

ANNUAL REPORT 2024



Dear ladies and gentlemen,

In 2024, we witnessed a gradual stabilisation of the price level of individual inputs, both in terms of materials and energy. Gradual easing of inflationary pressures also allowed the ECB to start gradually lowering interest rates.

However, this development was accompanied by an overall decline in economic activity and by a further decline in the volume of goods transported.

Although this trend is not positive and, as we expected, it required a significant adjustment of the production portfolio, thanks to our broad production portfolio, built up over more than seven decades, and thanks to our customers, we managed to maintain production volumes, with the decline caused by several line conversions amounting to a few percentage points at most.

Despite the challenges we faced, we managed to produce 3,483 wagons and 8,352 bogies in 2024, which is in line with our planned production volume.

The volume of manufactured wagons and bogies, expressed in financial figures, represents the turnover of Euro 557,011 million, and profit before tax in the amount of Euro 32,759 mil.

From today's perspective, there are no prerequisites for a significant positive improvement in the development we have witnessed for the second year in a row, and I expect that the performance in the coming periods will also be marked by numerous line conversions and by a necessity to flexibly react to changing situation. However, I am convinced that thanks to our stable and loyal team, as well as our long-standing stable relationships with our business partners, we will be able to eliminate any potential negative impacts on production volume and profitability.

A handwritten signature in blue ink, appearing to read 'Hudáč', is positioned above the printed name.

Ing. Juraj Hudáč
General Director

BASIC INFORMATION ABOUT THE COMPANY

Business name:

TATRAVAGÓNKA a. s.

Registered office:

Štefánikova 887/53, 058 01 Poprad

Business ID No.:

31699847

Tax ID No.:

2020514496

ID number for taxes:

SK2020514496

Founded in:

December 1st, 1994 on the basis of National property fund decision of 29th September 1994

Subject of business:

- development, production and sales of: railway vehicles for transportation of freight and passengers, railway vehicle components, special-purpose conversion vehicles, subassemblies of railway vehicles, non-standard (single-purpose) machinery and equipment for machining and welding, air-technology equipment, transport devices for metal constructions, sectional and sectional technical blocks
- maintenance and repair of railway vehicles
- automated data processing – providing of software
- manufacture of protective means and working clothes, manufacture of protective clothes
- metal production /small objects – gates, fences, grillage/
- work with crane and earth-mover, crane and binding courses, courses for drivers of motor vehicles, organisation of trainings and courses, performance of welding courses
- lease of real estate, lease of motor vehicles, lease of machines and tools, lease of movable goods
- retail of ironware and metallurgical materials
- repair and maintenance of machines and devices with mechanical drive, repair and maintenance of machines and devices with electric drive
- road freight transportation
- production of technical gasses
- heating works, gas fitting, water fitting
- repairs of lifts and lifting specified technical equipment, greasing service, repair of motor transportation carts, revision of specified electric and lifting devices
- elaboration of technological processes, proposal of technological devices
- development and production of tools for engineering production
- constructor - performance of simple constructions and sub-deliveries, masonry
- activity of account advisers, activity of organisational and economic advisers, accounting services, administrative services

- organisation and providing of cultural and public events and programs, innkeeper activity
- business activities, except goods which need special state permission, administration of market areas
- business in the area of handling with other than dangerous waste, business in the area of handling with dangerous waste
- accommodation services, accommodation services in accommodation facilities with inn keeping activities, operation of athletic facilities and facilities for regeneration and recondition
- examination of working gauges except reserved gauges, defectoscopic tests of materials (except defectoscopic test of cables, cableways), performance of weld destructive tests
- assembly, repair and maintenance of electric devices within the range of: objects without the danger of explosion – objects with the danger of explosion – devices with voltage over 1000 V with restriction of voltage up to 52 kV - devices with voltage up to 1000 V – lightning conductors – electrical devices note: electrical devices up to 10 kV in vol. class A, B,
- forwarding business
- operation of health care institution: general ambulance in the field of general medicine, operation of health care institution: ambulance of specialized ambulance health care in the field of common certified working activities – audiometry, operation of health care institution: ambulance in specialized field of internal medicine
- promotional and marketing services
- computer services, services related to computer processing of data
- repair and maintenance of tools for household, sport tools and products of fine mechanics,
- operating of railway, operating of travel on the railway
- electro-energetics, scope of business: delivery of electricity, distribution of electricity.

BOARD OF DIRECTORS**Ing. Alexej Beljajev Snr.**

Chairman of the Board of Directors

Ing. Peter Malec

Vice-Chairman of the Board of Directors

Ing. Alexej Beljajev Jr.

Member of the Board

Ing. Juraj Hudáč

Member of the Board

Ing. Jaroslava Ďumbalová

Member of the Board

JUDr. Ivan Ikrényi PhD., F.I.I.

Member of the Board

SUPERVISORY BOARD

Ing. Evžen Balko

Ivan Petříček

Michaela Ikrényi Lazarová, MBA

JUDr. Ľudovít Wittner

Ján Soska

Jarmila Sivčová

SHAREHOLDING STRUCTURE

The amount of the company's basic capital is represented in the amount of EURO 86,392,565.6 as of December 31st 2024. It is divided into 1,267,258 unregistered stocks in the form of booked commercial papers priced at EURO 33.2 per share, 100 unregistered stocks at the price of EURO 33,194 and 205,001 unregistered stocks at the price of Euro 200.

SHAREHOLDER STRUCTURE

	BASIC CAPITAL SHARE		VOTING RIGHTS
	EUR	%	%
Optifin Invest s.r.o.	43 196 283	50,00	50,00
BUDAMAR GROUP a. s.	43 196 283	50,00	50,00
TOTAL	86 392 566	100,00	100,00

BASIC INDICATORS OF THE COMPANY

in €	2019	2020	2021	2022	2023	2024
Revenues	368 569 775	413 009 385	443 192 964	549 685 004	597 994 455	557 011 140
Average numb. of employees	2 108	2 185	2 273	2 322	2 302	2 217
Assets	306 161 666	328 017 846	389 647 431	429 924 539	497 896 386	530 757 076
Fixed assets	165 829 706	170 651 157	224 631 325	225 699 745	239 824 225	258 196 706
Basic capital	86 357 826	86 357 826	86 357 826	86 357 826	86 357 826	86 357 826
Profit before tax	18 027 701	36 387 546	45 262 246	10 981 729	32 758 978	38 532 406
Investments	20 432 936	10 552 655	20 297 020	15 242 031	14 437 205	23 070 359

Other disclosures pursuant to § 20 of Act No. 431/2002 Coll. on Accounting

1. Costs for research and development activities for the year 2024 amounted to EURO 8,394.345.
2. The Company does not own own shares, temporary certificates, commercial shares and shares, temporary certificates and commercial shares of the parent accounting entity
3. The Company does not have a branch abroad.
4. The proposed appropriation of profits is set out on page 34, note 11.

In the terms of the annual report's content pursuant to § 20 of Act on Accounting, no material events took place in the period from December 31st 2024 to the date of issuing the annual report; events that occurred before the date of signing the Annual report are specified on page 61, in the note 33.

PRODUCTION PROGRAM

FREIGHT WAGONS

T4000

Two-segment pocket wagon of articulated design with 2 bogies of Y25 Ls(s)i1e-K type and with a standardized Y25 Ls(s)i1e(f)-K bogie. The wagon is designed for transportation of Megatrailers and other cranable semi-trailers and standardized swap bodies / containers in all European railway networks with normal track gauge of 1.338 mm and 1.435 mm. At each wagon end, there is installed a king pin saddle with Crash-elements for protection of the king pin and the semi-trailer. The wagon tare is 36.5 t and weight of loaded wagon in s/ss mode is 135/120 t.

Sgmmnss 40'

4-axle container wagon with length of 40' designed for transportation of 20' and 40' containers and swap bodies. The wagon is suitable for transportation of heavier materials due to its tare of 16 t, 15.5 t respectively. The maximal weight of loaded wagon is 90 t. It is equipped with foldable bridge, which enables easier unloading, and thus it is a very useful user element.

Sgns(s) 60'

4-axle container wagon with length of 60' designed for transportation of ISO containers and swap bodies. The wagon is approved for operation on tracks with 1,435 mm track gauge. Based upon type of used bogie, the wagon tare ranges from 17.9 t +/- 2 %. The maximal weight of loaded wagon is 90 t.

Sggnss 80'

4-axle freight wagon suitable for transportation of High Cube containers with height of 2,896 mm and "High Cube pallet wide" containers with height of 2,896 mm and width of 2,500 mm also in "reinforced" XL version or in a XLs version with optimized length over buffers. It is suitable for transportation of ISO containers 20', 26', 30', 40', 45' classified in UIC 592-2, Class I. Variability of the containers enables minimally 30 different loading combinations. The wagon tare is 22 t and loading weight is 68 t. Weight of loaded wagon is 90 t.

This wagon is manufactured also in a version with a bogie with a disc brake. An advantage of this version is a lower noise. The tare of the wagon with the disc brake is 22.3 t and the loading weight is 67.7 t. Weight of loaded wagon is 90 t.

Sggrss 80'

6-axle freight wagon designed for transportation of ISO containers 20', 26', 30', 40' classified in UIC 592-2, Class I. The wagon is designed for operation on tracks with 1.435 mm track gauge. The wagon is equipped with Y 25 Ls1-K bogie. The wagon tare is 27.5 +/- 1.5 % t. Weight of loaded wagon is 135/120 t.

Sggmrss 92'

6-axle freight wagon designed for transportation of ISO containers 20', 26', 30', 40' classified in UIC 592-2, Class I, and 40' refrigerating containers. The wagon is designed for operation on tracks with 1.435 mm track gauge. The wagon is equipped with Y 25 Ls1-K bogie. The wagon tare is 30 T +/- 1.5 % t. Weight of loaded wagon is 135/120 t.

Sggmrss 90'

6-axle freight wagon designed for transportation of ISO containers 20', 26', 30', 40', 45' classified in UIC 592-2, Class I. The wagon is designed for operation on tracks with 1.435 mm track gauge. The wagon is equipped with Y 25 Ls1-K bogie. The wagon tare is 28.5 +/- 1.5 % t. Weight of loaded wagon is 135/120 t.

Sggrss 80' ESP

6-axle freight wagon designed for transportation of ISO containers 20', 26', 30', 40' classified in UIC 592-2, Class I. The wagon is designed for operation on tracks with 1,435 mm track gauge, but mainly on tracks with 1.668 mm track gauge. The wagon is equipped with Y 25 Lss(f)e-K bogie. The wagon tare is 28.5 +/- 2% t. Weight of loaded wagon is 90 t.

Sggmrss 90' ESP

6-axle freight wagon designed for transportation of ISO containers 20', 26', 30', 40', and 45' classified in UIC 592-2, Class I. The wagon is designed for operation on tracks with 1. 435 mm track gauge, but mainly on tracks with 1.668 mm track gauge. The wagon is equipped with Y 25 Lss(f)e-K bogie. The wagon tare is 29.5 +/- 2% t. Weight of loaded wagon is 90 t.

T3000e/ Sdggmrss

Two-segment recess wagon of articulated design with two bogies of type Y25 Lssi1-K and standardized bogie Y25 Ls(s)i1f. The wagon is designated for transportation of megatrailers and other saddle semi-trailers and standardized swap bodies/containers manipulated by crane in all European railway networks with normal track gauge. At each wagon end, there is installed a king pin saddle with Crash-elements for protection of the king pin and the semi-trailer. The wagon tare is 35 t and weight of loaded wagon in s/ss mode is 135/120 t.

T3000eD/ Sdggmrss

Two-segment pocket 6-axle wagon of articulated design with a disc brake is a version of the wagon T3000e, whereby each of six wheelsets is equipped with two brake discs. The wagon tare is 36 t and weight of loaded wagon in s/ss mode is 135/120 t.

Sagmmns

6-axle flat freight wagon designed for transportation of heavy loads and heavy military vehicles. The wagon tare is 31 t and the max. weight of loaded wagon is 135 t.

Laaers

4-axle freight two-segment and double-deck wagon suitable for transportation of cars. The wagon tare is approximately 32 t and the wagon length is 31 m.

Tagnpps 103 m3

4-axle covered discharging wagon with 103 m³ volume of a vessel is designed for transportation of agricultural products, mainly grain and other similar bulk products sensitive to humidity. This user-friendly wagon has significantly reduced maintenance requirements. The wagon has totally three discharging reservoirs with an inclination of max. 50° to the vertical axis, six discharging openings with discharging by means of vaulted segmented flaps into the rail centre. The wagon tare is up to 21 t. Weight of loaded wagon is 90 t.

Tagnpps 95 m3

4-axle covered discharging wagon with 95 m³ volume of a vessel is designed for transportation of agricultural products, mainly grain and other similar bulk products sensitive to humidity. This user-friendly wagon has significantly reduced maintenance requirements. The wagon has totally two discharging reservoirs with an inclination of max. 50° to the vertical axis, 4 discharging openings with discharging by means of vaulted segmented flaps into the rail centre. The wagon tare is 20.5 t. Weight of loaded wagon is 90 t.

Zans 98 m³

4-axle tank wagon with volume of 98 m³ is designed for transportation of light oil products in version with or without preparation for automatic coupling. The wagon is designed for operation without limitations on all European railway tracks with normal track gauge. The wagon complies with requirements for GE marking. The wagon tare is 21.7 t ± 2 % and max. weight of loaded wagon is 90 t.

Zans 88 m³

4-axle tank wagon with volume of 88 m³ is designed for transportation of light oil products in version with or without preparation for automatic coupling. The wagon is designed for operation without limitations on all European railway tracks with normal track gauge. The wagon complies with requirements for GE marking. The wagon tare is 21.4 t ± 2 % and max. weight of loaded wagon is 90 t.

Zacens 73 m³

4-axle tank wagon with volume of 73 m³ with heating and insulation is designed for transportation of dangerous goods of class 3.6 and 9 according to RID. The wagon is designed for climatic conditions with temperatures from -25°C to + 50°C. The wagon tare is 22.5 t ± 2 % and max. weight of loaded wagon is 90 t.

BOGIES

Y 25 Ls1-K

2-axle bogie for freight wagons with axle load of 22.5. Max. speed loaded 100km/h. Max. speed empty 120 km/h. Track gauge is 1,435 mm. Weight is 4.6 t.

