

Aero

Annual report
2024



Content

Chairman's Foreword	4
Company Profile And History	7
Key Events of 2024.....	8
Report on the Company's Economic Activity and Asset Status.....	12
Organizational structure	14
Business Activities Report	18
Commercial Activities and Business Support.....	26
Human Resources	27
Environmental Protection.....	28
ESG - Environmental, Social, Governance	30
Events After the Balance Sheet Date.....	31
Report on Relations Between Related Parties	32
Balance Sheet.....	37
Income Statement	40
Cash Flow Statement	42
Statement of Changes in Equity	43
Notes to the Financial Statements	45



Chairman's Foreword

Dear Ladies and Gentlemen,

The year 2024 has been firmly etched into Aero's modern history as a period of dynamic growth, major strategic shifts, and above all, a year of record-breaking economic results. I am pleased to report that Aero achieved its highest-ever revenue – over CZK 6 billion – which is almost two billion more than in 2023. EBITDA for the period reached CZK 821 million. Over the past three years, Aero has turned its performance around by more than one billion in adjusted EBITDA. Net profit exceeded CZK 100 million. These figures are not only the result of our hard work but also clear proof that the strategy set by the company's new owners is working and delivering the expected results.

A key part of this strategy is our investment in the L-39NG aircraft, which entered the market in 2024 under the commercial name L-39 Skyfox. Its serial production, the first deliveries to domestic and international customers, positive feedback from pilots, and new orders confirmed both its technological maturity and commercial potential. A significant milestone was delivering 12 aircraft to our first customer in Vietnam, which are already in full operational use. We also completed the first two aircraft for our domestic customer, LOM PRAHA – key not only for the training of Czech pilots preparing for the F-35 program, but also as proof of confidence in the capabilities of the Czech aviation industry. In parallel, pilot and ground personnel training was underway, and we plan to deliver the first aircraft soon to another customer, the Hungarian Air Force. In 2024, we also signed contracts with two new customers and successfully completed the certification of the NATO variant L-39NG.T1, opening the door to further allied countries.

Over the past year, the Skyfox has not only entered service with its first customer, flying hundreds of hours, but has also trained its first flight instructors. After 10 years of development, the aircraft has definitively proven itself a worthy successor to the legendary Delfin and Albatros and naturally continues the historical legacy of successful jet trainers developed in Vodochody. After years of stagnation in the Czech aerospace industry, we are now witnessing the return of the Czech Republic to the global stage of countries capable of developing, certifying, and manufacturing a military jet aircraft – thanks in part to our product.



Another key pillar of our stability and growth is the Aerostructures segment. In 2024, we significantly increased production volumes of leading edges for the Airbus A220 by nearly 80%, and expanded cooperation with Brazil's Embraer on the C-390 Millennium program. This cooperative production, supported by long-term contracts and steadily growing demand, provides Aero with stable revenues, efficient capacity utilisation, and the ability to further invest in innovation and quality enhancement.

As production volumes rose in 2024, we also focused on investments in machinery and production technologies. We completed investments totalling CZK 164 million, and we plan to continue at a similar scale in the upcoming period. One of the most critical steps was the decision to replace the company-wide ERP system with one from the Swedish firm IFS, and to implement a product lifecycle management (PLM) system from Siemens.

„A significant milestone was delivering 12 aircraft to our first customer in Vietnam, which are already in full operational use.“

Our strategy also emphasises the ability to actively respond to customer needs and build long-term relationships, which are essential in the military aircraft business. Due to the tense geopolitical situation, we see increased demand for flight training and replacement of ageing aircraft, such as the Hawk, Alpha Jet, or L-39. Our commercial team worked on new acquisitions, deepened relations with key partners, and expanded the boundaries of cooperation in markets across Europe, Asia, and Africa. These efforts have started to bear fruit, and we believe that the business cases underway will be successfully concluded in the coming period.

At the heart of all our activities remain our people, who represent the company's greatest asset. In 2024, we continued increasing wages, improving employee benefits, and developing the working environment. We maintain close cooperation with universities and secondary schools, invest in education, and attract young talents to whom we offer meaningful careers in aviation.

Sustainability and corporate social responsibility are becoming increasingly important topics for us. As part of our ESG commitments, we focus on modernising operations, reducing our environmental footprint, responsible supply chain management, and transparent communication with all stakeholders, including local communities we actively support. We believe that long-term success can only be built on solid and responsible foundations.

I would like to thank all Aero employees who contributed to this success. Without their expertise, dedication, and commitment, we would not have achieved these results. I also thank our business partners and customers for their trust and cooperation.

Today, Aero has everything it needs to once again become a respected global manufacturer of military aircraft. The results of 2024 show that we are on the right path.

Sincerely,



Viktor Sotona
Chairman of the Board



Company Profile And History

The company's history began on 25 February 1919, just a few months after the founding of independent Czechoslovakia, when Aero was officially established. This makes it one of the oldest aircraft manufacturers in the world. With over 11,000 aircraft produced over a century, hundreds of L-39 Albatros aircraft still in service with dozens of military operators and demonstration teams, and especially its new L-39 Skyfox aircraft, Aero is positioned as a global leader in the jet training aircraft.

AERO Vodochody AEROSPACE a.s. was established on 15 December 2011 (initially as TULAREO a.s., with the name AERO Vodochody AEROSPACE a.s. entered into the Commercial Register on 19 September 2012). The company is headquartered in Odolena Voda, Dolínec, U Letiště 374, Postal Code 250 70. It is registered in the Commercial Register of the Metropolitan Court in Prague, Section B, File No. 17749, Company ID: 24194204, VAT No.: CZ24194204.

According to the Demerger Project of AERO Vodochody a.s., Aero is a successor company, thus continuing the rich history of its predecessor. Until the end of 2006, nearly 100% of the shares of AERO Vodochody a.s. were held by the Czech Consolidation Agency. On 4 January 2007, the Penta Group became the sole shareholder of AERO Vodochody a.s. and launched a restructuring project that same year. Between 2007 and 2011, AERO Vodochody a.s. achieved cumulative net profits of CZK 1.523 million.

As of 1 January 2012, the manufacturing part of AERO Vodochody a.s. was spun off into the company Aero, which was also 100% owned by the Penta Group. The share capital of Aero is CZK 1.002 million and is fully paid up.

In 2021, there was a change in the ultimate owner. Based on a contract signed in July 2021, HSC Aerojet Zrt. became the 100% owner of Aero and other companies within the group.

In 2022, with an effective date of 1 January 2022, the corporate structure was simplified through a merger by acquisition of Aero as the successor company and OAKFIELD a.s., TULAROSA a.s., and AERO Vodochody a.s. as the dissolved companies. These entities

were removed from the Commercial Register as of 31 December 2022. This not only streamlined the corporate structure of the group but also saved costs associated with maintaining companies within a holding structure. The company does not have a branch or other part of a business establishment abroad.

In December 2023, as part of the planned liquidation of Slovak companies Clester Trading a.s. and Clarex Investments a.s., a change in the shareholder of Clarex Investments a.s. occurred, with Aero becoming its direct shareholder. Both Slovak companies entered liquidation in January 2024 (Clester Trading a.s.) and February 2024 (Clarex Investments a.s.). The liquidation of both companies was completed in 2024.

Aero is the largest aircraft manufacturer in the Czech Republic. It develops, manufactures, sells, and services both military and civilian aircraft. The company focuses on the development, production, and maintenance of its own aircraft and collaborates with leading aerospace manufacturers in international cooperative projects. Within its military program, Aero is a long-standing partner of many armed forces, particularly the Army of the Czech Republic.

Aero has an established quality management system certified according to AS 9100/ISO 9001 and holds all relevant attestations and certificates for the company and its processes in accordance with national and international standards. For final production, it holds authorisations for development, manufacturing, maintenance, and maintenance training. For subcontracting activities, it holds partial quality management and special process approvals from individual customers or within NADCAP accreditation.

Key Events of 2024

January

AERO Vodochody marked the fifth anniversary of the maiden flight of the L-39NG trainer aircraft. The company emphasised that the L-39NG is a versatile platform with modern avionics, an efficient engine, and excellent flight characteristics, fully meeting the requirements for comprehensive training of future fighter pilots.

Aero significantly strengthened its position in the civil aviation industry – in 2024, it increased component production for Airbus by 80%. The traditional Czech manufacturer will deliver 100 wing leading edges for the popular Airbus A220 aircraft, confirming Aero's growing importance as a reliable supplier in global aviation.

