydská golfová, a.s. provides products and/or services in favour of TŽ**

1. Advertising Contract for 2025 dated 20 February 2025.
2. Lease Contract dated 31 May 2006 – lease of an apartment in the clubhouse building at the golf course in Ropice.
3. Lease Contract dated 31 March 2025 – lease of an apartment in the clubhouse building at the golf course in Ropice.

#### **C.3. Other Contracts**

1. Memorandum of Understanding dated 27 March 2020.
2. Agreement on electronic approval and conclusion of contracts dated 28 February 2018.
3. Agreement on electronic invoicing dated 20 March 2019.

## D. List of Contracts between TŽ and Moravskoslezský kovošrot, a.s.

### D.1. Contracts under which TŽ provides products and/or services in favour of Moravskoslezský kovošrot, a.s.

1. Lease Contract dated 10 June 2013 – lease of scrap yard and non-residential premises in a building in Třinec.
2. Contracts on services related to the supply of scrap – verification of chemical composition, shunting, weighing and placement of vehicles, based on the Master Contract on the conditions for the supply of metal waste dated 2 January 2023.
3. Contract on the provision of access to Internet services dated 18 October 2018.
4. Service Agreement dated 10 October 2018 – IT services.
5. Contract on waste acceptance, recovery or disposal dated 9 January 2025 – steel chips.
6. Contract on waste acceptance, recovery or disposal dated 10 January 2025 – scrap metal.

### D.2. Contracts under which Moravskoslezský kovošrot, a.s. provides products and/or services in favour of TŽ

1. Master Contract on the conditions for the supply of metal waste dated 2 January 2023 and partial purchase contracts concluded under this master contract.

### D.3. Other Contracts

1. Agreement on electronic invoicing dated 29 April 2014 – tax documents issued by Moravskoslezský kovošrot, a.s.
2. Agreement on electronic invoicing dated 28 June 2021 – tax documents issued by TŽ.

## E. List of Contracts between TŽ and M Steel Projects a.s.

### E.1. Contracts under which TŽ provides products and/or services in favour of M Steel Projects a.s.

1. Lease Contract dated 1 October 2010 – lease of non-residential premises and movable assets in the TŽ premises in Třinec.
2. Service Agreement dated 29 June 2018 – filing office services, IT services, asset security and protection, and road maintenance.
3. Mandate Contract dated 30 December 2009 – procurement of matters related to customs clearance.
4. Contract on the provision of access to Internet services via the computer network of TŘINECKÉ ŽELEZÁRNY, a.s., dated 15 March 2016.
5. Consignment Agreement on representation in customs proceedings dated 9 July 2021.
6. Contract dated 6 January 2025 – postal services.

### E.2. Other Contracts

1. Agreement on electronic approval and conclusion of contracts dated 28 February 2018.
2. Agreement on electronic invoicing dated 11 May 2021.

## F. List of Contracts between TŽ and „NEOMET“ SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ

### F.1. Contracts under which TŽ provides products and/or services in favour of „NEOMET“ SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ

1. Contracts on services related to the supply of scrap – verification of chemical composition, shunting, weighing and placement of vehicles based on the Master Contract on the conditions for the supply of metal waste dated 20 January 2023 and partial contracts concluded under this master contract.

### F.2. Contracts under which „NEOMET“ SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ provides products and/or services in favour of TŽ

1. Master Contract on the conditions for the supply of metal waste dated 20 January 2023 and partial purchase contracts concluded under this master contract.

### F.3. Other Contracts

1. Agreement on electronic invoicing dated 17 June 2014.
2. Agreement on electronic invoicing dated 21 July 2023.

## G. List of Contracts between TŽ and Barrandov Studio a.s.

### G.1. Contracts under which TŽ provides products and/or services in favour of Barrandov Studio a.s.

1. Service Agreement dated 29 June 2018 – IT services

## H. List of Contracts between TŽ and MSProjects International s.r.o.

### H.1. Contracts under which TŽ provides products and/or services in favour of MSProjects International s.r.o.

1. Service Agreement dated 29 June 2018 – filing office services.

### H.2. Other Contracts

1. Agreement on electronic approval and conclusion of contracts dated 28 February 2018.
2. Agreement on electronic invoicing dated 11 May 2021.

## I. List of Contracts between TŽ and Kovárna VIVA a.s.

### I.1. Contracts under which TŽ provides products and/or services in favour of Kovárna VIVA a.s.

1. Contract on the provision of access to Internet services dated 23 July 2018.
2. Service Agreement dated 1 October 2018 – IT services.
3. Agreement on providing access to the LOGIS software programme dated 30 August 2024.

### I.2. Other Contracts

1. Agreement on electronic invoicing dated 8 February 2023.

## J. List of Contracts between TŽ and MSV Metal Studénka, a.s.

### J.1. Contracts under which MSV Metal Studénka, a.s. provides products and/or services in favour of TŽ

1. Contract dated 30 December 2024 – scrap metal.
2. Contract dated 31 January 2025 – scrap metal.
3. Contract dated 26 February 2025 – scrap metal.
4. Contract dated 4 March 2025 – purchase of material.
5. Contract dated 27 March 2025 – scrap metal.
6. Contract dated 4 April 2025 – purchase of railway wagons.
7. Contract dated 30 April 2025 – scrap metal.
8. Contract dated 30 May 2025 – scrap metal.
9. Contract dated 29 July 2025 – scrap metal.
10. Contract dated 29 August 2025 – scrap metal.
11. Contract dated 30 September 2025 – scrap metal.
12. Contract dated 31 October 2025 – scrap metal.

### J.2. Other Contracts

1. Agreement on electronic invoicing dated 14 November 2024.

## K. List of Contracts between TŽ and Moravia Steel Deutschland GmbH

### K.1. Other Contracts

1. Agreement on electronic invoicing dated 8 November 2024.

## 4. ASSESSMENT OF RELATIONS

This Related Party Transactions Report lists all significant facts that are requirements of the Related Party Transactions Report, covering the relations between TŽ and the entity that controls it, and between TŽ and entities controlled by the same controlling entity in accordance with Section 82 of the Act on Business Corporations.

Performances and counter-performances received and provided by TŽ on the basis of contracts listed in parts B through K of Part III. were provided under standard business conditions.

The prices agreed between TŽ and the controlling entity and between TŽ and entities controlled by the same controlling entity do not differ from prices that would be agreed by independent entities; the transactions between TŽ and the controlling entity and between TŽ and entities controlled by the same controlling entity are conducted under the arm's length principle.

TŽ considers the relations with the controlling entity and entities controlled by the same controlling entity as beneficial and TŽ faces no other risks than standard market risks arising from business in relevant sectors due to these relations.

TŽ incurred no detriment from relations with the controlling entity and entities controlled by the same controlling entity in the reporting period.

In Třinec on 30 March 2026

### **Roman Heide**

Chairman of the Board of Directors

### **Radomíra Pekárková**

Member of the Board of Directors

Signature of the entity's statutory body related to the entire Consolidated Annual Report, including its components and annexes, in particular the Financial Statements for the year ended 31 December 2025, the Consolidated Financial Statements for the year ended 31 December 2025 and the Related Party Transactions Report for 2025:

In Třinec on 30 March 2026

**Roman Heide**

Chairman of the Board of Directors



In Třinec on 30 March 2026

**Radomíra Pekárková**

Member of the Board of Directors