Y 25 Lsi-K, Y 25 Lsif-K

2-axle bogie with integrated brake for freight wagons with axle load of 22.5 t, hand brake in version f. Max. speed loaded 100 km/h. Max. speed empty 120 km/h. Track gauge is 1,435 mm. Weight is 4.7 t.

Y 25 Ls-K

2-axle headstock-free bogie for freight wagons with axle load of 22.5. Max. speed loaded 100km/h. Max. speed empty 120 km/h. Track gauge is 1,435 mm. Weight is 4.2 t.

Y 25 Lsi-C-K

2-axle headstock-free bogie for freight wagons with axle load of 22.5 with compact CFCB brake, or IBB10. Max. speed loaded 100 km/h. Max. speed empty 120 km/h. Track gauge is 1,435 mm. Weight is 4.2 t. The Y 25 Lsi-C-K bogie is manufactured also in the version for 1.524 mm track gauge (Finland).

Y 25 Lse-K

2-axle headstock-free bogie for freight wagons with axle load of 22.5. Max. speed loaded 100km/h. Max. speed empty 120 km/h. Track gauge is 1,435 mm, as well as for the track gauge of 1.668 mm (Spain). Weight is 4.3 t.

Y 25 Lss(f)e-K

2-axle bogie for freight wagons with axle load of 22.5. Max. speed loaded 100km/h. Max. speed empty 120 km/h. Track gauge is 1,435 mm, as well as for the track gauge of 1.668 mm (Spain). Weight is 4.7 t.

SUBASSEMBLIES OF RAILWAY PASSENGER TRANSPORTATION

Subassemblies of wagons for passenger transportation

QUALITY POLICY AND OBJECTIVES

The Quality Management System in TATRAVAGÓNKA, Poprad is certified in accordance with the standard EN ISO 9001:2015 and also TS 22163:2023 (IRIS). For the first time, the System was certified according to EN ISO 9001 in 1994 and according to TS 22163 in 2019. This system is verified by regular annual periodical audits by the reputable auditor company DNV.

In terms of the Quality Management System, we put the emphasis on the requirements arising from the standards EN ISO 9001:2015 and ISO 22163:2023 with a stress on management and constant improvement of management, supporting but mainly principal company processes with regard to requirements and needs of the customer. The Quality Policy determines the long-term direction, from which specific quality objectives and obligations arise. The quality objectives are created according to SMART method (Specific, Measurable, Achievable, Realistic, Time-framed), whereby they are specified for the one year period with prevalent monthly, or quarterly or annual monitoring, within the corresponding company processes.

Fundamental principles of the quality management system:

- The top management, as well as each employee, is a part of quality management system and his/her work affects quality of products and services,
- All processes and operations have to be conducted according to regulations,
- The system is regularly monitored and analysed for the purpose of continuous improvement,
- By means of a feedback, we provide applicability of the company processes, whereby we monitor their development, effectiveness and influence upon satisfaction of customer requirements, which are materialized in the product. In the processes, there are introduced corrective and preventive measures for their improvement,
- Functioning of the decision making processes is based upon facts,
- System approach provides mutual interconnection and functionality of the processes based upon determination of their mutual interaction and definition of inputs and outputs.

KPI - key performance indicators are used for measurement of company processes. According to measured results, we take measures for improvement of stability and process capability. The KPI assessment results are linked with motivational elements.

We continue in process optimization by using the progressive quality tools such as 8D method with subsequent application of monitoring method of the corrective action Problem Solving Monitor. The company processes are managed and monitored by means of SAP information system, with using of outputs also from other supporting systems such as Windchill, M365, etc.

During the year, our quality management system is verified by internal QMS audits according to the approved schedule of internal audits for the corresponding year, as well as by wide range of external independent audits resulting mainly from TSI regulations and other legislative requirements. The external customer audits arise from the requirements of the market and they are used also for monitoring of customer requirements fulfilment. The following certificates represent an evidence of capability of an effective functioning of the company processes and their adjustment.

CERTIFICATES

DET NORSKE VERITAS

Quality management CERTIFICATE according to EN ISO 9001:2015

DET NORSKE VERITAS

Quality management CERTIFICATE according to ISO 22163:2023

DET NORSKE VERITAS

Quality management CERTIFICATE according to EN ISO 14001:2015

DET NORSKE VERITAS

Quality management CERTIFICATE according to ISO 45001:2018

Office for railway transportation regulation, Bratislava

AUTHORISATION for welding of railway vehicles, production, repairs and reconstruction of determined technical pressure equipment and non-destruction testing of rolling stock

ŽSSK Cargo , Bratislava

CONFIRMATION of professional competence of an organization for the development, manufacture, modernization, and reconstruction of freight wagons, bogies, their parts, and subassemblies

SVV Praha

CERTIFICATE for quality management in welding according to the Standard ČSN EN ISO 3834-2:2022 + ČSN EN ISO 14554-1:2014

Certificate for processes of gluing at the level A2 according to the standard EN 17460:2022

DVS ZERT

Certificate of the competency in welding railway vehicles and their components according to the CL1 level of DIN EN 15085-2.

Technická inšpekcia, a. s. Bratislava

CERTIFICATE for welding of metal pressure vessels designed for transportation of dangerous substances according to RID 2023 and EN 14025:2018 + AC:2020.

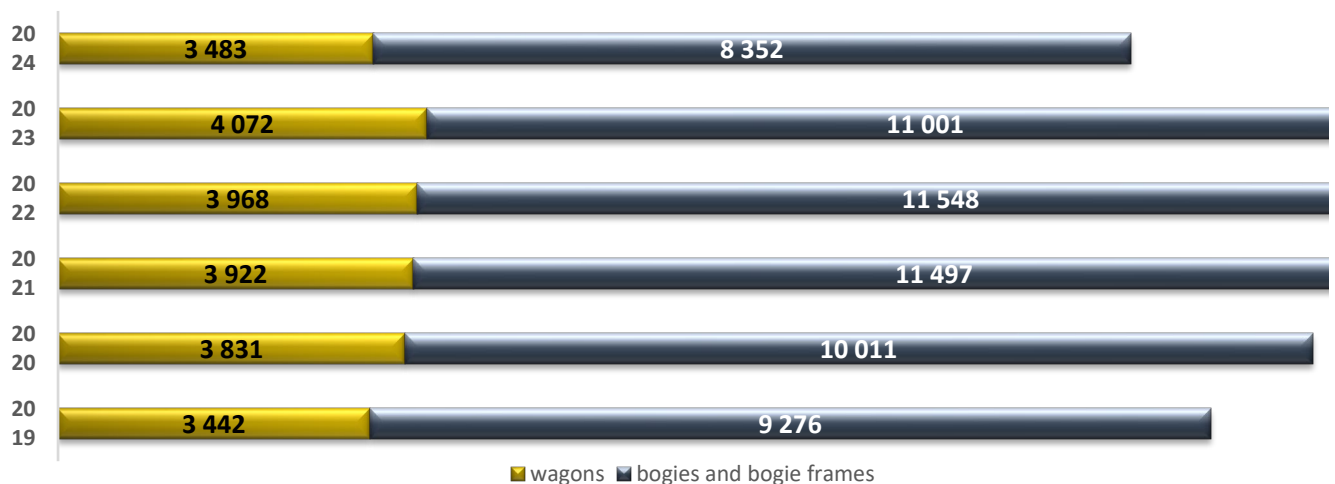
For all types of wagons and bogies, we provide product certification according to the regulations of TSI by reputable Notified Bodies.

PRODUCTION AND SALES IN 2024

In 2024, TATRAVAGÓNKA a.s., like the entire industrial sector, faced various challenges. The ongoing war in Ukraine and its economic consequences, as well as the overall decline in demand and weakening economic activity, complicated the situation for companies in Slovakia and throughout Europe. The conflict in Ukraine continued to affect the European economy, particularly in the areas of energy supplies and trade relations. We also saw a decline in intermodal operations, which was reflected in a significant drop in demand for container and pocket wagons. After a period of significant energy price increases, a certain stabilization occurred in 2024, which helped to stabilize the company's cost structure, but prices remained at higher levels than before the crisis, which continues to put pressure on the cost efficiency of production. In addition to these challenges, we must also respond flexibly to the European Union's growing regulatory measures in the area of environmental sustainability and the development of renewable energy sources, which increase the demands on industrial companies in terms of efficient use of resources and reduction of their carbon footprint. In order to meet these requirements, we are constantly adapting our processes and investing in more environmentally friendly solutions. At the same time, our ability to respond flexibly to market demands has been clearly demonstrated in the current dynamic environment. Frequent adjustments to production processes, a record number of production line conversions, the simultaneous production of different types of wagons, and the stabilisation of input prices have enabled us to maintain production stability and consolidate our position as a leader in the European freight wagon market. However, in response to these circumstances, it will be necessary to constantly seek new solutions to increase efficiency, optimise costs and strategically guide the company in the context of global economic changes.

PRODUCTION

The production plan for 2024 was determined at the level of 3,999 freight wagons and 10,030 bogies. Actual production output fell slightly short of original expectations and previous years' levels, reflecting the challenges we faced during the period. A total of 3,483 wagons and 8,352 bogies were manufactured in 2024.



The Poprad plant currently manufactures nine types of wagons in nine specialised production lines. This diversity in the production program brings a significant competitive advantage, but at the same time places high demands on precise planning and efficient production organization. Adherence to quality standards and deadlines, as well as investments in the modernization of technological equipment and the renewal of the machine park, remain key factors for success. As part of these efforts, we began construction of a new hall for automated surface treatment of wagons in Poprad at the end of 2024, which will contribute to higher quality and more environmentally friendly production. The new line will enable us to effectively reduce emissions, thereby promoting sustainability and optimizing production processes. This step is an important part of our modernization and environmental responsibility strategy.

The Poprad plant played a key role in production, with up to 85% of production coming from this plant. In 2024, 2,947 wagons were manufactured here, achieving 92% of the planned annual volume.

The largest share of production at the Poprad plant was accounted for by discharging wagons of type Tagnpps 95 m³ and 103 m³. In 2024, they accounted for 50% of total production, with 1,460 units manufactured in various sizes, predominantly with a loading capacity of 95 m³. It is a covered wagon used to transport agricultural products, mainly grain, corn, and other bulk materials that are sensitive to moisture. Tightness and easy handling of the discharge flaps and roof create perfect conditions for transporting such goods. This type of wagon is designed for all European railways and is extremely popular with transporters operating in the agricultural sector. As a result, in 2024 we manufactured them for a wide range of customers such as VTG, Ermewa, GATX, Wascosa, Cargo Wagon, PaletExpress, Interfracht, and Eurra2 Limited.

Container wagons accounted for the second largest share of production at the Poprad plant, representing 26% of its total output. In 2024, 778 wagons were produced in various designs, with the 80-foot wagon remaining the dominant model, with 479 wagons manufactured. Of these, 365 were prolonged versions. This model is a long-term bestseller at the container wagon market, not only because of its low weight of 21.5 tonnes, but also because of its unique ability to load five types of containers and swap bodies in 30 different combinations. Its unconventional design offers several advantages – it reduces noise, increases transport efficiency and reduces energy consumption by 20% compared to a standard 80-foot articulated wagon. In addition, the reduced number of bogies contributes to lower maintenance requirements for brake systems, thereby optimising operating costs. This wagon was designed by our company in response to METTRANS' requirements and its development was successfully completed in 2010. It represents a modern and efficient solution for intermodal transport, combining lower operating costs, environmental sustainability and high transport flexibility.

After last year's launch of tank wagon production in Poprad, we continued with the production of 'tanks' in 2024, manufacturing 307 units, with the largest share being wagons for transportation of mineral oils for our major customers GATX and VTG. As the tare weight of tank wagons is a key factor in transporters' decisions, our company has developed a wide portfolio of frameless tank wagons that significantly increase transport efficiency. However, due to declining demand for fuel and chemical wagons caused by EU policy and low market interest, we expect a decline in the production of tank wagons.

In 2024, the production of pocket wagons remained traditionally in the hands of the Trebišov plant, which ensured their main production. Due to high demand and capacity constraints, the Poprad plant also joined production, manufacturing 286 wagons, of which 147 were of T3000 and 139 were of T4000 wagon type, which is designed to allow operation on the Iberian Peninsula, significantly expanding intermodal transport options within Europe.

We also continued our diverse production at the Poprad plant with the manufacture of 88 flat wagons of various types. The new products were definitely represented by the Lns wagons (40 manufactured wagons) and by 20 Kgs wagons. These wagons, designed for the efficient transport of various materials and equipment, were delivered to our customer SBB. In addition, the production programme was expanded to include Samms KeZi 42.6 flat wagons, specialised in the transport of hot slabs, for which the customer VPS expressed interest again after almost thirteen years. All specialist departments successfully managed the production preparations, resulting in the delivery of 15 wagons used for internal transport at steelworks. In 2024, we also manufactured 13 special Samms wagons designed to transport heavy military equipment for the Slovak Armed Forces. It is a railway freight wagon with a loading capacity of 104 tons, designed for transportation of various heavy industrial cargo, including tracked and wheeled military vehicles. Loading can be carried out using a ramp, gantry cranes or forklifts. The wagon has a standard track gauge suitable for the European tracks, and it is ready for installation of the automatic coupling. This order was carried out through an agency that provides logistical support and procurement services for NATO member states. This was the first project of this kind for TATRAVAGÓNKA a. s. We are the only manufacturer of these wagons in Europe, and although the order was not significant in terms of quantity, it represents a symbolic milestone for us, as we have once again delivered wagons to the domestic market after many years.

The production of the Habbiins wagon was also a new experience for our company's team in Poprad. This wagon is characterized by aluminium sliding side walls, which represents a significant technological advance for the company, as it did not previously have the know-how to weld aluminium. It was a new challenge for our welders, technologists, and welding engineers. Thanks to the effective cooperation and support of the project team members, we overcame the initial obstacles and mastered the production of this technically demanding wagon. The production of Habbiins represents a significant step forward for the company, opening up new opportunities for future projects in the field of aluminium structures, which were previously sourced externally. The company is thus preparing for the challenges of the modern market by continuously improving its technologies. In 2024, we manufactured 28 Habbiins wagons for our important customer VTG.