February

Aero signed a memorandum of understanding with the Slovak Technical Museum (Košice Aviation Museum branch). This agreement initiates cooperation in the documentation and promotion of aviation history and the technical development of aviation, with emphasis on its importance in both historical and contemporary contexts.

March

Aero acquired a 100% stake in Technometra Český Brod. Technometra is a key supplier to Aero for the new L-39NG aircraft and also provides components and repairs for older aircraft produced by Aero. The acquisition was completed on March 7, 2024, making Aero the sole owner of Technometra.

Aero signed a collective agreement with trade unions for 2024, under which employee wages will increase by an average of 5%. For shop-floor positions, the monthly performance bonus increased to 15% of salary, and selected shift premiums rose by 10% to 40%. The company also continued paying the "Share in Success" financial bonus for meeting set targets.

April

Aero carried out a major logistics operation, loading 22 trucks with L-39NG aircraft and associated equipment for customers. This extraordinarily large shipment was accompanied by the dispatch of completed Airbus A220 leading edges. The entire operation required careful coordination and detailed planning to ensure the safe transport of aircraft and materials to customers.

Aero and Swedish company Saab signed a memorandum of understanding and cooperation. The goal is to jointly prepare a feasibility study on adapting the L-39NG for the needs of the Hungarian Air Force, so that training on the L-39NG aligns with the operational procedures of JAS-39 Gripen fighter jets.

May

Aero commemorated 100 years since the launch of production of the Aero A-22 aircraft in 1924. This three-seat biplane served from 1925 to 1926 on the Prague – Mariánské Lázně route as a postal and passenger aircraft. During its service, the three A-22 aircraft transported 961 passengers without incident.

June

One year after launching serial production, Aero performed the first demonstration flight of the L-39NG trainer aircraft intended for the state-owned enterprise LOM PRAHA and its Flight Training Centre in Pardubice. The first two of four ordered L-39NG aircraft (with an option for four more) are expected to be delivered to the customer by year-end. The aircraft will be used for training of future Czech F-35 fighter pilots and come with a comprehensive training and support package, including simulators, spare parts, and operational support.

Aero opened its exhibit in the historic "Stará Aerovka" hangars at Prague Letňany Airport, part of the Kbely Aviation Museum. Visitors can see legendary Aero aircraft in these hangars, where Czech aviation history was written – such as the Aero A-18 fighter from 1923 and prototypes of the L-29 Delfin and L-39 Albatros trainer aircraft. The exhibit was created to mark Aero's 105th anniversary.

July

Aero received official authorisation to develop, manufacture, maintain, and repair L-39NG aircraft for the Hungarian Air Force. This certification confirms that Aero is competent to provide full support for L-39NG aircraft registered in Hungary, which Aero will deliver to the Hungarian Air Force.

August

Aero successfully completed the delivery of the first six L-39NG trainer aircraft to the Vietnamese Air Force, confirming the successful conclusion of Site Acceptance Tests (SAT) directly at the customer site. The six aircraft were fully assembled in Vietnam, underwent functional testing, and were test-flown by Aero's factory pilot. Vietnam thus became the world's first operator of the L-39NG.

Aero announced a significant expansion of its cooperation with Brazilian company Embraer and European Airbus. Over the next six years, production for Embraer (C-390 transport aircraft program) is set to quadruple, while production of wing leading edges for the Airbus A220 will more than triple over the next three years. To support this growth, Aero plans to hire around 80 new employees.

September

Aero implements cutting-edge IT systems and enters the Industry 4.0 era. The company invested in top-tier enterprise software (IFS ERP system and Siemens Teamcenter PLM system), representing a major step toward digitising all processes from development and production to the supply chain. This technological innovation will enhance productivity, efficiency, and flexibility, supporting future growth and competitiveness.

Aero expanded the L-39NG family with a newly certified variant. The company received a type certificate from the Czech Ministry of Defence for the trainer version L-39NG.T1. Authorities confirmed that the aircraft meets all airworthiness requirements and is ready for training pilots from NATO allied air forces.

October

Aero strengthened its partnership with Embraer – on October 2, it announced the signing of a key contract addendum expanding cooperation on the C-390 Millennium transport aircraft program. This step, prepared over two years since the original memorandum, reinforces Aero's role in the C-390 project and confirms the success and prospects of Czech-Brazilian industrial cooperation.

Aero held its second annual meeting with Czech technical universities to present new opportunities for students. Continuing its successful collaboration with academia, the company offers paid internships, mentoring, student competitions, and real project involvement to attract young talents to a career in aviation.

Aero officially named its most advanced jet trainer aircraft, the L-39NG, as "L-39 Skyfox." The name continues the tradition of naming aircraft after animals (recalling the L-29 Delfin and L-39 Albatros) and reflects the unique qualities of this modern aircraft. The L-39 Skyfox entered serial production and will train the next generation of pilots.

November

To mark the company's 105th anniversary, Aero revisited the history of its aircraft named after animals. In a press release, it detailed how these aircraft received their names – from the first Aero A-18 "Sparrow" fighter of 1923, through the legendary L-29 "Delfín" and L-39 "Albatros" trainers, to the newest L-39 "Skyfox." Each name reflects the character and heritage of the aircraft.

Aero unveiled the logistics process for delivering L-39 Skyfox aircraft to its customers. Aircraft are either ferried or shipped disassembled via air freight. The entire process requires careful planning, professional disassembly, and reassembly at the destination. Aero emphasised that delivery was just the beginning of a carefully managed induction process at the customer's site.

December

The Czech Ministry of Defence awarded Aero's Pavel Henzl the General Karel Janoušek Medal for long-standing service. As head of the analysis department, Pavel Henzl received this prestigious honour for his key contribution to certifying the new L-39 Skyfox trainer aircraft – the first military aircraft developed in the Czech Republic under European EMACC standards.

The legendary Aero L-39 Albatros trainer aircraft continues to draw global attention even after fifty years. Approximately 700 Albatros aircraft remain in active service worldwide. Aero noted that the Albatros has also inspired nontraditional roles – recently featured in a limited-edition wristwatch, depicted on a commemorative silver coin, and one aircraft was even painted pink for a charity initiative.

Aero's company firefighters recorded a nearly 30% increase in emergency callouts outside the company premises in 2024, with a total of 187 interventions. The team responded to 106 traffic accidents (up 51% year-on-year), 28 fires (down 22%), and treated 79 injured individuals (up 43%). Overall, firefighters responded to 187 events – 28% more than in 2023.

In its final press release of the year, AERO Vodochody AEROSPACE summarized the main achievements of the past 12 months. The company celebrated its 105th anniversary in 2024 and on that occasion introduced its first trainer aircraft for LOM PRAHA, which was named L-39 Skyfox. During the year, Aero also handed over new L-39NG aircraft to its first foreign customer (Vietnam), significantly increased production of components for Airbus and Embraer and increased employee wages. Aero thus closed 2024 with growth in production and personnel and a number of significant milestones.



Report on the Company's Economic Activity and Asset Status

- For the accounting period from January 1 to December 31, 2024, AERO Vodochody AEROSPACE a.s. (hereinafter "Aero") recorded a profit of CZK 102 million, representing a year-on-year increase of CZK 777 million compared to 2023.
- This positive result reflects several strategic decisions made in recent years. Production of the company's own L-39 Skyfox jet trainer reached a production rate of nearly 10 aircraft per year. The L-39 Skyfox, a cornerstone program for Aero, is manufactured in several variants: a basic trainer, an Eastern combat version, and development has begun on a Western combat version. Aircraft can also be customized to meet customer requirements. In 2024, deliveries primarily targeted Vietnam, including spare parts, a simulator, and full training for pilots and ground personnel. Vietnam took delivery of 12 aircraft in the Eastern combat variant.
- Production also continued for Hungary, and manufacturing for the Czech company LOM PRAHA was initiated.
- The company also focused on resolving other project issues. Agreements were reached with customers to close the significantly loss-making STEA program, and higher prices were negotiated for other loss-making programs, including C-27J Spartan wings for Leonardo and A220 leading edge production for Airbus.
- In addition, Aero continued serial production for its civil customers, as well as support, overhauls, and airworthiness maintenance of L-39 and L-159 aircraft within military programs – both at its own facility and at customer bases in the Czech Republic and abroad.
- Balance sheet total as of December 31, 2024, was CZK 9 077 million (CZK 10,415 million as of January 1, 2024), and equity amounted to CZK 698 million (up from CZK 596 million).

Revenues

In 2024, the company generated total sales of CZK 6,007 million (+CZK 1,753 million compared to 2023). Revenues from the sale of own products and services amounted to CZK 5,358 million (+CZK 1,342 million), sales of goods reached CZK 649 million (+CZK 411 million).