The Trebišov plant produced a total of 536 wagons in 2024, representing 15% of the company's total production. The annual plan was set at 790 wagons, with 68% of the planned production being fulfilled. Traditionally, production focused on the T3000 model, but in the second half of 2024, it was expanded to include the modernized T4000 version, which is the younger sibling of the existing model. This year also symbolically marked the end of T3000 production at our Trebišov plant, which has become one of our company's most iconic products. Its production began in 2012 and has been running continuously for more than 12 years, with thousands of units manufactured for customers in the intermodal transport sector. Although this wagon was not developed directly by our R&D department, it has become one of the bestsellers in our portfolio. Despite the symbolic farewell, the production of T3000 wagons at TATRAVAGÓNKA a.s. will not end as part of the production will resume in Poprad next year.

Meanwhile, the Trebišov plant continued to work on the project of the T4000 pocket wagon. After the completion of this project, our colleagues in Trebišov will face a new challenge – to build on the success of intermodal wagons by manufacturing wagons for the transport of passenger cars.

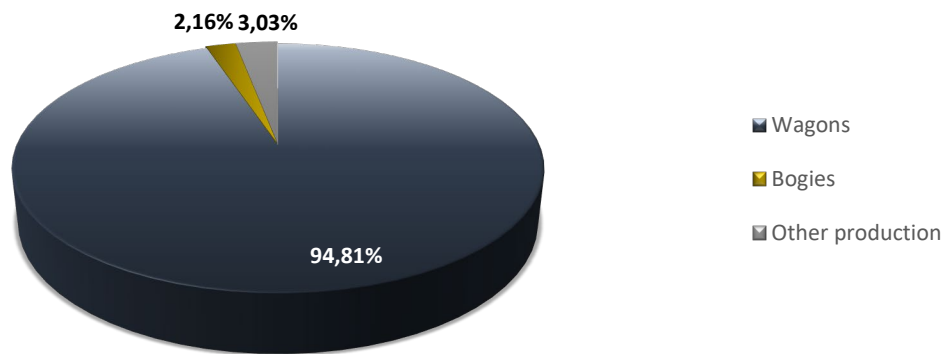
In 2024, the production of bogies and bogie frames focused primarily on various variants of the classic Y25 type. A total of 8,352 bogies were manufactured, of which 56 were three-axle bogies for Samms wagons. Our company is currently the only manufacturer of these bogies in Europe. Given the planned production of 10,030 units, we managed to achieve 83% of the set target. 724 of these bogies were shipped to external customers.

Our production also includes various components and parts for wagons, which are an integral part of our production program. In 2024, we produced 129 Laaers wagon frames for transportation of cars for our subsidiary Tatravagónka Tlmače.

One of the key factors of our success is our R&D department, which is among the European leaders in the development of freight wagons and bogies. In 2024, our team focused on developing new products such as the Laados wagon, which features a low loading platform and is designed for transportation of truck tractors. Another important product is the wagon Sggmrss 92', designed for transporting containers and swap bodies with design speed of up to 140 km/h. The development team also focused on the Sdggmrss basket wagon, which is designed for transporting craneable semi-trailers, containers and swap bodies. These innovations represent a significant step forward in the field of rail freight transport, with TATRAVAGÓNKA a. s. constantly working to optimize its products with an emphasis on efficiency, safety, and sustainability.

PRODUCTION	in €	in %
Wagons	470 546 461	94,81%
Bogies	10 724 400	2,16%
Other production	15 038 724	3,03%
TOTAL	496 309 585	100%

PRODUCT STRUCTURE IN 2024

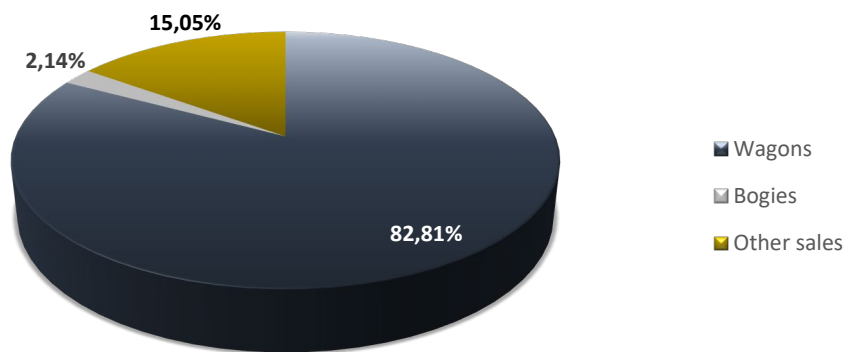


SALES

Tatravagónka a.s. achieved total sales of Euro 557 million in 2024. Compared to defined annual plan, they are lower by 28 million represent a decrease of EUR 41 million compared to the previous year. The most significant component of sales is sales of wagons, which make up over 83% of the total volume. The result of the company economy as of December 31, 2024 was a profit before taxation in the amount of EUR 38.532.406 mil.

SALES	in €	in %
Wagons	461 240 664	82,81%
Bogies	11 917 070	2,14%
Other sales	83 853 406	15,05%
TOTAL	557 011 140	100%

SALES STRUCTURE IN 2024



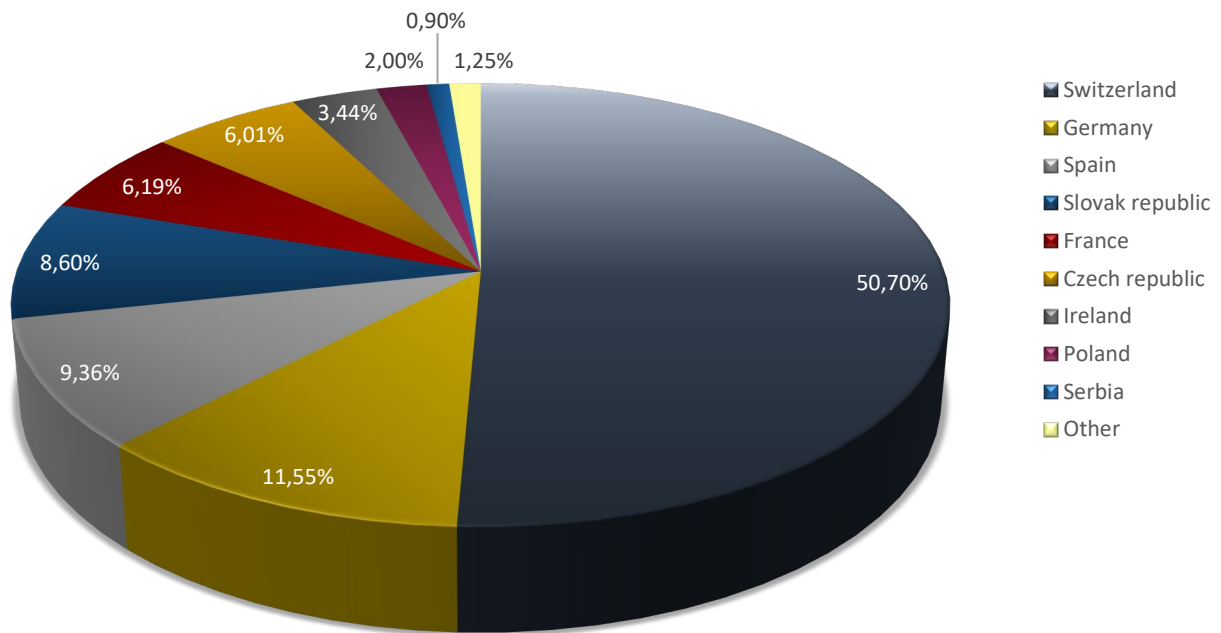
EXPORT

TATRAVAGÓNKA a. s. focuses its production on foreign markets, which accounted for 91.4% of its total volume in 2024. Switzerland remains our most important export market, accounting for 50.7% of total exports, which represents a year-on-year decrease of 13.48%.

At the same time, however, revenues from domestic customers increased by almost EUR 10 million year-on-year, bringing their share of total production to 8.6%.

TERRITORIAL SALES	in €	in %
Switzerland	282 395 199	50,70%
Germany	64 333 374	11,55%
Spain	52 139 669	9,36%
Slovak republic	47 876 551	8,60%
France	34 506 232	6,19%
Czech republic	33 482 859	6,01%
Ireland	19 169 353	3,44%
Poland	11 155 512	2,00%
Serbia	4 993 460	0,90%
Other	6 958 931	1,25%
TOTAL	557 011 140	100%

TERRITORIAL STRUCTURE OF SALES IN 2024



PRESENTATION OF THE COMPANY IN THE WORLD

In 2024, Berlin hosted InnoTrans, Europe's largest railway technology exhibition, showcasing the latest innovations in rail transport. This year's event was a record-breaker in terms of both participant numbers and visitor attendance, as well as the largest exhibition area to date, demonstrating the growing interest in innovative solutions and technologies in the field of railway transport. TATRAVAGÓNKA a. s. traditionally took part and presented its latest products and proven mass production solutions to interested visitors. The second category includes the Sdggmrss wagon, or the so-called basket wagon, which is an alternative to the T3000e pocket wagons. Standard wagons use special external baskets for transporting craneable semi-trailers, which enable their loading. A major disadvantage is that when external baskets are used, it is not possible to transport containers at the same time. If containers need to be transported, the baskets must be removed from the wagon and stored, which significantly complicates transport logistics. This problem prompted the development of an innovative solution – a wagon with an integrated basket, which greatly simplifies the loading and transport process without the need for additional handling of the baskets. This concept provides a more efficient way of transporting semi-trailers and containers, while also increasing the flexibility of intermodal transport. Like the basket wagon, the Laados wagon also had its 'repeat premiere'. This single-deck, three-segment wagon is primarily designed for transporting truck tractors, including those with electric drive. The current presentation emphasised its wide range of uses in the field of agricultural machinery, enabling the efficient transport of tractors, seeders, smaller combine harvesters and other means of transport for which road transport over longer distances is not optimal. Among other innovations, TATRAVAGÓNKA a. s. presented modified versions of its proven wagons, one of which was the Sggnss 80' XLs container wagon. Thanks to its special RC25 bogie, it can reach speeds of up to 160 km/h, making it an ideal solution for delivery companies where time is of the essence. Its key innovations include an electro-pneumatic brake, a digital automatic coupling and significant energy savings. The improved versions of existing wagons also included the Laaers N-513, whose optimised design is adapted for the transport of electric vehicles. This wagon thus significantly supports electromobility and contributes to the development of sustainable and environmentally friendly transport. Among the latest additions to our design workshop are the Sgmmnss 41' wagon, equipped with a special swap body for transporting grain, and the Lns wagon, which has attracted a lot of attention. It is a running-gear flat wagon with a partial floor, designed for transporting infrastructure repair equipment, which impressed visitors to InnoTrans with its quality. It will primarily be used for railway works and is fully prepared for electrification. As usual, we also presented a new type of bogie at our stand, which will significantly contribute to more efficient freight transport by rail. With an operating speed of 140 km/h, it enables faster and smoother transport. In addition, it belongs to the 'track-friendly' category of bogies, which are designed to minimise wear on the railway track while increasing operational safety. Thanks to a wide range of exterior exhibits, our company's stand was crowded and constantly visited by various interested parties.

EMPLOYEES

As of 31.12.2024, Tatravagónka company employed 2,158 employees. Our employees are key to the success of our company, which is why we focus on developing their professional skills and increasing their motivation. We systematically support the qualification of our employees through a wide range of training and education opportunities. Our main goal is to ensure satisfaction and a stable environment for our employees and their families. Throughout the year, we focused intensively on recruiting qualified employees with the necessary knowledge and skills. We made every effort to ensure their successful integration into the team and their long-term retention in our company. Given the difficult situation on the labour market in some professions, hiring positions was challenging, so when approaching potential candidates, we focused on advertising through web portals such as Profesia, Kariéra, ISTP, our company website and cooperation with students. We placed print advertisements in regional newspapers through Region Press.

We consider the following to be the main problems in filling vacancies:

- a shortage of applicants in certain areas (e.g. technology, design),
- increased competition from other companies,
- changes in employee requirements (greater flexibility, home office).

The current times also affect the career choice of each individual, our education and recruitment department is aware of the seriousness of the situation and actively tries to take an active role in this process of student selection for future work in our sector. We are actively working with universities as well as vocational secondary schools. In May 2024, we participated in the 'Study for Practice' workshop, organised by the Dean of the Faculty of Manufacturing Technologies at the Technical University of Košice in Prešov (FVT TUKE). Tatravagónka a. s. set up a stand in the entrance hall of the building, where it provided detailed information about internship opportunities, bachelor's thesis projects for third-year students and diploma thesis projects for fifth-year students. It also provided detailed information about the positions for which the company is currently most interested in hiring. During the workshop, the director of the R&D department gave the students an overview of our technical department. In addition to universities, our goal was to establish direct contact with high school students in the Poprad district. One such visit was to the Dominik Tatarka Secondary Grammar School - bilingual section, where a Career and Study Fair (Berufs- und Studienmesse) was held. Our aim was to raise awareness among future university graduates who are interested in a technical future. We also took advantage of the opportunity to participate in JobSpot, a job fair for secondary school students who plan to find employment and remain working in their district after graduating.

We recognise the importance of selecting employees from among students. Already during an internship we can motivate and educate them for needs of the company, so that they want to return to us as future employees. Our goal is to employ people of required quality and in required numbers, so we take every opportunity to select the best from graduating students. We make professional preparation of our production employees more qualitative by means of trainings in the Company Welding school. A great support in provision of engineering workers is Secondary Technical School (SOŠT) on Kukučínova street, with which we cooperate in the form of dual education, and during the study, we prepare the graduates for practice.