The strong and continuous growth in sales of own products and services underlines the success of the company's strategy to focus on the production and sale of the L-39 Skyfox aircraft. Programs in this segment accounted for 63% of total revenues from products, services, goods, and materials in 2024, amounting to CZK 3,848 million (+CZK 1,186 million compared to 2023). Since 2022, the company has applied a new Percentage of Completion method for recognising revenues from the L-39 Skyfox aircraft.

Cooperation/civil programs contributed 23% of revenues, amounting to CZK 1,388 million (+CZK 568 million compared to 2023). The A220 program accounted for 58% of this segment, with confirmed production growth in coming years. The C-390 program, involving the production of four key assemblies (cargo ramps, rear fuselage, seven types of doors, and leading edges) for the Brazilian company Embraer, contributed 35%.

FOSS contracts, general overhauls of the L-39 and L-159, and other military program support accounted for 14% of revenues, totalling CZK 874 million (+CZK 76 million).

The remaining revenue was generated from airport leasing and asset management services, making up 1% of total revenues.

Financial Result

For 2024, the company reported a profit before tax of CZK 102 million (+CZK 777 million compared to 2023). The profit before tax consisted of an operating profit of CZK 286 million (+CZK 721 million) and a financial loss of CZK -184 million (down CZK 55 million year-on-year), mostly due to interest expenses totalling CZK -207 million.

Asset Structure

As of 31 December 2024, the company owned assets totalling CZK 9,077 million (compared to CZK 10,415 million as of 1 January 2024).

Non-current assets amounted to CZK 2,869 million (CZK 3,171 million as of 1 January 2024), with the decrease mainly due to the amortisation of development costs for the L-39 Skyfox totalling CZK 360 million.

Work in progress amounted to CZK 237 million (CZK 207 million as of January 2024), mainly reflecting upgrades to the existing L-39 Skyfox, such as Williams engine software and control boosters. The company also began developing upgrades to the L-159 combat aircraft, including new core avionics.

Completed intangible assets were valued at CZK 1,587 million (CZK 1,925 million), mostly for the base version of the L-39 Skyfox. Finished tangible assets and advances amounted to CZK 1 012 million (CZK 1,040 million), consisting of buildings, machinery, and production tooling.

Current assets totalled CZK 5,438 million (CZK 6,970 million as of 1 January 2024), with the decrease mainly due to a reduction in trade receivables (from CZK 1,992 million as of 1 January 2024 to CZK 924 million as of 31 December 2024) and in material inventory (from CZK 1,789 million as of January 2024 to CZK 1,173 million as of 31 December 2024). Conversely, work-in-progress increased by CZK 645 million in 2024, mainly in connection with the L-39 Skyfox and A220 programs.

Accrual items made up 8.5% of total assets (2.6% as of 1 January 2024).

As of 31 December 2024, the company's equity was positive, at CZK 698 million (CZK 596 million as of 1 January 2024), with the increase reflecting the profit generated during the year.

Liabilities rose from CZK 5,866 million to CZK 6,479 million as of 31 December 2024, mainly due to increases in short-term advances (CZK 682 million), trade payables (CZK 109 million), and provisions (CZK 131 million).

Deferred liabilities amounted to CZK 1,900 million (CZK 3,953 million as of 1 January 2024), mainly composed of deferred income. Since 2022, the company has recognised revenue from L-39NG aircraft production based on incurred costs due to the two-year production cycle.

Investments, Development Programs, Research and Development

Investment activities and development were carried out in accordance with the company's strategy. In 2024, the company continued developing the L-39 Skyfox jet aircraft and its further enhancements for future customers (such as a new control booster, engine software upgrades, and others). Aircraft production progressed, with units for Vietnam, Hungary, and LOM PRAHA reaching various production stages. Aero also began collaborating with VZLÚ (Czech Aerospace Research Centre) on developing and improving composite components for the L-39 Skyfox and a new Western combat version of the aircraft. In 2024, Aero invested CZK 70 million in the development of the L-39 Skyfox and CZK 17 million in the improvement of the L-159 aircraft.

The company also invested CZK 164 million in IT, buildings, and machinery. Major investments included the acquisition of a new forming press (CZK 58 million), implementation of a new ERP system (CZK 18 million), building security (CZK 8 million), and renewal of the network infrastructure (CZK 5 million).

Organizational structure

of AERO Vodochody AEROSPACE a.s. as at 31 December 2024



AERO – C-level officers of the CEO Division



Changes in the Company's Statutory and Executive Bodies

In 2024, the following changes occurred in the statutory and executive bodies of AERO Vodochody AEROSPACE a.s.:

Change 2024	Surname	Name	Position	Termination /transfer	Changes	Predecessor
No	Sotona	Viktor	Předseda představenstva	Serving since 27. 9. 2023	Member of the board od 19. 1. 2022	Jakub Hoda
No	Bíal	Tibor	Člen představenstva	Serving since 1. 9. 2023	x	x
No	Sotona	Viktor	President & CEO	Serving since 1. 10. 2021	x	Dieter John
No	Huszár	András	EVP & Chief Financial Officer	Serving since 1. 10. 2021	x	Mariusz Kedra
Yes	Tejkl	Luboš	EVP & Chief People & Property Officer	Serving since 1. 12. 2024	from 1. 10. 2021 served as EVP & Chief People Officer	Tomáš Vlček
Yes	Jinda	Petr	EVP & Chief Engineering Officer	Serving since 1. 12. 2024	from 1. 10. 2021 served as EVP & Chief Development Officer	Miloš Trnobranský
Yes	Mašín	Josef	EVP & Chief Sourcing Officer	Serving since 1. 12. 2024	from 1. 10. 2021 served as EVP & Chief Sourcing & Services Officer	Hubert Kroczeck
Yes	Tůma	Pavel	EVP & Chief Delivery Officer	Termination 30. 6. 2024	Position was discontinued and replaced with the 2 positions below	x
Yes	Štechr	Jan	EVP & Chief Defense Officer	Serving since 1. 12. 2024	Substitution for EVP & Chief Delivery Officer (Pavel Tůma)	Pavel Tůma
Yes	Krofta	Michal	EVP & Chief Aerostructures Officer	Serving since 1. 12. 2024		Pavel Tůma
No	Čáp	Jan	EVP & Chief Industrial Officer	Serving since 1.2. 2023	x	Jiří Linka
Yes	Kulštrunk	Filip	EVP & Chief Business Development Officer	Serving since 1. 12. 2024	EVP & Chief Sales & Marketing Officer od 14. 3. 2022	Jakub Hoda
Yes	Michal	Lněnička	Director Airport Operations	Serving since 1. 4. 2024		Hana Šmejkalová
Yes	Brož	Vladimír	Chief Quality Officer	Serving since 1. 10. 2024	x	Vladan Ševčík
Yes	Koukol	Ondřej	Chief Product Strategy Officer	Serving since 1. 12. 2024	New position	x
No	Turský	Juraj	Chief Security Officer	Serving since 1. 1. 2023	x	Rostislav Pilc
No	Novotný	Radek	Chief Legal Counsel	Serving since 1. 12. 2019	x	x



Photo: Katsuhiko Tokunaga

Business Activities Report

Aero company builds its business on three main pillars:

L-39 Skyfox Program

- Development and production of a new military jet aircraft capable of serving as a training platform and/or light combat aircraft.

Support for In-House Aircraft

- Support for operators of aircraft developed and produced by Aero – including L-39, L-59, and L-159 types. This includes MRO services and further development.

Aerostructures Program

- Participation in international aviation programs as both a supplier and a development partner.

L-39 Skyfox Program

(Commercial name: Skyfox; certified name: NG – Next Generation)

The L-39NG is a next-generation jet aircraft offered by Aero in both trainer and light combat configurations. The project was introduced in 2014, with OMNIPOL a.s. as Aero's strategic partner responsible for sales in selected regions. The two companies share a long-standing relationship; until 1990, OMNIPOL was the exclusive exporter of Aero's L-29 and L-39 aircraft.

The L-39NG maintains the aerodynamic design of the original L-39 but integrates modern systems and technologies. Thanks to its advanced avionics, it is capable to fulfil basic, advanced, and LIFT training roles. In the light combat configuration, it can carry guided and unguided munitions on five hardpoints and is suited for missions ranging from air policing and close air support to reconnaissance.

Aircraft Certification

The first prototype of the L-39NG was presented by Aero in October 2018 and completed its maiden flight in December of the same year. The second flight prototype took to the skies for the first time in December 2019. Both flight prototypes, along with the L-39NG technology demonstrator (airframe serial number 2626), have been used for flight testing. Aero also produced two static prototypes – one for structural strength testing and another for fatigue testing, which was delivered to the Aerospace Research and Test Institute.