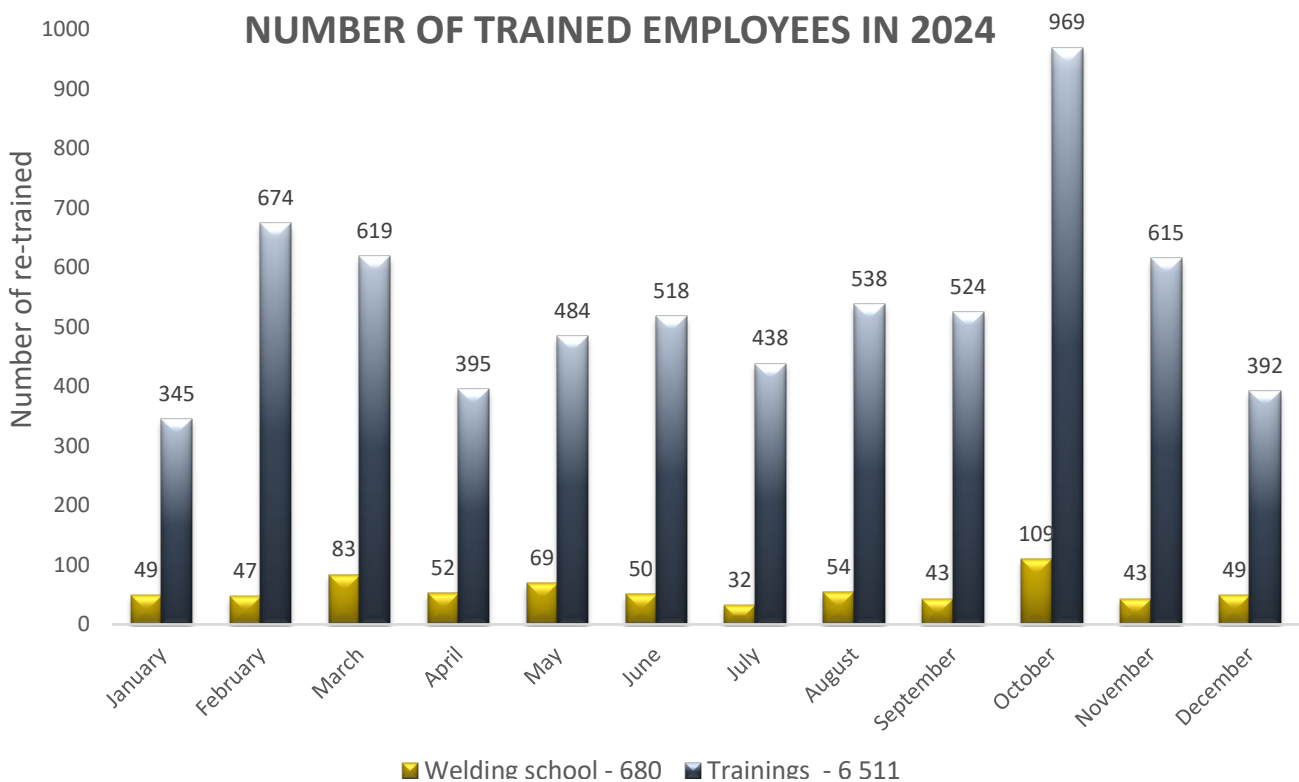
Over the past year, we have faced a number of challenges, but we have also achieved significant successes. We believe that by implementing our planned strategies for the future, we will be able to respond even more effectively to dynamic changes in the labour market and attract the best talents.

AVERAGE NUMBER OF EMPLOYEES	2019	2020	2021	2022	2023	2024	
production workers	1 202	1 223	1 243	1 249	1 212	1 103	49,75%
auxiliary workers	381	402	440	461	474	479	21,61%
administrative workers	525	560	590	612	616	635	28,64%
TOTAL	2 108	2 185	2 273	2 322	2 302	2 217	100%

EDUCATION IN THE COMPANY

Education and training of employees form an integral part of the strategy of Tatravagónka Poprad. The main goal is to provide qualified, educated and competent employees, who are the main prerequisite for the company’s competitiveness and who are its driving engine. With the growing demands of the company’s customers, the demands on the professional level of employees increase. Trainings, schoolings and professional conferences help to achieve this trend.

In 2024, the company provided the employees with development and growth through 7,191 managerial, professional, computer, development trainings and language courses provided by an internal or external form. In the given year, the trend in the implementation of basic and preparatory courses in the company’s Welding School continued.



COOPERATION WITH SCHOOLS

Long-term planning in the field of human resources prevents negative phenomena in production caused by labour shortages, retirement and natural staff turnover. One of the sources of potential employees are secondary school and university students. Within the cooperation with secondary schools and universities, the company Tatravagónka a.s. organises professional practice, internships, excursions or it provides consultations for bachelor's and master's theses. In 2024, the company continued in the system of dual education in cooperation with the Secondary Vocational Technical School in Poprad and with the Secondary Vocational Electro-engineering School in Matejovce. The following students are currently involved in the dual education system: 28 students in the program Programmer of CNS machines and devices, 2 students in the field of Mechanic of PC networks and 2 students in the field of the Mechanic-Electrician. In 2023, the company has also included the Mechanic of Machines and Equipment in the list of disciplines, in which 5 students are included.

The Trebišov plant cooperates in the system of dual education with the Church Secondary Vocational School of St. Josaphat in Trebišov and from 2023 also with the Private Vocational Secondary School DSA in Trebišov. Currently, 5 students are being trained at the Trebišov plant in the field of Mechanical Engineering and 6 students in Mechanic adjuster.

OBJECTIVES AND TARGETS FOR 2024

The market situation in the rail transport segment has still not stabilized in 2024. On the contrary, we continue to experience an extremely turbulent period, accompanied by a marked decline in intermodal transport. We do not expect a significant improvement in the situation in 2025 either. As a result of these factors, demand for new intermodal wagons is reaching an all-time low.

In an effort to adapt to the situation and meet our customers' demands for a change in the production mix, we have been forced to make changes to the 2024 production plan. At the beginning of 2025, we recorded a slight increase in demand for new container wagons of around 10%, but this was influenced by an artificial effect caused mainly by concerns about the introduction of new tariffs by the US government.

At the end of the year, we also saw a collapse in the grain transport market. Various unfavourable factors, such as flooding in one part of Europe and extreme drought in another, significantly affected grain harvests and had a direct impact on transport volumes. As a result, we are seeing limited use of grain wagons, with part of the fleet being taken out of service, which is also affecting rentals. Grain wagons have a stable place in our company's product portfolio and, in terms of production volume, they were one of the dominant products in our production program in 2024. Therefore, the current market situation has a significant impact on us, and the continuation of this situation is not good news for our company. However, grain prices at the market are still not high enough for traders to release their stocks for sale, which would help revive the grain transport market.

Demand for tank wagons is also affected by current events. The largest decline is in demand for tank wagons for transporting oil products. A significant factor in this decline is the initiative to decarbonize the transport sector and strengthen climate targets. The European Union wants to gradually tighten CO₂ limits for vehicles and, from 2035, will introduce a complete ban on new cars with combustion engines at the European market. Customers are already responding to this regulation and adapting to the changed conditions, resulting in a reduction in the fleet of tank wagons for transportation of oil products.

Market instability in the rail transport segment is forcing us to be more flexible, respond more quickly to market developments, and react effectively to emerging opportunities. In the near future, we will have to frequently rebuild our production lines, as individual orders are likely to contain fewer units than in previous periods.

We expect increased demand for structurally specific wagons designed for transportation of special products. However, this gives our company a competitive advantage, as 90% of our products are the result of our own development. The development department excels in its expertise and high technical level, and its quality is particularly evident in such specific projects.

In 2025, we are seeing an overall decline in the rail freight transport market of more than 30%. In response to this situation, it is necessary to implement measures to reduce costs and increase efficiency of individual processes. In order to maintain sufficient order fulfilment, it will be crucial for the entire Tatravagónka Group to leverage all competitive advantages and synergies.

In the segment of freight wagons for car transport, we are seeing a continued positive trend, despite the long-term decline in the automotive market in Europe. In order to ensure efficient rail transport of cars, it is necessary to secure a significant number of specialized wagons in a short period of time, which gives us the opportunity to fulfil our production plan and mitigate the negative effects of the current challenging market situation.

We are also benefiting from increased imports of electric cars from Chinese manufacturers, which is also increasing the need for specialized transport. The higher weight of electric cars makes it impossible to transport them using the current fleet of car transporters of individual carriers, which creates a unique opportunity for us to expand our portfolio by providing modern wagons that will be designed to handle such high point loads.

Tatravagónka a. s. has also specialised wagons for military use in its portfolio. The current initiative in the field of military mobility and transport of military equipment brings new opportunities for effective solutions for transport of military equipment in various situations. Thanks to our extensive experience with dual-use wagons – both civil and military – we want to apply this knowledge to the further development of this segment of rail transport, thereby supporting better logistical cooperation between EU and NATO member states.

One of the plans for the coming period is to focus more on special wagons designed for use for needs of rail infrastructure. A large number of infrastructure repair and extension projects (bridges, railway lines, tunnels, etc.) are planned for the near future in Europe and have already been approved and will be implemented. Most of the wagons currently in use for rail infrastructure applications are already obsolete and do not meet the applicable TSI standards today. We are also planning to manufacture wagons for transport of scrap which is needed in the production of 'green steel'.

Last but not least, we continue to launch projects that are unique for Tatravagónka a.s. One of them is the basket wagon, which is designed for transport of non-cranable semi-trailers, where the basket is fully integrated part of the wagon. The share of non-cranable semi-trailers is about 60-70% of the total semi-trailer volume in Europe.

Another special project of our own development is a wagon for transport of truck-tractors, which would also allow transport of truck-tractors themselves by rail, which has not been possible so far.

In parallel with these projects, we are also starting production of wagons adapted for transport at high speeds of up to 140 km/h and 160 km/h respectively. These wagons are extensively used for transport of consignments. Demand for this type of transport is increasing due to restrictions on local flights, particularly in Germany and France. In line with the EU's objective to reduce CO₂ emissions, rail transport is a viable alternative. It is very important for our company to bring innovative solutions for rail transport and to contribute with our products to the European Union's "green" objectives.

The European Union (EU) strategy for the development of rail freight transport is part of the EU's broader objectives for sustainable transport, reducing greenhouse gas emissions and improving the efficiency of the internal market. The key document is the White Paper on Transport (2011) and subsequent initiatives, including the European Green Deal and the Strategy for Sustainable and Smart Mobility (2020).

In terms of the technical characteristics of freight wagons, we focus on efficiency, compatibility with future technologies, safety, and sustainability. The main areas that are key in the context of current developments in the EU are:

- 1. Low weight and high loading capacity**
- 2. Modularity and flexibility** – use of universal bogies and structures that enable quick conversion of the wagon to different types of cargo (containers, special goods).
- 3. Readiness for digitisation** – built-in sensors for measuring vibration, position, temperature and load, real-time condition monitoring and future integration into intelligent train control (DAC, ERTMS).
- 4. Noise and vibration reduction**
- 5. Safety features** - Automatic couplings (DAC) ready for future deployment, integrated brake diagnostic systems and redundant components.
- 6. Interoperability** - adaptation for operation in different countries (e.g. multiple approvals, different track gauges or climatic conditions).
- 7. Sustainability** - recyclable components, long service life and easy maintenance.

The modernization of freight wagons continued in 2024, which is a key part of adapting rail transport to the European strategy for sustainability and digitization. Compared to older models, modern wagons offer improved technical features in the areas described above. Overall, this is a gradual transformation from a simple means of transport to an intelligent and environmentally friendly link in the logistics chain.

In the field of rail freight in Europe, the TIS initiative “White Paper - The Intelligent Freight Train IF2” is important, describing a roadmap for the rail freight future, which is characterized by the transition from an innovative freight wagon to an intelligent freight train. In practice, this means the gradual equipping of freight wagons with monitoring systems for monitoring both the movement of the wagon, the consignment or the goods, as well as the parameters related to the operating condition of the wagon. Furthermore, wagons need to be prepared for the possibility of installing automatic couplings (a strategy called the European DAC Delivery Programme - EDDP).

The following types of freight wagons and bogies belonged in 2024 among the bearing newly developed products (note: with regard to tests and approval, some projects will continue in 2025):

- **Laados** – wagon is low loading plane for transportation of truck-tractors (will continue in 2025)
- **Sggmrss 92'** – intermodal transport of containers and swap bodies with design speed up to 140 km/h
- **Sdggmrss** - basket wagon for transportation of non-cranable semi-trailers, containers and swap bodies

- **Zans 56m³** – tank wagon with the tank without internal surface treatment for transportation of water (will continue in 2025)
- **Sggnss 80⁷** – development of wagon prototype with speed up to 160km/h (will continue in 2025)
- **Rlnps** – wagon for transportation of railway fields, sleepers and special container swap bodies (will continue in 2025)
- **Sgnss 60⁷** – intermodal transport of containers and swap bodies with electrical installation
- **TVP NG2** - bogie of Y25 series with improved running and technical characteristics for speed up to 140km/h
- **ASB UK – 840** – bogie based on Y33, with improved running and technical characteristics (will continue in 2025)
- **TVP 6** – lightweight axle box
- **TVP TELEMATICS** – in cooperation with external partners, start of development of our own telematics and sensor technology for freight wagons
- **SCRAP Box** – development of a container for transportation of scrap metal
- **GRAIN Box** – development of a container for transportation of grain
- **eShimmns** – development of electric drive (will continue in 2025)

and others.