In February 2021, OMNIPOL announced it had signed a contract with the Ministry of Defence of Vietnam for the delivery of twelve L-39NG aircraft. In 2022, Aero signed a contract with the Hungarian Defence Forces Command for the delivery of twelve L-39NG jet trainer aircraft and related support services – eight in trainer configuration

and four in reconnaissance configuration. At the end of 2022, the Czech state also became a customer through the state-owned enterprise LOM PRAHA, with whom Aero signed a contract for the delivery of four trainer-configured L-39NG aircraft, including an option for additional four aircraft.

The aircraft for Vietnam were designated as the L-39NG.A1 type. This is a trainer and light combat aircraft. In accordance with the contract, the avionics system was modified to include an "eastern" display mode with symbology in the Russian language. The aircraft was also fitted with modified weapon pylons in an "eastern" configuration and equipped with a compatible weapon control system. Flight and weapon system testing were fully completed in September 2023, and the certification process was concluded on 23 October 2023, with the L-39NG.A1 type officially added to Revision 3 of Type Certificate No. TO-0008.

The aircraft for Hungary and LOM PRAHA share the same configuration and were designated as the L-39NG.T1 type. This is an advanced jet trainer. The most significant differences from the baseline L-39NG B-A type include the installation of a head-up display (HUD) and a lighting system compatible with night vision goggles (NVG). The avionics system was also expanded to include a Traffic Advisory System (TAS). Development of this aircraft began in August 2023. Ground and flight testing on company prototypes no. 7001 and 7004 began in December 2023 and were completed, including certification testing, in July 2024. Aero then applied to the Czech Military Aviation Authority (ODVL SPSp MO) for type certification, which was granted on 30 August 2024 with the issuance of Revision 4 of Type Certificate No. TO-0008.

In 2024, the final production series of L-39NG.A1 aircraft for Vietnam was completed, while production of L-39NG.T1 aircraft for Hungary and LOM PRAHA was already underway. The first series of these aircraft was completed before the end of 2024. At the same time, training for both ground and flight personnel for LOM PRAHA was initiated. Delivery of the first aircraft to LOM PRAHA was scheduled for early 2025.

Support for aircraft of own production

One of Aero's pillars is the support and development of L-39, L-59, L-159, and now also L-39 NG Skyfox aircraft and the provision of services in the areas of aircraft repair, upgrades, modifications, and testing to their users.

In 2024, for the L-39 Skyfox aircraft, Aero primarily focused on bringing the aircraft into service with our first customer, the Vietnam Air Force. 12 aircraft were delivered to the Vietnam Air Force, including complete logistics and pilot training equipment, which includes the supply of a state-of-the-art computer lab and flight simulators. The maintenance and treatment system for the aircraft was being put into operation at the customer's facility, and the customer's pilot training, which started at Aero but was completed in Vietnam, continued.

Support for L-159 Aircraft in the Czech Army

The single-seat light combat aircraft L-159 ALCA was introduced into the Czech Air Force in 2000, followed by the two-seat L-159T trainer variant in 2007. Currently, the Czech Air Force operates 16 single-seat L-159s and 8 two-seat L-159Ts.

These aircraft fulfill a wide range of missions, including advanced and operational pilot training, close air support, reconnaissance, and air defense. They regularly participate in NATO international exercises, such as the Tactical Leadership Program, NATO Air Meet, Clean Hunter, and Flying Rhino.

Aero is currently preparing a life extension program for the two-seat L-159 aircraft operated by the Czech Armed Forces.

L-159 Abroad

In April 2014, a contract was signed for the delivery of ten single-seat L-159A and two two-seat L-159T1 aircraft to the Iraqi Air Force. The delivery included aircraft refurbishment and a full logistics package. The first aircraft were handed over in December 2015, and the final units were delivered at the end of December 2016. As part of the contract, Aero also trained Iraqi pilots and technicians. The L-159s were deployed in operational missions in Iraq shortly after delivery.

In 2018, Aero signed a FOSS (Follow-On Support and Services) contract with the Iraqi Ministry of Defence for post-warranty support of the L-159 fleet. The contract came into effect in March 2020. In 2024, Aero and the Iraqi party were finalising the remaining elements of this FOSS agreement.

In July 2014, Aero signed a contract for the delivery of up to 21 L-159 aircraft to the U.S.-based company Draken International. The deal included aircraft refurbishment and logistics support. The last aircraft was delivered in 2019. Aero continues to provide customer support under a follow-on support contract.

In 2024, Aero provided expanded support for Draken's L-159 fleet, focusing particularly on general overhauls, and both companies are negotiating further cooperation expansion.

Support for L-39 and L-59

Aero continues providing support for L-39 aircraft operated by both military and civilian users. Services include spare parts delivery, maintenance interventions, mandatory inspections and repairs, general overhauls, and life-extension upgrades. These upgrades often involve installing onboard load monitoring systems and modernising avionics, such as integrating multifunction displays and heads-up displays, among other improvements. Aero's service teams are capable of working directly at customer sites.

At the end of 2022, Aero signed a contract with the Bulgarian Air Force for the general overhaul and partial avionics modernization of two L-39 aircraft. The aircraft arrived at Aero in January 2023 and underwent immediate servicing. They were scheduled to be delivered back to the customer in the second quarter of 2024. In 2023, a follow-up contract was signed for the overhaul of a second pair of Bulgarian L-39s, to be delivered by mid-2025.

Due to the retirement of the L-59 fleet in Tunisia, Aero decided to gradually phase out support for this aircraft type, as no current operator continues to rely on Aero for L-59 services.

Aerostructures Programs

Aero has long served as a Tier 1 and Tier 2 supplier for leading global aerospace manufacturers (including Brazil, Ireland, and Italy), focusing primarily on the production and assembly of complex aircraft structures with high added value. These include system integration, functional testing, and final inspection.

Aero participates in all stages of the commercial and military project lifecycle, combining over 100 years of aerospace experience with modern technologies and testing methods.

In 2024, the two most important programs remained the production of fixed leading edges for the Airbus A220 commercial aircraft and structural assemblies for the Embraer C-390 Millennium military transport aircraft. As in previous years, Aero continued winding down the STEA programs. However, in 2024, Aero decided not to terminate the Leonardo C-27J Spartan CWB (center wing box) program.

The year 2024 was very successful for Aero, with increased production volumes across all AST programs – a trend expected to continue in the coming years.



Airbus A220

Program Description:

- The Airbus A220 is a narrow-body commercial aircraft designed for short- and medium-haul routes. Originally developed and produced by Bombardier under the name CSeries, the A220 is available in two variants: A220-100 and A220-300, seating between 100 and 150 passengers.
- Aero is the exclusive supplier of the fixed leading edge (FLE) of the wing for this aircraft. The contract for design and production was signed in 2009.
- In October 2017, Airbus acquired a 50.01% stake in the program. Bombardier retained 31% and Investissement Québec 19%. In February 2020, Bombardier exited the program, and ownership now rests with Airbus (75%) and Investissement Québec (25%). The Belfast-based Bombardier facility, where the wings are assembled, was acquired by Spirit AeroSystems in 2020.
- In 2024, the A220 program faced several challenges. By the end of November 2024, only one new firm order had been placed.
- The total number of orders declined by 16 aircraft due to cancellations by Nordic Aviation Capital and Ilyushin Finance.
- In 2025, Airbus is scheduled to fully take over wing production in Belfast.

Aero's Role:

- Exclusive supplier of the fully assembled and equipped fixed leading edge (FLE) ready for final aircraft assembly.
- Full responsibility for the design, industrialisation, and production of the FLE.
- In 2024, Aero produced and delivered a record 94 FLE units.
- In 2025, the delivery of 100 FLE units is planned.

Embraer C-390 Millennium

Program Description:

- The C-390 Millennium is a medium-sized, multi-purpose military transport aircraft for cargo and personnel transport. Initiated by the Brazilian Air Force, which ordered 28 aircraft and co-financed its development.
- First presented in October 2014, the aircraft completed its maiden flight in 2015. The first delivery to the Brazilian Air Force occurred in September 2019, with seven aircraft delivered by the end of 2024.
- Portugal ordered five aircraft with an option for the sixth one in 2019; two had been delivered by the end of 2024.
- Hungary followed in 2020, ordering two aircraft in a KC-390 configuration with in-flight refuelling and ICU capability for humanitarian missions. One has already been delivered.
- Additional NATO customers include the Netherlands (5 aircraft), Austria (4), South Korea (3), and the Czech Republic (2).
- Embraer is in ongoing talks with several other potential customers.
- Aero has been a strategic risk-sharing partner of Embraer since 2011.
- Historically, Aero has produced 2 to 3 sets per year. In 2024, it delivered 4.5 sets of C-390.
- More than 7 sets are expected in 2025, with future increases to up to 10 sets annually.