RESULTS OF COMPANY'S OPERATIONS AS OF DECEMBER 31, 2024

SHORT FORM OF THE BALANCE SHEET ACCORDING TO IFRS (in thousands of EURO)

ASSETS	as of 31.12.2024	as of 31.12.2023
Intangible assets	8 089	8 960
Lands, buildings and equipment	144 187	127 652
Investment property	1 214	1 197
Financial Assets	104 707	102 015
Total non-current assets	258 197	239 824
Inventory	77 228	61 694
Trade and other receivables	171 641	175 889
Tax receivables	5 438	6 321
Cash and cash equivalents	18 254	14 169
Total current assets	272 560	258 072
TOTAL ASSETS	530 757	497 896
EQUITY AND LIABILITIES	as of 31.12.2024	as of 31.12.2023
Subscribed equity	86 358	86 358
Funds	17 494	17 279
Retained earnings	117 287	102 837
Equity in total	221 139	206 474
Long-term finance liabilities	90 830	24 672
Other non-current liabilities	403	618
Deferred tax liability	1 267	1 624
Non-current reserves	7 050	7 455
Non-current liabilities - total	99 550	34 369
Trade and other liabilities	85 925	111 821
Tax liabilities	5 269	5 908
Short-term financial liabilities	118 875	139 324
Current liabilities - total	210 069	257 054
Total Liabilities	309 619	291 423
TOTAL EQUITY AND LIABILITIES	530 757	497 896

SHORT FORM OF THE INCOME AND EXPENSE STATEMENT (in thousands of EURO)

	as of 31.12.2024	as of 31.12.2023
Revenues from the main activity	583 506	596 504
<i>Revenue from the sale of merchandise</i>	75 443	59 308
<i>Revenue from the sale of own products and services</i>	508 063	537 196
Capitalization	1 374	368
Changes in inventories of finished goods and own production	134	-1 023
Cost of main activity	533 348	556 446
Other operating income	4 172	9 060
Other operating expenses	5 122	8 775
Interest	-9 706	-5 867
Other financial expenses - net	7 437	1 416
Other financial income - net	4 960	353
Profit before taxation	38 532	32 759
Tax expenses	9 083	7 264
Profit for the period of continuing operations	29 449	25 495
Profit for the period of completed operations	0	0
PROFIT AFTER TAXES FOR ACCOUNTING PERIOD	29 449	25 495
Other components of comprehensive income in total	215	0
Total comprehensive income for accounting period	29 665	25 495

CASH FLOW (in thousands of EURO)

	as of 31.12.2024	as of 31.12.2023
Profit before tax	38 532	32 759
<i>Items modifying profit before tax to cash flows from operating activities:</i>	<i>18 286</i>	<i>19 039</i>
Operating profit before changes of working capital	56 818	51 798
<i>Changes in assets and obligations:</i>	<i>-30 017</i>	<i>-90 000</i>
Net operating cash flow	26 801	-38 202
Interest received	0	0
Interest paid	0	0
Income tax paid	-10 122	-2 324
Net cash flow from operations	16 680	-40 526
Expenses for acquisition of subsidiary and associated enterprises	-9 093	-8 504
Expenses for purchase of long-term tangible property	-23 488	-12 923
Expenses for purchase of long-term intangible property	-333	-1 779
Income from sale of long-term assets	445	619
Income from sale of shares of subsidiary companies	0	0
Expenses for long-term loans provided by accounting unit to subsidiary and associated company	-2 897	0
Income from repayment of loans	0	2 318
Income from dividends and other profit shares	227	437
Příjmy z přijatých úroků	4 960	0
Net cash flow from investment activities	-30 178	-19 832
Income from changes of loans and long-term obligations	188 500	61 425
Expenses for settlement of loans (-)	-144 425	-9 063
Expenses for paid dividends and other shares of profits	-15 000	0
Lease payments	-1 600	0
Interest expense	-9 891	-6 304
Net cash flow from financial activities	17 584	46 057
Net increase or net decrease of financial resources and equivalents	4 085	-14 301
Financial resources and equivalents at the beginning of account period	14 169	28 470
Exchange rate differences enumerated for financial resources and equivalents	0	0
FINANCIAL RESOURCES AND EQUIVALENTS AT THE END OF THE ACC. PERIOD	18 254	14 169

REPORT ON SUSTAINABILITY

The issue of sustainability and corporate social responsibility has been resonating in our company for several years. Today, however, these concepts are not just a phrase, but rather an urgent call to move from words to real actions. Over the past decades, companies have increasingly changed their view of business practices. This view has shifted from maximum profitability and consumerism to one that places greater emphasis on equality, ethical practices and the pursuit of a range of activities for social benefit.

The company TATRAVAGÓNKA Si has built its name and position as the largest manufacturer of railway freight wagons and bogies in Europe for more than 100 years, and with its responsible approach to the product, to society, to the environment and to business partners tries to represent the legacy of the generations that built this company before us and to be its bearers for the generations that will come after us.

TATRAVAGÓNKA a.s. strives to draw attention of the entire society to the environmental benefits of rail transport and, through its product portfolio, wants to make the sustainable choice the first and also an easy choice of the company. We have decided to follow the path of the freight rail industry's commitment to increase sustainability and environmental responsibility. Our efforts include developing new, more sustainable products, creating new design solutions that increase efficiency and enhance sustainability. By implementing sophisticated manufacturing processes and procedures that work in harmony with a goal of monitoring and reducing our impact not only on the environment, but on society as a whole, we strive to raise awareness of sustainability of entire rail freight industry and thereby contribute to make this mode of transport more efficient for all its customers.

Reduced greenhouse gas emissions

According to world-renowned research and statistics, rail freight is responsible for only 1.9% of greenhouse gas emissions. It is estimated that when a shipper shifts its goods from road freight to rail, it reduces its emissions by 75%.

Increased freight transport efficiency

Compared to road transport, a single freight wagon, with a fraction of the fuel, can replace a load of three to four semi-trailers. Numerically speaking, rail transport can carry 1 tonne of freight, over a distance of more than 700 km, using one gallon of diesel fuel. This level of fuel consumption is unmatched by other modes of transport.

Increased use of recycled materials

Through reprocessing of scrap iron, freight rail wagons achieve a high level of recyclability. This, combined with a longer product lifetime, reduces both consumption of raw materials and frequency of new production, again reducing overall emissions.

Extended equipment lifetime




Railway wagons are more durable, fail less frequently and are easier to keep in service throughout their entire life cycle, compared to other modes of transport. For all these reasons, rail freight transport is

more sustainable in terms of the lifetime of each rail car. While trucks used in road transport have an average lifetime of 12-15 years, a freight rail wagon can last 35-50 years with proper maintenance, while continuing to be recycled and reused.

All of these statistics draw attention to how much of an impact rail freight has on sustainability efforts.

“TO BE THE FIRST CHOICE”

The vision of TATRAVAGÓNKA stands on **four basic pillars**:

 <p>To achieve a dominant position in the production of freight wagons and bogies through quality and flexibility of deliveries using traditional values, experience and modern technology.</p>	 <p>To be a stable and attractive employer through an open corporate culture focused on teamwork, connecting employees through management and an individual approach.</p>
 <p>To develop and produce innovative products that satisfy all customer requirements through satisfied and qualified employees.</p>	 <p>To create a social and work environment for employees, in which they behave responsibly towards their health and the health of their colleagues, through strict adherence to safety standards and norms.</p>

OUR VALUES

The employees of TATRAVAGÓNKA a.s. proudly share these values:



RESPONSIBILITY

We behave professionally and we want to constantly learn new things and improve both humanly and professionally. We approach the living, social and cultural environment responsibly.

COOPERATION

It is based upon two pillars. Self-confidence and humility. Each of us believes in ourselves and remembers that we can do it together. We work together to achieve our common goal. We are all members of one team and work together for integrity, responsibility, quality, excellence and expertise. An important element of our cooperation is open communication across the entire company. We share not only the same values, but also the same information.

TRUST

It is our common moral value, by which we express our unequivocal attitude towards the TATRAVAGÓNKA company. It unites us and manifests itself in our loyalty to the company. We trust each other, and at the same time we are trustworthy. We also show trust to our colleagues, whether it is a superior or a subordinate. We also treat our partners openly, transparently and ethically, building our credibility and respect in business relationships.

INNOVATION

We are appropriately curious and with an open mind we create, implement and look at innovative solutions in the rail freight market. Personal development and education of all our employees brings us creative solutions, approaches and perspectives from little things to big projects. We push the boundaries and look for new challenges that materialize in real products thanks to our creativity.

SAFETY

It is paramount for all of us. We value human life the most. Our highest priority is to create a safe work environment. We do not compromise on security, nor is it affected by the achievement of the company's goals, quality, costs and deadlines. We are aware of our responsibility for our own safety. At the same time, we assume collective responsibility for the safety and health of each one of us.

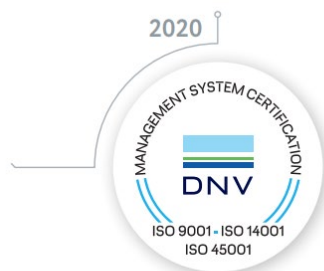
ESG ENVIRONMENT

WE PROTECT THE ENVIRONMENT

As the company, we are committed to protect the environment, taking into account the rights of future generations.

We consider protection of the environment to be a core value of the company. We ensure that our products, activities and services comply with applicable environmental legislation and regulations. We conduct our activities in a manner that aims to continuously improve environmental sustainability through recycling, conservation of resources and the promotion of environmental responsibility among our employees. By regular review of the environmental management system in place, we ensure continuous improvement of its effectiveness. All innovations, research and development must respect environmental protection and take into account an impact of the effect of products on the environment throughout their entire life cycle. We maintain and continually improve our environmental management systems to comply with more stringent requirements required by specific market and local regulations. We regularly monitor and evaluate our environmental performance and environmental targets in order to continuously improve our environmental behaviour. We support economic development while being committed to protecting the environment. We conduct our business in accordance with applicable environmental regulations, the requirements of EN ISO 14001:2015 and other requirements that we are committed to meet. We prevent air, water and soil pollution and excessive waste generation, and we assess potential environmental impacts and risks when introducing new technologies. We continuously improve energy management by promoting purchase of energy-efficient products and services and streamlining operational activities. We responsibly manage the use of hazardous materials in connection with our activities, products and services.

We respect observance of generally binding legal and other regulations, and we try to make the goals set annually known not only to our employees, but also to business partners and other interested parties. The employees of the Health and Safety Department develop valid legislation in the field of environmental protection into internal company management acts, operational and safety regulations, work procedures, guidelines, etc.; they guide methodically and professionally executives and individual employees at all levels of management in the field of protection of the environment, working environment and occupational hygiene, they process reports, concepts in the environmental field, ensure the necessary measurements, analyses, contracts with disposal facilities, etc.



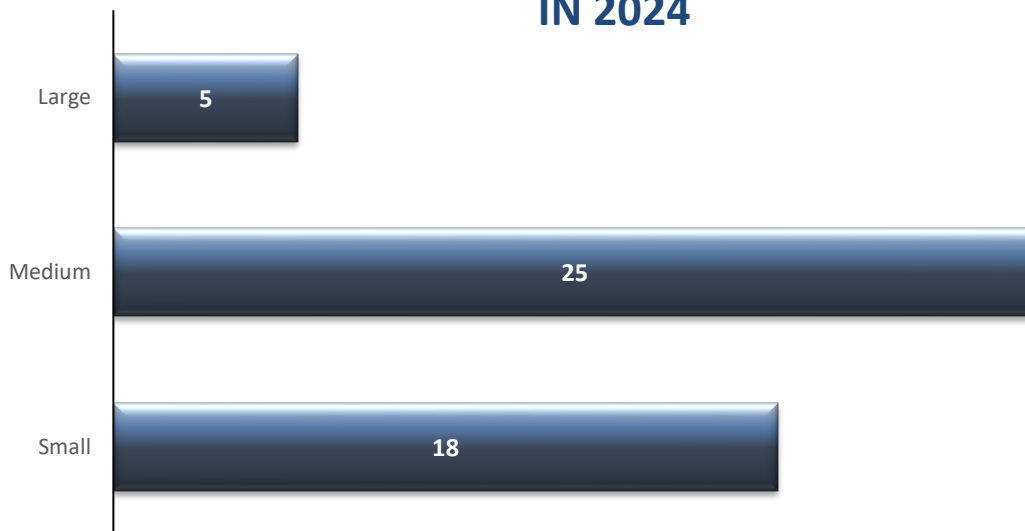
ISO 14001 a ISO 45001

Certificates covering environmental and safety related aspects of the management system.

WE PREVENT AIR POLLUTION

A total of 48 sources of air pollution were recorded at the company's premises in 2024.

REVIEW OF POLLUTION SOURCES IN 2024



Air pollution is generated by the operation of air pollution sources, which are technological and energy equipment necessary to ensure the production and operational activities of the company. Among the technological equipment, these are specifically surface treatment workplaces (shot-blasting facilities and paint shops), and among the energy equipment, these are facilities used to heat production areas and social extensions. Legally, these are large, medium and small sources of air pollution.

Each technological installation includes a filtration unit that reduces quantities of pollutants emitted to the permitted limits. The company uses air separation devices on shot-blasting lines to protect air from particulate emissions, filter cartridges on spraying and drying booths to reduce emissions leakage, catalytic combustion of waste gases containing organic volatiles has been built in two technologies. For power equipment (due to the exclusive combustion of natural gas), this involves regular adjustment of combustion and combustion parameters of the natural gas.

Monitoring of pollutant concentrations is carried out by discontinuous measurements over a period of 1 per year, 1 x 3 years or 1 x 6 years, depending on the category of air pollution source.. TATRAVAGÓNKA, a.s. plant Poprad, has an integrated permit issued for the surface treatment workplaces, which was issued and is monitored by the Slovak Environmental Inspectorate in Košice. An integrated permit was issued to the company in 2019, and a total of five amendments were recorded by the beginning of 2025. For operated sources of pollution, the company pays annually amounts corresponding with the volume of emissions according to demonstrated calculations. Control of the correctness of fee calculations is carried out by the District Office, Department of Environmental Care, which issues decisions confirming the value of the fee obligation.

The total amount of pollution by solid substances is successfully reduced thanks to thorough maintenance of machines and devices, regular cleaning and replacement of filters of mainly shot-blasting machines and thanks to their gradual modernisation.

For the new business period of 2021-2030, TATRAVAGÓNKA a.s. is not a member of the business scheme. The company was removed from the trading scheme of mandatory participants due to reduction of heat rate of the facilities that burn the natural gas.

WE MINIMISE WASTE AND WE RECYCLE

We record and control the amount of produced waste on a monthly basis. There is elaborated a detailed overview of quantities and types of waste produced at each collection point on the company premises. The company strives as much as possible to separate the individual waste components with the aim of generating as little waste as possible for landfill. By adjusting technological processes and monitoring consumption of used materials, generation of waste is minimised, while maximising recycling in the form of reuse of such wastes.

The company as a whole produces both non-hazardous and hazardous waste. The amounts of generated waste are variable and depend on the specific period and the volume of production carried out. However, as a percentage of total waste production, 95.5% is other and only 4.5% is hazardous. Of the total amount of other waste, about 90% is recyclable. It is mainly a metal waste, which is exported for reprocessing.

We dispose of all types of waste in an ecologically clean way through an external company. The production sites have a well-defined method of waste management, i.e. sorting, storage in designated containers and export from the sites for disposal or transfer as secondary raw materials. There are defined mechanisms for management of scrap metal, for collection of paper and wood, for handling of oil products, etc. Method of waste disposal is precisely defined by an internal company directive. Employees are also guided to separate waste through visuals and instructions at individual collection points.

WE PREVENT WATER POLLUTION

Water pollution is monitored at the outlets to the industrial or rain-water sewers operated by TATRAVAGÓNKA a.s. These outlets are monitored by regular sampling of discharged water. Pollution must always be within the limits set by the operator of the public sewerage network or in accordance with decisions issued by the state administration authorities in the field of water protection. The individual measurement protocols are archived and are always subject to inspection by the supervising state administration (District authorities, Slovak Environmental Inspectorate...) Monitoring of discharged wastewater is carried out in accordance with issued permits, the monitoring periods are set at an interval of 1 x 3 months.

TATRAVAGÓNKA a.s. also uses two of its own wells, which are used for fire-fighting purposes. There is established an individual greasing and tribotechnic service in the company, which provides manipulation with oil substances (oils, cooling emulsions, machine greasing). Regarding technical devices, there is built a demulsification and neutralizing station for neutralizing of sewage and waste

water and cutting emulsions, which is a device for disposal of dangerous waste. The plant has its own industrial water supply, washing ramps for washing cars and motor transport trolleys with oil traps, gravity oil separator from the rain-water sewer drained into the stream called Hozelecký potok, diesel dispenser with paved area and oil trap, safe storage of paints and oils, paved areas with a holding tank for handling metal chips from machine tools contaminated with pollutants.

WE REDUCE ENERGY CONSUMPTION

In the area of energy consumption, the dominant consumption in TATRAVAGÓNKA a.s. is represented by consumption of natural gas with a share of more than 53%, followed by electricity with a share of more than 43%. Fuel consumption is at the level of 2-3% and technically usable gases (LPG, ethylene, oxygen) 2.5%. In terms of costs incurred, electricity costs are dominant due to its high price. Costs for technical gases are also significant, accounting for about 14% of total energy costs.

Our company makes considerable efforts to reduce energy consumption. We are successful in doing this primarily through the following activities:

- Replacement of old lighting with new - LED spotlights
- Modernization of heat management with decentralization of heat distribution and use of modern infrared radiators for heating of halls with the possibility of zone control in halls
- Utilization of waste heat from compressors for heating the UMV hall, which we also plan to use for heating the drying cabin of the new wagon coating line
- Use of heat pumps for pre-heating of hot water
- In 2025, we will begin with the construction of a new central warehouse, the roof of which will be used to build a photovoltaic power plant with a capacity of approximately 350 kW
- As part of the calls for proposals, we plan to adapt the thermal and technical properties of buildings, in particular the administrative building, the special operation building and the halls around the large traverser.

By finalising decentralisation of the heat management and replacing the water supply infrastructure, we have managed to reduce our natural gas consumption by approximately 21%. The two heat pumps installed in front of the social extensions of Hall IV and the Y25 Cs bogie production hall are also contributing to this. However, the project has not only reduced consumption of fossil fuels, but we have also found a way to use the waste heat from the compressors that heat the maintenance hall.

In 2023, we also carried out a project to upgrade the electricity grid. The purpose of upgrading the transformer substations was to eliminate technical losses from the transformers. The upgrading consisted in replacing the transformers themselves with new and efficient ones in the ECODESIGN2 design, replacing the high-voltage switchgears, adding protections and setting up a control room, to which a new fibre-optic network was brought up and which serves to visualise the status of the individual elements of the substations and the possibility of switching off the power switches remotely and thus also for the database and archiving of data. The result is lower losses on transformers, but also an overview of the individual substations. Modern protection with selective setting of tripping times allows us to automatically disconnect only damaged section of the line between individual substations in case of a fault, not the entire company premises as was the case before. Thanks to

dispatch control, we can quickly identify faults in the network and provide power via alternative routes. In total, 11 transformer substations were upgraded and 26 transformers were replaced.

As a result of the modernisation of the substations, the losses on the transformers have been reduced by 5.7%, which is certainly not an insignificant amount for the size of our company and a really big benefit for our environment.

However, our efforts to reduce the energy intensity of the company's operations are far from over. We are continuing at the set pace and shifting our attention to insulation of halls and office buildings, expanding the use of waste heat in technological processes, modernising the compressor cooling system as well as modernising compressed air distribution systems.

Optimisation of energy consumption, which is one of the basic production inputs, is seen by the company's management as an important aspect in the evaluation of the investment, its return on investment, possible long-term effects and also as an important element in meeting our environmental objectives. Monitoring and reducing the energy intensity of our technologies is a matter of course, and these optimizations have been developed and implemented over a long period of time.

However, changing technology is only one side of the coin. Interesting savings can also be achieved by changing our mindset. Of course, each of us has options in our hands to be cost-effective in our workplaces. Elementary patterns of behaviour, consideration and courtesy towards your workplace and colleagues are prerequisites for improving the comfort of your surroundings.

WE BUILD ENVIRONMENTAL AWARENESS

By providing continuous training and education to our employees, we increase and deepen their environmental awareness and the quality of their work activities, thereby ensuring continuous improvement at the level of sustainability and social responsibility. Separate waste collection bins are located in all production and administrative departments and they are clearly marked and equipped with instructions on how to separate different types of waste. Energy saving guidelines are also developed and installed throughout the company's premises. Employees are motivated to participate in reducing greenhouse gases and we encourage them to use environmentally friendly transport to work

and in volunteer activities such as tree planting and neighbourhood clean-ups.

Within the company, we support electronic processing, storage and sharing of any documents and invoices. Sharing of any information is done exclusively electronically, so that the need to circulate paper documents not only within the company, but also externally, follows a declining trend worldwide. By selecting local suppliers, we reduce transport routes for importing materials and thus contribute to the reduction of greenhouse gases.

WE INVEST WITH THE ENVIRONMENT IN MIND

Investment activities in 2024 were mainly focused on increasing work safety at individual workplaces, reducing the energy consumption of stationary equipment and buildings, and minimizing environmental impact. In 2024, we streamlined and greatly improved the welding and machining processes through technological innovations. We also streamlined quality control processes by

purchasing measuring equipment. Material handling and positioning were also streamlined by purchasing new handling equipment. In terms of all investment activities, the value of investments in machinery and equipment represents 87% of total investment costs.

We are aware that efficient use of energy contributes to reducing our climate footprint, which is why, in addition to investing in modernisation of machinery, we have also continued to renovate production halls, office buildings and water supply systems.

As a company, we believe that understanding the importance of maintaining environmental sustainability is the right way to maintain an acceptable environment for all of us. Our investments are aimed both at prevention and at avoiding unacceptable risk in this area. Because the environment is not only a legacy from those who were here before us, but also a loan from our children.

ESG SOCIAL

WE CREATE OUR WORKING ENVIRONMENT

Our employees create our working environment, culture and common values. We believe that satisfaction of our colleagues is important for achieving the defined goals and for creating an overall company image regardless of the fact whether the employees are in the direct contact with our customers and suppliers or they are part of the production process, or they provide other supporting activities necessary for problem-free running of the company.

In compliance with the principles of social responsibility in the field of human rights and labour policy, TATRAVAGÓNKA a.s. respects the basic principles set out in the Universal Declaration of Human Rights. The company's core values and culture reflect the company's commitment to ethical business practices and suitable work environment. Our procedures and practices require the conduct of our business activities with uncompromising integrity and the promotion of human rights within the sphere of company influence:

- **Voluntary choice of employment** - we support the elimination of all forms of forced labour or involuntary work of prisoners.
- **Prohibition of child labour** – the company is against any form of child labour abuse, and does not employ child labour and supports the elimination of child labour abuse.
- **Minimum wages** - our employees receive wages and bonuses that meet or exceed the statutory minimum. The average wage in the company in 2024 exceeded the average wage in the Slovak economy by almost Euro 269.
- **Working hours** - we do not require our employees to work more than the maximum number of hours worked required by local law. The weekly work pool in the company is 37.5 hours; our employees are adequately compensated for possible overtime work, night shifts, work during

weekends and holidays, respecting all statutory allowances, breaks between shifts and other legal limits.

- **No discrimination** - we support and approve the elimination of discriminatory employment practices and promote diversity in all areas of our business activities. Our practices prohibit discrimination based on race, skin colour, age, gender, sexual orientation, gender identity and expression, nationality, religion, physical imperfections, nationality or any preferred group.
- **Prohibition of inappropriate or inhuman treatment** - physical abuse, maltreatment or any threats are prohibited. We provide a safe and healthy work environment for all our employees.
- **Freedom of association** - we exercise the rights of employees associated in trade unions in accordance with local laws and established procedures.
- **Business rules** - the company's suppliers are obliged to announce and promote legal rights.

TATRAVAGÓNKA a.s. respects the personal integrity and diversity of opinions of its employees and it requires the highest level of personal morality and compliance with the principles of the Code of conduct at workplace. We take a negative attitude towards any form of harassment, bullying, mobbing or bossing. We believe that everyone has the right to be treated fairly and courteously, whether by superiors or colleagues.

WE SUPPORT EQUAL OPPORTUNITIES

Tatravagónka a.s. provides equal opportunities regardless of race, gender, skin colour, age, religion, disability, or social origin. We strive for an even distribution of workforce and we make decisions solely on the basis of the qualification and professional prerequisites of the employees.

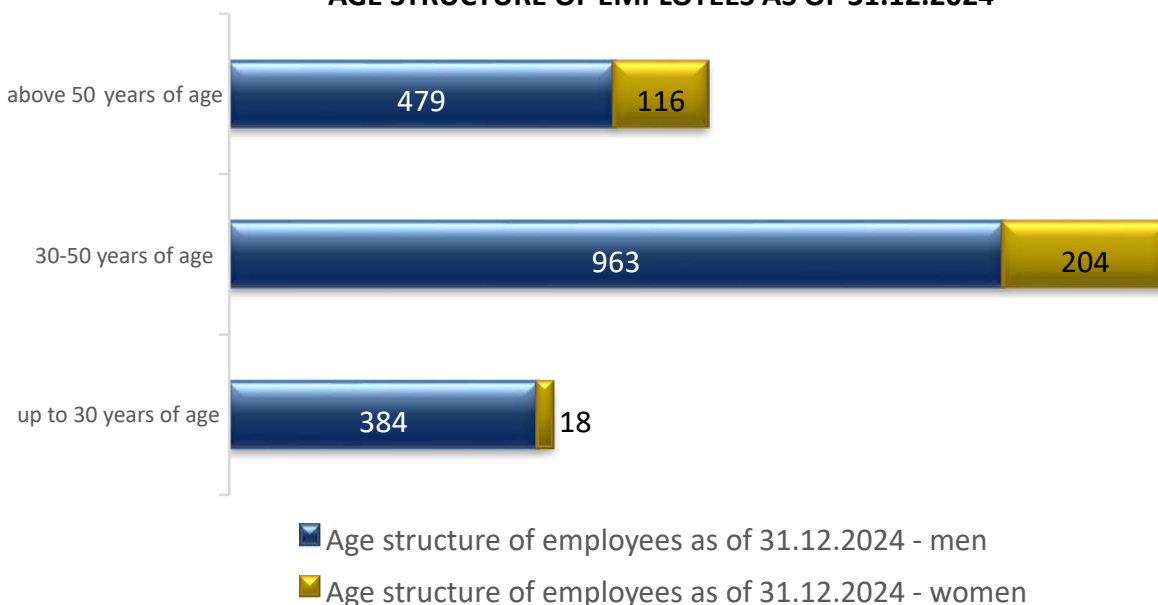
We regularly invest to the personal development and education of our employees with an aim of development of their capabilities, knowledge and skills. There are free language courses held directly in the company by the company's own lecturers, which employees can attend during working hours, professional trainings, whether compulsory or optional, and last but not least, training development programs intended for managers and prospective employees included in the "talent pool" or "key people" list with the aim of preparing management reserves. We actively look for talents and give them space to develop their skills for the benefit of our company. We have opened doors for decent expression of ones opinions freely and without fear of any consequences.

DEVELOPMENT OF AVERAGE NUMBER OF ROOT EMPLOYEES IN 2019-2024

Year	men	women	total
2019	1 839	269	2 108
2020	1 906	279	2 185
2021	1 972	301	2 273
2022	1 995	327	2 322
2023	1 969	333	2 302
2024	1 883	334	2 217

The ratio of men and women working in our company copies the trend of labour force distribution in the engineering industry in the Slovak economy. As a percentage, the most men work in the category of production employee - up to 99.64% (from the total number of 1,103 production employees in the company, 4 are women). In the categories of indirect employees and administrative employees, the men to women ratio is 70:30.

AGE STRUCTURE OF EMPLOYEES AS OF 31.12.2024



As of 31.12.2024, 110 employees with a medical handicap worked in the company (12 employees with disability of more than 70% and 98 employees with disability over 40%)

WE CARE ABOUT THE SAFETY OF EACH OF US

Safety is paramount for us. Given the nature of our manufacturing activity, we place great emphasis on compliance and support of rules and principles ensuring workplace safety. However, with HSE we are not only concerned with compliance with legal regulations, for us it is more than just an administrative obligation. Through good HSE, we reduce the likelihood of a serious work accident, several weeks of incapacity for work, or the occurrence of occupational diseases. On a long-term basis, we manage to maintain the number of occupational accidents at an acceptable level with zero or minimum number of serious work accidents.

	2019	2020	2021	2022	2023	2024
Average number of employees with health insurance	2 110	2 186	2 275	2 321	2 302	2 218
Number of registered accidents at work	54	30	56	63	39	44
Of which serious accidents at work	1	1	0	0	0	0
Frequency rate - i.e. number of accidents per 100 employees	2,6	1,4	2,5	2,7	1,7	2,0

We are aware that everyone across the company has a share of responsibility in creating safe working conditions. We are constantly trying to improve. In order to achieve this goal, the company uses various tools to increase awareness in the field of occupational safety and also education with a form of positive motivation. The company invites employees to actively participate in the creation of the “Health and Safety Policy”, the aim of which is to create a safe and balanced working environment. Through open communication with employees who notice common deficiencies and problems during their day-to-day work, the company manages to detect them in time and free up resources for their effective elimination. With timely intervention, we prevent the occurrence of production losses, production shutdowns, occupational accidents and, ultimately, damage to the overall corporate image. We constantly monitor and assess our effort and responsibility in this field. The company regularly rewards workplaces with the lowest or zero accident rate.

WE CARE ABOUT OUR EMPLOYEES

Care about our employees does not end at the workplace. With regard to our motto “To be the first choice”, we try to be a reliable partner not only for our customers, but also for our employees, who help to strengthen our position on the market and to build a good company name in the world through their daily efforts. An interesting package of financial and non-financial benefits is available for employees. In addition to the benefits that we provide as part of the work process, there are also benefits by means of which we try to diversify and to make free time more enjoyable.

BENEFITS

Non-financial

- Healthcare within company's premises
- Vouchers for workforce regeneration twice a year, according to the collective agreement
- Flexible working hours for administrative employees
- Fuel cards for purchasing fuels for better prices for private purposes
- Mobile phone and calling cards for private purposes also for family members
- Language courses, qualification improvement, company library
- Allowance for PASSES to the GOLEM CLUB fitness centre
- Company events for employees and their family members - Children's Day, St. Nicholas Day, Doors Open Day, Tatravagonka Summer Fest, Tatravagonka Winter Games
- High standard of work clothes, their maintenance, safety and quality of protective work equipment are a matter of course.