Aero's Role:

- Full responsibility for the development, industrialisation, certification support, and production of the fixed leading edge of the wing.
- Full responsibility for industrialisation and production of all doors, the cargo ramp, and the rear fuselage.



Leonardo C-27J Spartan

- The C-27J is a tactical, multi-purpose military transport aircraft capable of carrying up to 11.5 tons of cargo.
- Primary users include the air forces of the United States, Italy, Greece, and Australia.
- The aircraft has also been delivered to several countries in Central and Eastern Europe, Latin America, and Africa.
- Since 2007, Aero has been the exclusive supplier of the center wing box (CWB), a key structural and systems component of the aircraft. Aero is responsible for manufacturing the CWB but not its development, and also provides aftermarket support.
- The center wing box integrates fuel tanks, engine mounts, mechanical wing systems, fuel and hydraulic lines, and electrical wiring harnesses. All systems are functionally tested by Aero before delivery.
- In 2023, production throughput was low due to a non-operational riveting machine. Aero considered terminating the program to reallocate capacity to priority projects. Only one serial unit was delivered in 2023.
- In 2024, the customer requested increased output to two serial units. Aero initiated a program restart.
- After successfully restarting the program, Aero plans to deliver two units to Leonardo in 2025 and gradually increase production in subsequent years.

Passenger-to-Freighter Conversions

- Aero is one of the suppliers for Singapore-based ST Engineering Aerospace Ltd. (STEA).
- The company supplies the fuselage shell structure of the cargo door frame for Airbus A321 passenger-to-freighter (P2F) conversions, and is also responsible for design support (S/F&DT) of the A320 program, including the upper panel and related parts.
- Between 2022 and 2023, Aero delivered six serial FSS units for the A321.
- Due to the program's declining potential, Aero and the customer agreed to wind it down at the end of 2022.
- Aero will deliver the final two serial units in 2025.

Landing Gear Production for the L-410 Turboprop Aircraft

- Aero is a traditional and highly experienced manufacturer of landing gear systems, offering comprehensive engineering capabilities covering the full design, development, production, and testing cycle, including shock absorbers.
- The company operates key internal special processes required for producing critical landing gear parts, including hard chrome plating, cadmium plating, vacuum oil hardening and tempering, using specialised steels and forged blanks.
- The current production focus is the serial manufacturing of complete landing gear systems for the new aircraft types L-39 Skyfox and L-410 NG.
- The modernisation project for the L-410 UVP E-20 (MOSTA) landing gear was completed and now forms the basis for production of gear sets for the L-410 NG.
- In 2024, a new main landing gear system was developed for the L-410 UVP E-20 Hybrid variant. The aim was to support and optimise L-410 UVP production using components from the L-410 NG.
- Aero is also expanding its capabilities as a supplier of landing gear components for large commercial aircraft, although it currently does not manufacture these specific components due to capacity constraints.
- The company continues to modernise its manufacturing technology and capacity to maintain its position in demanding aerospace projects.

Composite Production

- In 2015, Aero signed a contract with German company MT Aerospace for the supply of three component packages for the Airbus A350 and A400M aircraft (RAIO and VTP).
- In 2023, production of the A350 package was discontinued by the customer.
- MT Aerospace provides most of the raw material, including composite materials, which Aero assembles and delivers back as vertical tail fairings and air intake/outlet assemblies.
- Aero also manufactures composite parts for other programs, such as the C-390 and L-39NG, and continues seeking new opportunities to expand the use of its composite capabilities.
- Aero holds NADCAP COMP certification and was awarded the NADCAP Gold Certificate in spring 2020.



Commercial Activities and Business Support

The year 2024 was a period of intense business activity, international expansion, and significant breakthroughs in strategic partnerships for Aero. In line with its long-term strategy, the company continued developing comprehensive campaigns with key future customers while systematically expanding new business opportunities in its traditional markets – Europe, Africa, and Asia.

One of the major milestones of 2024 was the introduction of the new commercial name L-39 Skyfox. This step significantly strengthened the aircraft's international identity and improved its positioning in the global military aviation market. The name was positively received worldwide and quickly adopted by both industry professionals and the general public. The aircraft followed in the footsteps of its predecessors – Albatros, Delfin, and ALCA – and replaced the technical designation NG (Next Generation) with a full name and visual identity of a fox.

Domestically, Aero made significant progress in finalising a contract for post-warranty logistical support of the L-39 Skyfox aircraft for the Flight Training Centre (CLV) / LOM PRAHA. As part of this initiative, Aero secured a contract to deliver additional equipment enabling CLV to begin training Czech Air Force pilots and prepare capacity to train pilots from allied countries. The company also held intensive negotiations with the Czech Ministry of Defence, the Air Force, and LOM PRAHA to activate an option to purchase other four aircraft that would not only cover future needs of the Czech Air Force but also strengthen the capacity of the Flight Training Centre (CLV) in Pardubice.

Significant progress was also made in foreign markets. In Hungary, negotiations on post-warranty logistical support for the L-39 Skyfox reached the final stage. A contract valid from 2025 lays the groundwork for Aero to fully assume logistics support for the aircraft, providing the customer with greater operational reliability and allowing them to focus on training. In Vietnam, Aero continued discussions with industrial and military partners to establish a long-term cooperation framework for ensuring the operability of the aircraft delivered.

In Slovakia, Aero deepened cooperation with LOTN and engaged with the Ministry of Defence and Air Force to define the specification, planned roles, and timeline for a potential acquisition of the L-39 Skyfox. In Bulgaria, alongside the ongoing modernisation of L-39s, the company launched an active sales campaign for the Skyfox, including participation in HEMUS 2024 – Defence, Antiterrorism and Security.

In 2024, Aero participated in more than twenty international exhibitions and trade fairs. Highlights included the above-mentioned HEMUS 2024 in Bulgaria, the Egypt International Air Show – where the L-39 Skyfox was introduced in Africa for the first time – Farnborough International Airshow in London, and the Future Forces Forum in Prague, during which the L-39 Skyfox name was unveiled in the presence of the President of the Czech Republic. At these events, Aero presented not only the aircraft itself but also Aerostructures capabilities

As a result of its export activities, Aero closed two new contracts with undisclosed customers in Africa and Europe for the delivery of up to eight new L-39 Skyfox aircraft for basic and advanced pilot training. Deliveries are planned for 2026 to 2027.

In terms of strategic partnerships, 2024 saw a key development in Aero's cooperation with Embraer on the C-390 Millennium transport aircraft. In October, an addendum was signed, expanding Aero's role in the program. The Czech share in production increased, and preparations began to scale production from four sets annually to twelve in the coming years. The company also expanded its cooperation with Airbus, with planned increases in production volumes of leading edges for the A220 aircraft – strengthening Aero its position on the European aircraft industry.

Operational and technical support for the L-159 ALCA remained an important segment. In 2024, Aero continued to closely cooperate with Draken Europe, which uses L-159s to provide Red Air services for the Royal Air Force. Aero delivered spare parts and provided engineering support to ensure high aircraft availability. In anticipation of fleet expansion in the UK, the company finalised the terms of a new long-term logistics and technical support contract, scheduled for signing in 2025.

Human Resources

The year 2024 was marked by change, growth, and strengthening of corporate culture in Aero's HR strategy. The company focused on building a modern, high-performing, and motivating organisation capable of adapting to new challenges while retaining its most valuable asset – its people. A structure was put in place to align product development, precise marketing, and commercial expansion into new markets. The company had an average full-time equivalent (FTE) headcount of 1,548 employees. Additionally, 213 external workers, primarily in production, supported project implementation, and operations. Aero's employees and external partners formed together a strong team of 1,761 professionals contributing daily to the successful execution of the 2024 Flight Plan.

Strategic Reorganisation and New Structure

In December, Aero carried out a key reorganisation of its leadership structure. The goal was to strengthen customer orientation, clarify responsibilities, and enhance overall company performance. A new position of Chief Product Strategy Officer was created and occupied by Ondřej Koukol. His mission is clear: to ensure that Aero's products are technologically cutting-edge, market-relevant, and tailored to customer needs. His responsibilities also include leading the marketing department – ensuring that strong products are communicated clearly and positioned effectively in the market.

This strategy is supported by the Business Development division, headed since December by Executive Vice President Filip Kulštrunk. Together with his dynamic team, he drives Aero's growth and expansion strategy in both the government (B2G) and commercial (B2B) segments. Koukol builds the product and brand – Kulštrunk and his team sell it. This synergy is a clear path from good ideas to tangible commercial success.

New Leadership, New Verticals, Stronger Deliveries

Contract deliveries were reorganised into two key verticals:

- Defense After-Sales Services, MRO, and L-39 Skyfox Deliveries
Executive Vice President: Jan Štechr
- Aerostructures Programs Executive Vice President: Michal Krofta

This step enables more targeted management of development and deliveries based on the specific needs of each program, customer, and partner. Both leaders are members of Aero's executive leadership team.

People & Property: People and Environment as a Strategic Unit

We have merged human resources, asset management, workplace safety and responsibility for sustainable business development into the newly created People & Property division, led by Executive Vice President Luboš Tejkl. By linking environmental, social and governance principles with corporate strategy and operations, we are promoting a modern approach where environment and people care form one strategic whole.

Tejkl continues to provide an overall human capital development strategy – from recruitment to career development to cultivating values and work environment. At the same time, it covers long-term goals in the areas of safety, energy efficiency, ESG agenda and facility management.

Corporate values

The year 2023 brought the definition of our new corporate values – Innovation, Competence, Efficiency and Reliability. Today, they are a firm part of our daily work, decision-making and approach to challenges. This is why we achieved our most successful economic year in recent memory.

A record year in career growth

The year 2024 brought an all-time high number of internal promotions and career moves. This is the result of targeted talent work and confidence in our people. This approach is confirmed by specific names – such as Jan Štechr (EVP & Chief Defense Office) and Michal Krofta (EVP & Chief Aerostructures Officer) and many others who have risen to key positions as part of our internal growth.

At the same time, we welcomed 330 new colleagues, from blue-collar to management positions. A steady low turnover rate confirms that we are a company where people want to work – and stay. This was confirmed by employees in the latest engagement survey. We've seen a marked improvement in engagement this year, with more than 70% of employees saying they would recommend Aero as a great employer – so we have a strong community of brand ambassadors who see their work positively and are proud to associate it with our company name.

Environmental Protection

In 2024, environmental protection efforts focused on meeting the conditions of the integrated permit, achieving the goals of the environmental management system (ISO 14001:2015), and implementing ESG system activities.

Noteworthy environmentally beneficial actions undertaken in 2024 included the installation of LED lighting with automatic intensity regulation in the main assembly hall (reducing electricity consumption for lighting by 67%, resulting in annual savings of approximately CZK 900,000), installation of new, energy-efficient production machines and equipment, start of tree replanting on site (replacing invasive species with native trees), and a detailed audit of waste management to identify ways to reduce waste and disposal costs.

During 2024, two extraordinary events negatively impacted the environment. The first involved an intentional violation of regulations by an employee who poured waste emulsion into a storm sewer, resulting in contamination of a nearby stream and a small pond in a neighbouring village. The second incident involved stormwater entering part of the chemical plant during a heavy rain event, contaminating the water, which had to be pumped out and treated as hazardous waste.

A surveillance audit conducted by LRQA confirmed the proper implementation of the environmental management system under ISO 14001:2015. No significant deficiencies were found, and several minor issues were promptly resolved after the audit.

All legally required environmental reports were submitted through the ISPOP system within the required deadlines.

Two inspections by environmental authorities took place in 2024. The first focused on compliance with the integrated permit and found no violations of legal regulations or operating permit conditions. The second inspection concerned the waste emulsion spill (see above), and no fines were issued due to the findings.

The company's production activities resulted in the release of a total of 11 tons of chargeable air emissions (e.g. volatile organic compounds, nitrogen oxides, particulate matter). The main contributors to emissions were surface treatment processes and boiler operations (heat and steam production). The total charge for these emissions was CZK 92,000.

A total of 2,124 tons of waste were generated, of which 828 tons were hazardous. Of this total, 48.4% was subsequently recovered (recycling, energy recovery, etc.), while 51.6% was landfilled. Compared to 2023, waste generation per hour worked increased by 16%. Total waste disposal costs reached CZK 9.7 million, and packaging-related fees amounted to CZK 38,000.

The company withdrew 115,000 m³ of groundwater, for which it paid a fee of CZK 332,000. The volume of discharged wastewater was 68,000 m³, with pollutant discharge fees totalling CZK 13,000.



ESG (Environmental, Social and Governance)

The year 2024 was dedicated to the implementation of the ESG system in line with the EU legal framework (especially the CSRD directive and ESRS reporting standards), meeting customer requirements (particularly from Embraer), educating employees, forming an internal ESG team, and securing data sources and information for processing.

To ensure the highest quality ESG system, a tender was held for an external advisory firm. PricewaterhouseCoopers was selected and contracted until June 2026 to support implementation, mandatory compliance activities, consulting, and to provide specialised software for data collection and evaluation.

Key activities completed in 2024 included:

Industry Benchmarking: 13 companies from the defence and aerospace sector were identified, of which 11 met the criteria and were included in the benchmarking (e.g. AIRBUS, Lockheed Martin, EMBRAER, SAAB). The outcome was a list of sustainability topics considered significant in this sector, serving as a key input for double materiality assessments and stakeholder expectations.

Double Materiality Assessment (DMA): This covered both financial materiality (how ESG factors impact the company's financial performance) and environmental/social materiality (how the company's operations impact the environment and society). A total of 137 impacts were assessed (94 relevant), and 128 risks and opportunities (81 relevant). These were evaluated over short-, medium-, and long-term horizons. Ultimately, 36 significant impacts and 39 significant risks/opportunities were identified.

Stakeholder Expectations: Seven stakeholder groups were defined (owners, financial institutions, employees and unions, local communities, customers, partner companies, key suppliers). Over 100 entities were surveyed, with a response rate exceeding 60%, slightly above the industry average.

Validation by Management: Results were grouped into 33 material topics in accordance with ESRS, confirmed by company leadership as the foundation for future non-financial reporting.

GAP Analysis: The aim was to identify gaps between current data collection and reporting processes versus EU methodological requirements. This output will guide the structure of future non-financial reports to meet disclosure obligations.

Corporate Carbon Footprint: Calculated using the GHG Protocol, covering:

Scope 1 (direct emissions that a company emits, e.g. by burning fossil fuels in its own facilities or by fueling company vehicles). Total emissions were 8 132 tonnes of CO₂e (more than 95% of which comes from the combustion of gas in the boiler room to produce steam and heat).

Scope 2 (indirect emissions resulting from the production of energy purchased and consumed by the company) - total emissions were 11,982 tonnes CO₂e (this part is exclusively represented by emissions from purchased electricity).

Scope 3 (indirect emissions in the value chain) - total emissions were 91,342 tonnes of CO₂e (73% of the source is the use of products and intermediate products delivered to customers. The remainder is made up of e.g. transport, purchased goods, employee commuting and business travel).

CPD rating - is a global rating that assesses the environmental strategy and performance of companies around the world. The assessment uses a questionnaire-based collection of data and information followed by verification of its accuracy. The rating scale ranges from 'F' (non-disclosure) to 'A' (leader in the field). For the baseline year 2023, the company has been rated as follows - climate 'D' (several important input analyses had not been completed at the time of the assessment), water 'B', forest conservation 'C'. At the beginning of the year 2025, the EU Commission made significant changes to the ESG, collectively referred to as OMNIBUS. On this basis, the plan has been revised (taking into account completed and ongoing activities, requirements and stakeholder expectations). In 2025, the product carbon footprint calculation for the EMBRAER customer, the climate risk assessment, the company's decarbonisation strategy, and the development of policies, targets and strategies for relevant material sustainability topics will be completed.

Events After the Balance Sheet Date

February 2025

The L-39 Skyfox aircraft received positive evaluations from pilots in the Czech Republic, Hungary, and Vietnam, who praised its technological sophistication and user-friendly design.

Aero delivered the first two L-39 Skyfox jet trainer aircraft to the Flight Training Center of the state enterprise LOM PRAHA.

March 2025

President of the Czech Republic, Petr Pavel, took a flight in the L-39 Skyfox jet aircraft.

April 2025

Aero delivered a complete set of parts for the C-390 Millennium military transport aircraft to Embraer, including components intended for the Czech Army.

Aero management welcomed Czech Minister of Defence Jana Černočová and Slovak Minister of Defence Robert Kaliňák for an official visit.

The legendary L-39 Albatros jet trainer aircraft remains popular among pilots and aviation experts even after more than fifty years since its introduction.