Financial / linked to the Collective Agreement /

- Rewards for work and life anniversaries
- Age automat
- Attendance bonus
- Holiday reward
- Christmas reward
- Remuneration for instructors providing training for new and redeployed production employees
- Wage benefit when working in 3- and 4-shift operation
- Wage benefits for work on Saturdays and Sundays
- Reward for a team leader
- Reward for working more standard hours
- Childbirth and marriage allowance
- Financial donation to women for the International women's day
- Reward for blood donors
- Insurance against damage caused to the employer
- Contribution to joint children's recreation
- Allowance of the employer to the 3rd pillar of pension savings
- Allowance to an employee if he/she is in a particularly difficult social situation or in case of death of the employee or a member of his/her family

VOLUNTEER ACTIVITIES

- Active cooperation and communication with organisations and associations within the region results in regular volunteer activities.
- Regular participation in national and international volunteer and environmental challenges.
- Active participation of the sports team "Tatravagónka in motion" in charity sports events.
- Charity collections

PROGRAMMES TO SUPPORT EMPLOYEES

- Sponsorship and Philanthropy Committee - employees decide on financial and material support of other colleagues' projects through the sponsorship and philanthropy committee.
- Regional discount system – mutual support for the region through a system of discounts for employees and their families.
- "Tatravagónka in motion" - project to support sports activities of individuals and teams of employees.
- "Young Designer" - a children's club in the company premises run by a team of technically proficient experts who try to show children the magic of technology.

MEMBERSHIPS IN ORGANISATIONS IN SLOVAKIA

- Slovak Accreditation Agency for University Education

- Association of Industrial Federations and Transport of the Slovak Republic
- Association of Engineering Industry of the Slovak Republic
- Association of Automotive Industry of the Slovak Republic
- Office for Standardization, Metrology and Testing of the Slovak Republic
- Slovak-German Chamber of Commerce and Industry
- Slovak-Hungarian Chamber of Commerce and Industry

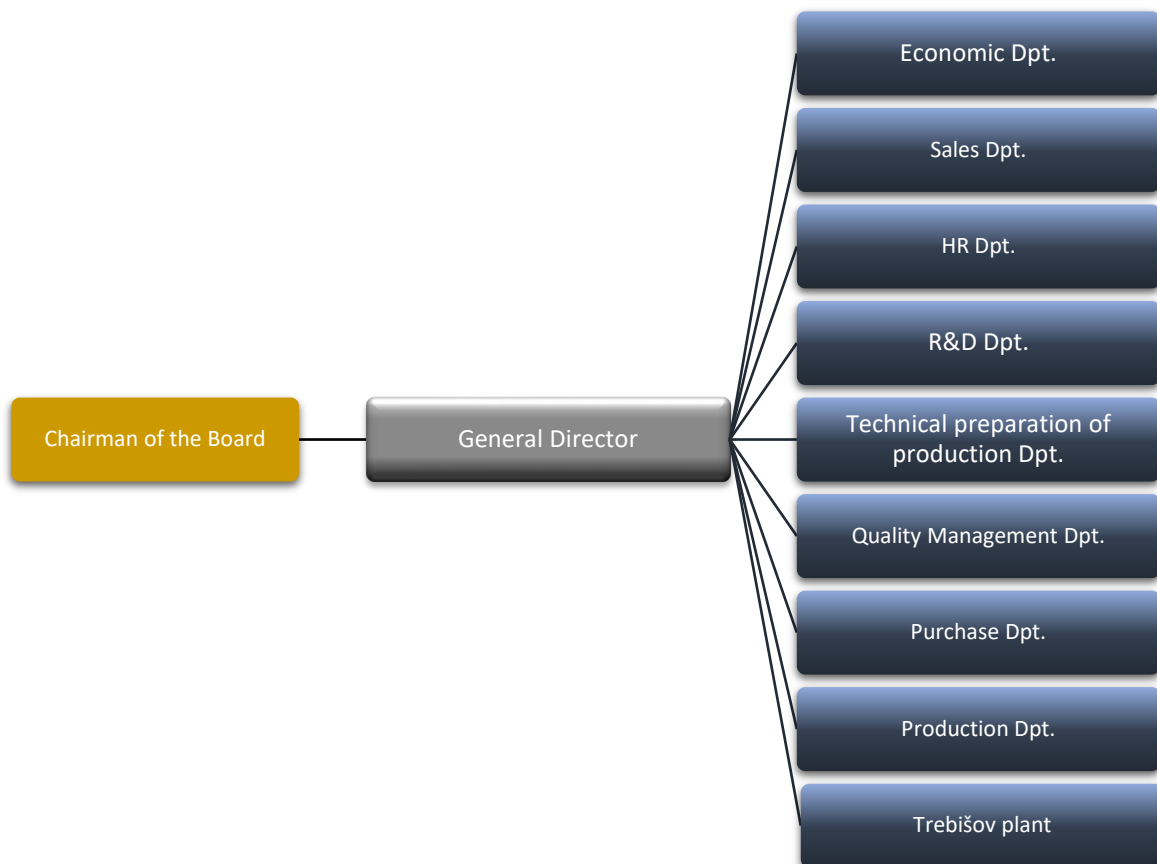
ESG GOVERNANCE

RELIABLE MANAGEMENT

Our organizational structure and the elements of the management act system form the basis of the company’s daily operations. By means of effective management of the company, we try to fulfil our vision and to balance interests of all involved parties, such as shareholders, top management, customers, suppliers, government, and the community.

The company applies a line-staff organisational structure in combination with a matrix organisational structure based on project management, which runs transversally through the company's various departments. These, as well as the Trebišov plant, are subordinate to the company's CEO.

The General Assembly acts as the main decision-making body of the company and it enables the shareholders to make decisions on essential matters related to day-to-day operations. The company is managed by the Board of directors, which meets on a regular basis. The activity of the Board of directors is supervised by the Supervisory Board. The general manager is directly subordinate to the Board of directors. The chairman of the Board of directors is responsible for the Marketing and public relations department, which coordinates transparent and consistent sharing of information about the company.



The aim of the management activities of TATRAVAGÓNKA a.s. is to ensure that all organizational, commercial, technical, control and production activities in the company are planned, managed,

checked and meet the requirements of interested parties and applicable standards. The company creates its own set of governing acts for its management activities, which divide the company's activities among the company's departments, they define level of responsibility and authority in performance of these activities, establish interrelationships between performers of individual activities and ensure the overall consistency of the company. In the company's management structure, there are nine separate departments with their own management, which report to the general manager and are divided into other separate specialized divisions.

The CEO Department includes the Security and Services Division, in which the division manager coordinates the operation, implementation and fulfilment of statutory regulations in the field of health and safety and fire protection, covers scrap management and proper waste management, and he also supervises our own general health care clinic. The Investment and Capital Projects Department, the Process Engineering Department and the ESG Manager also report directly to the CEO. In the framework of all ongoing and planned investment actions, we take into account the principles of sustainability and the "green strategy" of the European Union.

The company TATRAVAGÓNKA a.s. is established and managed in accordance with the applicable legislation governing commercial companies in the Slovak Republic as well as with the EU legislation. Furthermore, we follow internal directives, work procedures and other documents, and we ensure that each of our employees is timely and sufficiently informed and knows all work procedures and documents necessary not only for the performance of their work, but also general regulations and instructions that apply across the whole company.

Basic regulations issued by the company include:

- The **Organizational order** is our basic organizational standard of the company, which has a complex nature; it regulates the principles and rules of the internal organization and relations between the company's departments in the management system.
- The **QUALITY POLICY** is a document by which the company's executive management formulates our overall intentions and directions of the company's activities in the field of quality for a period of 5 to 10 years. This document also sets out our goals, commitments and efforts to continuously improve environmental protection and occupational health and safety.
- The **Quality manual** is the main document of the quality management system, which provides us with its detailed description and helps us to implement and maintain it.
- The **Integrated management system manual** is an extension to the technical-organizational procedures, and it describes the IMS model according to the ISO 14001 and ISO 45001 standards.

WE BUILD UPON THE CORRECT PARTNERSHIP

The company TATRAVAGÓNKA a.s. is aware of its duties and obligations arising not only from business relationships, but also moral and ethical obligations. Our working environment, in which we spend a significant part of our lives influences and shapes us to a certain extent. Each employee participates in the way we communicate within the company, how we behave, how tolerant and considerate we are to each other. What kind of atmosphere will prevail in the workplace depends on each one of us. The management of the company undertakes to set an example in this area and to consistently apply accepted moral and ethical principles.

What applies within the company, it also applies in relations with external companies. As a company, we build on a correct partnership, which means for us not only the fulfilment of legal obligations, but mainly corporate and business culture.

We build on correct and transparent relations with all interested parties. By our behaviour towards partners and institutions, we represent the company, its values, attitudes and principles, not our personality. We care about the professional reputation of our company. We refrain from any action that could affect our impartial judgment and objective action in the interest of the company.

When it comes to receiving gifts and hospitality, the company trusts its employees. Employees may accept such form of commercial attention, but it cannot represent a form of illegal enrichment that will affect their objective judgment and decision-making.

WE PROTECT PROPERTY AND INTERESTS OF ALL OF US

The interest of the company's shareholders represents the interest of all of us. Together, we are building an efficient, profitable and competitive company that represents a supportive and stable pillar for its employees. We protect property, interests, know-how of the company and handle them economically. As a company, we oblige ourselves to protect our and others' intellectual property in all its forms - patents, copyrights, licenses, software, trademarks and brands, web and print content, various forms of design and other forms of intellectual property.

TRANSPARENCY IS THE SHORTEST WAY TO THE GOAL

We provide all required information on time with an emphasis on their completeness, propriety and correctness of their flow. We respect legitimate demands of others, and, at the same time, we insist on fulfilling our own demands so that continuity of the information chain is maintained and the information and data we provide lead to the fulfilment of set goals.

We always provide accurate and true values and information, correct data and outputs, and thus we enable fact-based decision-making. To ensure consistency of statements, only individual members of the board of directors and the PR and marketing department may speak on behalf of the company. Employees maintain confidentiality and do not take videos or photographs on company premises. The area of the company's external communication is the task of the PR and marketing department.

WE ARE NOT POLITICALLY ENGAGED

We do not use the good name and reputation, nor the assets of the company to support a certain political party or movement, belief, direction. At the same time, we exclude such support on company grounds in any way.

Like the company, its management takes an apolitical attitude too. We expect that an employee's political sympathies or membership in a political party or movement will not have a negative impact on the proper and honest performance and quality of his/her work.

ETHICAL CODE and code of conduct in practice

In cases where a situation arises in practice in which the observed behaviour is outside of our values and good manners defined in the valid code of ethics and it is not possible to solve it by agreement of the affected entities, an ethics commission is established. The application of principles of issued Code falls under the responsibility of the company's General Director, who convenes the Ethics Committee every time a complaint or suspicion is received and is responsible for checking and preventing possible retaliatory measures against the whistleblower. In addition to assessing notices, the Committee meets once a year (at the end of the calendar year) to update the Code for the next calendar year.

RELATIONS WITH PUBLIC INSTITUTIONS

Relations with public institutions are based on correct, legal and maximally ethical approach that does not compromise the good reputation of our company. This condition also applies to direct or indirect contributions, expenses, gifts or entertainment provided by employees or other representatives of the company for the benefit of public institutions.

We all ensure maximum protection of processed personal and other data against their possible misuse in accordance with applicable legislation. When dealing with this data, we maintain confidentiality in accordance with the company's internal regulations as well as the generally applicable GDPR legislation. Employees who work with such data are retrained on a regular basis and proper compliance with these regulations is checked as part of internal audits of individual departments.

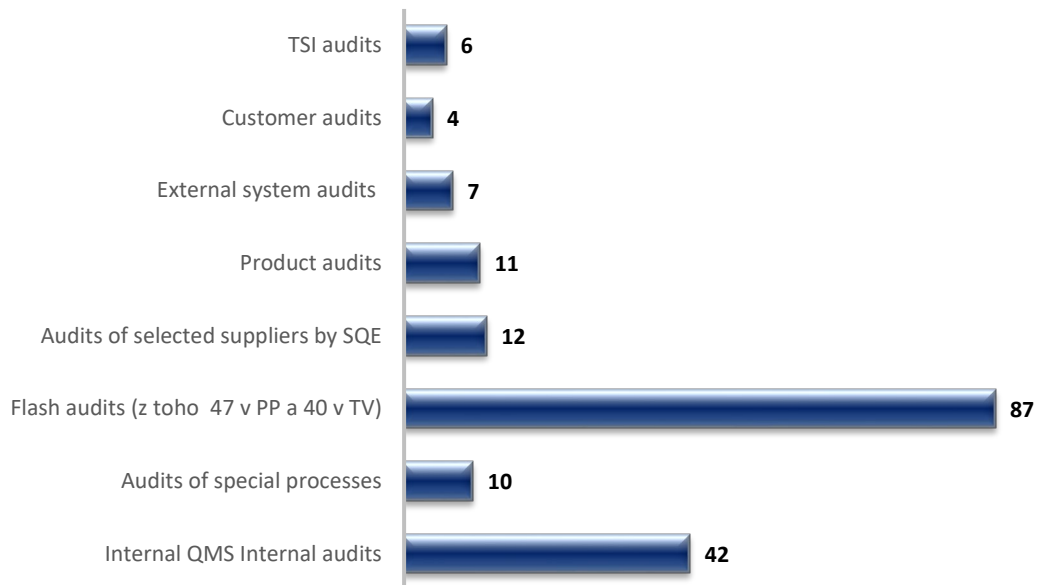
CERTIFICATION AND AUDITING

The current era places high demands on the quality of products and processes, so that companies can satisfy the growing demands of customers. One of the basic tools for achieving and permanent ensuring of quality is considered to be building of an effective quality management system, which can be certified according to international ISO standards with respect to the industry. Currently, we are certified in accordance with the latest applicable standards ISO 22163, ISO 9001, ISO 45001 and ISO 14001, and our goal is to continue in maintaining and increasing the level of certification of the company's products and systems. Since the beginning of the certification of our system according to ISO standards, we have noticed a positive trend of continuous improvement of our quality management system. In 2024, our company successfully completed its second periodic audit according to ISO/TS 22163:2017 with a rating of 84%, which is a slight improvement over the recertification audit in 2023, maintaining our "SILVER" performance level. The performance levels are introduced by UNIFE - the Association of the European Railway Industry with the aim of increasing the overall quality in the

railway industry, focusing on the performance of companies in this sector. Maintaining the level of performance does not reflect only the effective implementation of the quality management system, but also the measurable results for the stakeholders. In 2024, our company also underwent seven additional external system audits in accordance with the relevant standards. All certifications were successful and the certificates or attestations for TVP were issued or confirmed. In addition to regular external audits, the company also conducts internal audits, purpose of which is to monitor the implementation and compliance with company regulations, guidelines and compliance with work procedures. Audits are carried out by selected employees of the company - internal auditors, who have undergone the necessary training and their task is to determine the percentage of compliance with system requirements and, in case of non-compliance, to agree on corrective measures and to evaluate their fulfilment at the subsequent audit.