May 2025

Aero employs nearly 400 women engaged in aircraft development and production, affirming the company's commitment to diversity and inclusion in the aerospace industry.

Expected events

- Conclusion of an agreement with Lockheed Martin within the framework of industrial cooperation
- Handover of the first L-39 Skyfox aircraft to the Hungarian Air Force
- Completion of basic training for Vietnam Air Force pilots and preparation for advanced training

Report on relations between the controlling party and the controlled party and between the controlled party and the parties controlled by the same controlling party

Report of the Board of Directors of AERO Vodochody AEROSPACE a.s. on relations between the controlling party and the controlled party and between the controlled party and the parties controlled by the same controlling party prepared in accordance with the provisions of Sections 82-88 of Act No. 90/2012 Coll., on Business Companies and Cooperatives (Act on Business Corporations)

Section I.

Controlled and controlling party

Controlled party

AERO Vodochody AEROSPACE a.s.

with its registered office at Odolena Voda, Dolínek, U Letiště č.p. 374,
Postcode 250 70
IDČ 24194204

incorporated in the Commercial Register kept by the Municipal Court in Prague, Section B, Insert 17749 (hereinafter referred to as the "Company")

Controlling party

HSC Aerojet Zrt.

with its registered office 1124 Budapest, Németsvölgyi út 108. mfszt 2, Hungary
Registration number 01-10-141410

Section II.

Relevant period

This report covers the period from 1st of January 2024 to 31st of December 2024.

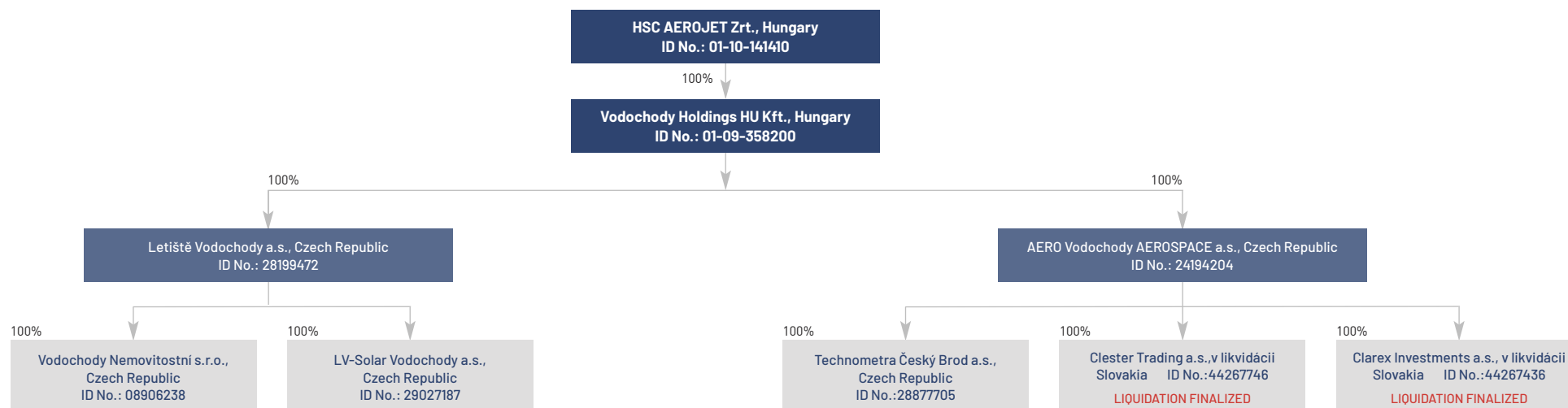
Section III.

Structure of relations between the controlling party and the controlled party and between the controlled party and parties controlled by the same controlling party

Parties controlled by the same controlling party are the Company and parties directly or indirectly controlling it, as well as companies controlled by the controlling party, ie parties controlled by HSC Aerojet Zrt.

On the basis of the Share Purchase Agreement dated 7th March 2024, concluded between AERO Vodochody AEROSPACE a.s. (on the buyer's side) and Haferwende Kft (on the seller's side), 100% of the shares in Technometra Český Brod a.s. were purchased. AERO Vodochody AEROSPACE a.s. thus became the sole shareholder of Technometra Český Brod a.s. on the registration date of 16th May 2024.

The method of controlling the Company by the controlling party is shown in the following diagram.



Section IV.

The role of the controlled party in the structure of relations between the controlling party and the controlled parties and parties controlled by the same controlling party

The Company formed an independent business entity with a specific subject of business in the capital structure of the controlling party.

Therefore, it did not provide any common activities to the remaining entities in the capital structure of the controlling party and was not subject to unified management, so it did not form a concern with the controlling party and other entities in the capital structure of the controlling party.

Section V.

Method and means of control the controlled party for the whole Relevant period

The controlling parties control the controlled party through the company Vodochody Holdings HU Kft. owning 100% of the Company's shares. The controlling party carries out its business interests by exercising its shareholder rights within the supreme body of the controlled party, including the appointment of persons to the statutory bodies of the controlled party.

Section VI.

Summary of legal acts performed in the last accounting period, which were made at the instigation or in the interest of the controlling party or its controlled parties, if such involve assets exceeding 10% of the controlled party's equity reported in the latest financial statements.

In the relevant period, no actions were taken at the instigation or in the interest of the controlling person or persons controlled by it, which would relate to assets that exceed 10% of Aero's equity determined according to the last financial statements.

The amount of receivables, payables, loans and estimates as at 31 December 2024, as well as the amount of sales and purchases with related parties for the year 2024, are reported in the notes to the financial statements as at 31 December 2024.

Section VII.

Overview of mutual contracts between the controlled party and the controlling party or between the controlled parties

The following contracts were entered into and / or were still effective and valid between the Company and other parties controlled by the same controlling party during the relevant period:

party	the name of the contract	effective date	performance provided	performance received	duration	detriment
VVodochody Holdings HU Kft.	Loan repayment method agreement	12. 12. 2022	loan repayment method agreement	none	15. 8. 2036	none
Vodochody Holdings HU Kft.	Loan agreement dated 23. 9. 2021	23. 9. 2021	loan	interest	15. 8. 2036	none
Vodochody Holdings HU Kft.	Amendment to loan agreement No. 1 dated 23. 9. 2021	16. 3. 2023	adjustment of the terms of the loan	interest	15. 8. 2036	none
Vodochody Holdings HU Kft.	loan agreement dated 27. 1. 2020	27. 1. 2020	loan	interest	1. 7. 2025	none
HSC AEROJET ZÁRTKÖRŰEN MŰKÖDŐ RÉSZVÉNYTÁRSASÁG	Loan agreement dated 5. 9. 2024	5. 9. 2024	interest	loan	15.8.2036	none
Technometra Český Brod a.s.	Loan agreement dated 2. 4. 2024	2. 4. 2024	interest	loan	31. 3. 2025	none
Technometra Český Brod a.s.	Contract for the provision of management services	4.12.2024	interest	management services and other support	indefinite period	none
Vodochody Nemovitostní s.r.o.	Amendments to Loan agreement dated 29.11.2021	29.11.2021	loan granted	interest	31.12.2025	none
Vodochody Nemovitostní s.r.o.	Amendment to loan agreement No. 1 dated 29. 11. 2021	30. 12. 2022	interest	loan extension	31. 12. 2025	none
Vodochody Nemovitostní s.r.o.	Amendment to loan agreement No. 2 dated 29. 11. 2021	20. 12. 2023	interest	loan extension	31. 12. 2025	none
Vodochody Nemovitostní s.r.o.	Amendment to loan agreement No. 3 dated 29. 11. 2021	4. 4. 2024	interest	loan extension	31. 12. 2025	none
Vodochody Nemovitostní s.r.o.	Amendment to loan agreement No. 4 dated 29. 11. 2021	21. 11. 2024	interest	loan extension	31. 12. 2025	none
Letiště Vodochody a.s.	Rental contract (SM/297/LV) from 31.12.2015	31.12.2015	rental contract	rental	indefinite period	none
Letiště Vodochody a.s.	Amendments to Rental contract No. 1 SM/297/LV dated 31. 12. 2015	15.6.2017	lease of the airport premises - modification of the subject of the lease	rental adjustment	indefinite period	none
Letiště Vodochody a.s.	Amendments to Rental contract No. 2 SM/297/LV dated 31. 12. 2015	23.1.2025	lease of the airport premises	rental adjustment	indefinite period	none
Letiště Vodochody a.s.	Service agreement from 1.1.2009	1.1.2009	services agreement	payment	indefinite period	none
Letiště Vodochody a.s.	Amendments to Service contract No. 1 dated 1.1.2009	22.1.2015	payment	services	indefinite period	none
Letiště Vodochody a.s.	Amendments to Service contract No. 2 dated 1.1.2009	1.1.2016	payment	services	indefinite period	none
Letiště Vodochody a.s.	Amendments to Service contract No. 3 dated 1.1.2009	29.7.2021	payment	services	indefinite period	none
Letiště Vodochody a.s.	Agreement on the establishment of services	29.4.2016	services establishment	payment	indefinite period	none
Letiště Vodochody a.s.	Agreement on cancellation of services and establishment of services	21.2.2020	Reciprocal establishment of services	Reciprocal establishment of services	indefinite period none	none
LV-Solar Vodochody a.s.	Lease agreement for property premises	30.4.2013	rental property	payment	indefinite period	none

Section VIII.**Assessment of whether the controlled party has suffered a detriment and assessment of its compensation**

During the relevant period the Company did not suffer any detriment due to the intervention of the controlling party, therefore no assessment of its compensation could take place.