The year-round efforts of all our employees to constantly improve quality of products and business processes bring visible results. An effective quality management system brings added value to the products we manufacture, which is ultimately perceived not only by the end customers in the form of meeting, or even exceeding, their expectations and requirements and product reliability, but also by employees, owners, or our other partners.

TYPE AND NUMBER OF AUDITS CARRIED OUT IN 2024



EU TAXONOMY – CALCULATION KPI

The whole world, including Europe, is currently facing increasingly demanding environmental and climate change challenges in order to preserve and maintain our natural heritage for future generations. For this reason, the European Commission published the European Green Deal as one of its top priorities back in 2019. This agreement is a tool for facing environmental and climate challenges and turning them into opportunities.

The aim of the Green Deal is to change the way we consume so that Europe becomes cleaner, healthier and climate neutral. It supports the transformation of the EU into a fair and prosperous society with a modern and competitive economy. It emphasizes that all policy areas must contribute to achieving the goals and supports measures across the entire economic spectrum.

The European Green Deal's vision is to reduce greenhouse gas emissions by 55% by 2030 and make the EU the world's first carbon-neutral region by 2050, reduce pollution levels and restore a healthy balance in nature and ecosystems.

In June 2020, the European Union adopted the Taxonomy Regulation (2020/852), which has become an essential element of the European Sustainable Growth Funding Plan. The Taxonomy aims to simplify, make transparent and harmonise the process of reporting sustainability information to companies and to enable financial institutions to direct their capital to those projects and assets that contribute most to the European Union's green climate goals.

To this end, the Regulation creates a classification of economic activities according to their potential contribution to the six EU environmental objectives, namely:

- Climate change mitigation
- Adaptation to climate change
- Sustainable use and protection of water and marine resources
- Transition to a circular economy
- Pollution prevention and control
- Protection and restoration of biodiversity and ecosystems

In accordance with the current Regulation 2020/852, Regulation 2021/2139, which focuses on the first two climate objectives, namely climate change mitigation and adaptation, and Regulation 2023/2486, which amends Regulation 2121/2139, an evaluation of all six environmental goals was performed and a review of the technical criteria and an assessment of the compliance of the Company's activities with the EU taxonomy was carried out.

For a company's activities to be considered in line with the EU taxonomy, three conditions must be met simultaneously:

- the activity must make a significant contribution to at least one of the six EU environmental objectives mentioned above,
- the activity must not significantly contribute to the deterioration of the remaining five EU environmental objectives in the sense of the 'do not significantly harm' principle,
- and at the same time, the activity must comply with the so-called 'minimum safeguards', i.e. the activity under consideration must respect fundamental human rights, standards for working conditions contained in international conventions or internationally recognised principles and guidelines for responsible business conduct.

The main activity of our company is classified under the SK NACE statistical classification code 30.20 - manufacture of railway locomotives and rolling stock. According to the EU Delegated Regulation 2021/2139, this activity is classified under category 3.3 - Manufacture of low-carbon technologies in the transport sector. This activity mainly includes the manufacture, repair, maintenance, additional modernization, or change of purpose and modification of means of transport and rolling stock.

In addition to the manufacture of rolling stock, the company is also engaged in the manufacture of components and subassemblies of rolling stock, which is classified under category 3.19 Manufacture of rolling stock components under EU Delegated Regulation 2023/2485, which includes the manufacture, installation, technical advice, retrofitting, modernization, repair, maintenance, and change of purpose of products, equipment, systems, and software related to railway components.

In evaluating the activity, we focused only on the main activity classified under codes 3.3 and 3.19. In addition to the production of railway wagons and their components, the company is also engaged in other activities, but mainly in terms of their share in total turnover, but also in terms of capital and operating expenditure, their values are so insignificant that they have been assessed as intangible and thus not analysed in detail in the light of the EU taxonomy.

We operate in the field of rail transport, which is considered one of the most environmentally friendly modes of transport. The main advantages are significantly lower CO₂ emissions per transport distance, but also its energy efficiency and ability to transport large quantities of cargo with minimal energy consumption.

As part of the assessment of the company's economic activity in accordance with EU Regulations 2021/2139 and 2023/2486, a detailed review found that our activities make a significant contribution to the first environmental objective in the context of the above-mentioned delegated acts, namely climate change mitigation in relation to the production of freight wagons and their components with zero direct CO₂ emissions. Based on this assessment, we can consider the first condition for determining the alignment of our activities with the EU taxonomy to be met – the company contributes significantly to the achievement of at least one of the six environmental objectives.

In addition to significant benefits, the technical review criteria also address the so-called "do not significantly harm" principle (DNSH principle), which should ensure that the company's activities do not have a significant negative impact on the environment and do not interfere with the other five environmental objectives.

An assessment of our business activities in the context of the DNSH principle found that:

- **OBJECTIVE: Adaptation to climate change** - the activity meets the criteria set out in Appendix A of Annex 1 of Regulation 2121/2139 which requires an assessment of climate risks, their severity and an assessment of adaptation solutions that can mitigate both physical and climate risk while taking into account the lifetime of the activity.

The company focuses on the production of freight railway wagons and components for use in this segment of the engineering industry, which have a very low impact on climate change and potential climate risks. In its operations, it complies with applicable legislation, the requirements of which are also implemented in internal guidelines.

- **OBJECTIVE: Sustainable use and conservation of aquatic and marine resources** - the activity meets the criteria set out in Appendix B of Annex 1. The company's activities do not undermine the sustainable use and protection of water resources, or damage the good status or ecological potential of water bodies, including surface water and groundwater. Assessment of impacts on both the environment and water, regular monitoring and sampling are carried out by the company in accordance with the requirements of applicable legislation at intervals specified by law.
- **OBJECTIVE: Transition to a circular economy** - waste management prioritizes recycling over disposal by reuse and recovery of secondary raw materials, vehicles are free of lead, mercury and hexavalent chromium. The products produced in the company's plants are in line with the concept of high durability, repairability, remanufacturability and recyclability. The company's waste management plan ensures reuse as far as possible and prioritises recycling of waste over disposal.

The company has implemented a waste management and separation system, which is part of its internal organizational guidelines. The amount of waste is regularly monitored and its disposal in an environmentally friendly manner is provided by an external company.

- **OBJECTIVE: Pollution prevention and control** - the company does not manufacture, place on the market or use in the production process substances listed in Appendix C of Annex I to the delegated act. The company prevents or reduces emissions of pollutants into the air. The company's investment activity and the introduction of modern technical solutions across the entire company, not only within the production process, also contribute to achieving this goal.
- **OBJECTIVE: Protection and restoration of biodiversity and ecosystems** - the company has carried out the necessary assessment and complies with the criteria set out in Appendix D of Annex I of the Climate Delegated Act. The company's activities do not harm the condition or resilience of ecosystems or the conservation status of habitats.

In assessing the economic activity against the criteria set out in the delegated act, account has been taken of the environmental impacts of the economic activity itself as well as of the environmental impacts of the products during their life cycle, in particular in terms of production, use and end-of-life of those products.

The company has procedures in place to ensure compliance with the OECD Guidelines, the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight core conventions set out in the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights. There were no human rights abuses (including labour and consumer rights) recorded in the company in the reporting period or historically. To ensure proper functioning in the area of human rights, prevention of bribery and corrupt behaviour, the company has a Code of Ethics and an Ethics Committee has been established to address complaints. On this basis, the company complies with the minimum safeguards set out in Article 3(c) of Delegated Act 2020/852.

The assessment of the technical criteria carried out allows the economic activity of the company to be classified as supporting (according to Article 10(1)(i) of Delegated Act 2020/852). By fulfilling all three required conditions simultaneously, the company's main economic activity is classified under the codes 3.3 and 3.19 and assessed as aligned with the EU taxonomy.

The Company prepares its financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the EU.

TOTAL (A + B)	557 011 140	100%
<p>Commentary:</p>		

KPI - TURNOVER consists of revenues from the sale of own products, revenues from the sale of goods and revenues from services provided (attached financial statements - part 19) - Turnover represents total revenue, including invoiced/pre-invoiced revenue from contracts with customers); 98.58% of revenue was assessed as compliant with EU taxonomy. Total revenue was adjusted for turnover from activities not related to the company's core business (IT support services, rental of land and non-residential premises, maintenance services, etc., energy distribution). Their values are individually insignificant and have been assessed as intangible. All these unclassified revenues are recorded in summary as turnover from non-eligible activities for taxonomy purposes.

Compared to the previous period, we recorded an increase in the KPI value of 0.52%. There were no changes in the method of calculating the KPI.

CAPEX

Template: Share of CAPEX related to economic activities aligned with the taxonomy - disclosure of information refers to year N

Financial year (N)	2024			Significant contribution criterion						DNSH criterion (does not cause significant damage)						CAPEX share harmonized with taxonomy (A.1.) or authorised within autonomy (A.2.) turnover, year N-1 (18)	Category (supporting activity) (19)	Category (temporal activity) (20)	
Economic activities (1)	Code (a) (2)	CAPEX (3)	Share of CAPEX Year N (4)	Mitigation of climate change (5)	Adaptation to climate change (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Mitigation of climate change (11)	Adaptation to climate change (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)				Minimal warranties (17)
Text		Mena	%	A; N; Ineligible (b)(c)	A; N; Ineligible (b)(c)	A; N; Ineligible (b)(c)	A; N; Ineligible (b)(c)	A; N; Ineligible (b)(c)	A; N; Ineligible (b)(c)	A/N	A/N	A/N	A/N	A/N	A/N	A/N	%	supporting	temporal
A. TAXONOMY - ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activity (harmonized with taxonomy)																			
Production of low-carbon devices for transport	3.3	15 998 679	69,30%	A	N	N	N	N	N	A	A	A	A	A	A	A	79,59%	SUPPORTING	
Production of rolling stock components	3.19	657 569	2,85%	A	N	N	N	N	N	A	A	A	A	A	A	A	3,82%	SUPPORTING	
CAPEX from environmentally sustainable activity (harmonized with taxonomy) (A.1)		16 656 247	72,15%	A	N	N	N	N	N	A	A	A	A	A	A	A	83,41%		
From this - supporting		16 656 247	72,15%	A	N	N	N	N	N	A	A	A	A	A	A	A	83,41%	supporting	
From this - temporal			%	%													%		temporal
A.2 Activities eligible within taxonomy, but environmentally unsustainable (activities not harmonised with taxonomy) ⁽⁶⁾																			
				Eligible/Ineligible	Eligible/Ineligible	Eligible/Ineligible	Eligible/Ineligible	Eligible/Ineligible	Eligible/Ineligible	%									
CAPEX from environmentally unsustainable activity (not harmonized with taxonomy) (A.2)		0	0,00%	%	%	%	%	%	%	%							0		
A. CAPEX from taxonomy eligible activities (A.1+A.2)		16 656 247	72,15%	A	N	N	N	N	N								83,41%		
B. TAXONOMY - INELIGIBLE ACTIVITIES																			
CAPEX from taxonomy ineligible activities (B)		6 430 644	27,85%																
TOTAL (A + B)		23 086 891	100%																

	CAPEX share / Total CAPEX	
	Taxonomy - alignment (per target)	Taxonomy - eligibility (per target)
CCM	%	%
CCA	%	%
WTR	%	%
CE	%	%
PPC	%	%
BIO	%	%

CAPEX consists of additions to tangible and intangible assets, including their technical development, and the capitalization of the 25% share of direct costs incurred for research and development (financial statements part 4 and 5, additions from 31.12.2023 to 31.12.2024 and revaluation under IAS 40) All ongoing investment projects were considered. 72.15% of total CAPEX is aligned with the EU taxonomy, as a detailed assessment has shown that it was spent on securing or supporting the company's core activities.

Given that production under codes 3.19 and 3.3 takes place in shared production facilities and using shared machinery, it is not possible to clearly divide and allocate CAPEX. For the purposes of KPI evaluation, capital expenditure incurred in 2024 was allocated to individual activities according to the percentage share of the activity's turnover in the total harmonized turnover for the reporting period.

Compared to the previous year, we recorded a 11.26% decrease in the KPI value. This decrease is due to an increase in the share of CAPEX from non-eligible activities in the context of the EU taxonomy. In 2024, costs were incurred for a more extensive renewal of the wagon fleet, improvement of corporate reporting, and modernization of software equipment, which we do not consider aligned for the purposes of EU taxonomy. There were no changes in the method of calculation on a year-on-year basis.

OPEX includes non-capitalized costs related to building renovation, maintenance, and repairs—we include costs for routine repairs, servicing, and preventive maintenance of machinery and equipment necessary to ensure the smooth and efficient operation of production. In addition, short-term leases of machinery and equipment and the non-capitalized portion of direct costs incurred for research and development in 2024 were assessed for the purposes of the EU taxonomy. Eligible expenses also included the personnel costs of internal mechanical and construction maintenance staff. OPEX of 95.41% of total costs has been assessed as aligned with the EU taxonomy as these costs were necessarily incurred to support the company's core business.

Given that production under codes 3.19 and 3.3 takes place in shared production facilities and using shared machinery, it is not possible to clearly divide and allocate OPEX. For the purposes of evaluating KPIs, operating expenses were allocated to individual activities according to the percentage share of the activity's turnover in the total harmonized turnover for the reporting period.

Operating expenses were assessed at the level of individual items, not by overall allocation to the company's main activity. In a year-on-year comparison, we recorded an increase in aligned OPEX from 90.04% to 95.42%, a change caused by the structure of expenses for short-term leases. There were no changes in the method of calculating KPIs compared to the previous period.