Section IX.**Evaluation of advantages and disadvantages arising from the relations between the controlling party and the controlled party and parties controlled by the same controlling party**

During the relevant period, no situation occurred in the relationship between the controlling and the controlled party that could be described as a detriment in a business or other sense.

In Odolena Voda on 31st of March 2025

Ing. Viktor Sotona MBA

President & Chairman of the Board of Directors
AERO Vodochody AEROSPACE a.s.

Section X. Conclusion

The Board of Directors of AERO Vodochody AEROSPACE a.s. states that it exercised due diligence to determine the scope of relations between the controlling party and the controlled party and between the controlled party and parties controlled by the same controlling party for the purposes of preparing this report, in particular by asking controlling parties who were controlled by them during the specified period.

The Board of Directors of AERO Vodochody AEROSPACE a.s. declares that all monetary means, resp. consideration, which have been granted throughout the relevant period on the basis of the relationships referred to in Section VII of this report was, in his view, at the fair value.

This report has been submitted for review to the Supervisory Board and the Company's auditor, who will audit the Company's financial statements for the year 2024 in accordance with a special law.

Tibor Bial

Member of the Board
AERO Vodochody AEROSPACE a.s.

Review of the Report by the Supervisory Board

On 31st of March 2025, the Supervisory Board reviewed the Report of the Company's Board of Directors on relations between the controlling party and the controlled party and between the controlled party and parties controlled by the same controlling party for 2024. The Supervisory Board agrees with the content of the report.

Ing. Jana Fialová

Chairwoman of the Supervisory Board
AERO Vodochody AEROSPACE a.s.

Independent Auditor's Report

to the Shareholder of AERO Vodochody AEROSPACE a.s.

Opinion

We have audited the accompanying financial statements of AERO Vodochody AEROSPACE a.s., with its headquarters at U Letiště 374, Dolíněk, 250 70 Odolena Voda, Czech Republic, IC (Registration Number) 241 94 204, (hereafter the Company) prepared in accordance with Czech accounting regulations, which comprise the balance sheet as at 31 December 2024, the profit/loss account, statement of changes in equity and cash flow statement for the period from 1 January 2024 to 31 December 2024 and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements give a true and fair view of the assets and liabilities of the Company as at 31 December 2024 and of the costs, revenues and its profit or loss and its cash flows for the period from 1 January 2024 to 31 December 2024, in accordance with Czech accounting regulations.

Basis for Opinion

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

Other information included in the Annual Report

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

Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge of the Company obtained from the audit or otherwise appears to be materially misstated. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with the applicable laws and regulations, in particular, whether the other information complies with the laws and regulations in terms of formal requirements and procedures for preparing the other

information in the context of materiality, i.e. whether any non-compliance with these requirements could influence judgments made on the basis of the other information.

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

- the other information describing the facts that are also presented in the financial statements is, in all material respects, consistent with the financial statements; and
- the other information is prepared in compliance with the applicable laws and regulations.

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

Responsibilities of the Company's Statutory and Supervisory Bodies for the Financial Statements

The Company's Statutory Body is responsible for the preparation and fair presentation of the financial statements in accordance with Czech accounting regulations, and for such internal control as the Statutory Body determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Statutory Body is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting unless the Statutory Body either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with the above regulations, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Statutory Body.
 - Conclude on the appropriateness of the Statutory Body's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with the Company's Statutory and Supervisory Bodies regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Prague, 30 May 2025

Audit firm:



BDO Audit s. r. o.

Certificate No. 018

Engagement Partner:



Ondřej Šnejdar

Certificate No. 1987

Balance sheet as of December 31, 2024

(in thousand Czech crowns)		CURRENT ACCOUNTING PERIOD		PREVIOUS ACCOUNTING PERIOD	
	LINE	GROSS	ADJUSTMENTS	NET	NET
TOTAL ASSETS	1	14 709 688	(5 632 873)	9 076 815	10 415 451
B. Fixed assets	3	7 449 720	(4 580 324)	2 869 396	3 171 132
B. I. Intangible assets	4	3 486 647	(1 744 691)	1 741 956	2 039 492
B. I. 1. Research and development	5	2 272 284	(899 501)	1 372 783	1 679 001
B. I. 2. Valuable rights (patents, copyrights, trademarks and brands)	6	1 068 834	(854 286)	214 548	245 660
B. I. 2. 1. Software	7	321 766	(283 228)	38 538	43 199
B. I. 2. 2. Other valuable rights	8	747 068	(571 058)	176 010	202 461
B. I. 3. Goodwill (+/-)	9	(13 915)	13 915	0	0
B. I. 4. Other intangibles	10	701	(701)	0	0
B. I. 5. Advances for intangible assets and Intangible assets under construction	11	158 743	(4 118)	154 625	114 831
B. I. 5.2. Intangible assets under construction	13	158 743	(4 118)	154 625	114 831
B. II. Tangible fixed assets	14	3 870 311	(2 773 653)	1 096 658	1 131 640
B. II. 1. Land and Buildings	15	1 293 600	(821 752)	471 848	475 022
B. II. 1. 1. Land	16	17 102	0	17 102	17 102
B. II. 1. 2. Buildings and structures	17	1 276 498	(821 752)	454 747	457 920
B. II. 2. Machinery, equipment, vehicles, fixtures and fittings	18	2 454 627	(1 915 161)	539 466	554 026
B. II. 4. Other tangible fixed assets	20	20 057	(19 547)	510	1 064
B. II. 4. 3. Other tangible fixed assets	23	20 057	(19 547)	510	1 064
B. II. 5. Advances for tangible fixed assets and Tangible fixed assets under construction	24	102 027	(17 193)	84 834	101 528
B. II. 5. 1. Advances for tangible fixed assets	25	2 601	0	2 601	9 559
B. II. 5. 2. Tangible fixed assets under construction	26	99 426	(17 193)	82 233	91 969
B. III. Financial assets	27	92 762	(61 980)	30 782	0
B. III. 1. Investments in subsidiaries	28	92 762	(61 980)	30 782	0

(in thousand Czech crowns)		CURRENT ACCOUNTING PERIOD			PREVIOUS ACCOUNTING PERIOD	
		LINE	GROSS	ADJUSTMENTS	NET	NET
C.	CURRENT ASSETS	37	6 490 608	(1 052 549)	5 438 059	6 970 131
C. I.	Inventories	38	4 034 564	(829 454)	3 205 110	3 328 626
C. I. 1.	Raw material	39	1 718 475	(545 240)	1 173 235	1 788 897
C. I. 2.	Work-in-progress and semi-finished products	40	1 722 650	(241 306)	1 481 344	836 178
C. I. 3.	Finished products and goods	41	304 534	(2 310)	302 224	159 974
C. I. 3. 2.	Goods	43	304 534	(2 310)	302 224	159 974
C. I. 5.	Prepayments on inventories	45	288 905	(40 598)	248 307	543 577
C. II.	Receivables	46	1 146 975	(223 095)	923 880	1 992 004
C. II. 2.	Short-term receivables	57	1 146 975	(223 095)	923 880	1 992 004
C. II. 2. 1.	Trade receivables	58	904 605	(199 027)	705 578	1 848 227
C. II. 2. 2.	Receivables from controlling entities	59	21 510	(17 786)	3 724	2 624
C. II. 2. 4.	Other Receivables	61	220 860	(6 282)	214 578	141 153
C. II. 2. 4. 3.	Government - tax receivables	64	37 061	0	37 061	16 582
C. II. 2. 4. 4.	Short-term advances	65	63 901	(6 282)	57 619	85 181
C. II. 2. 4. 5.	Estimated accrued revenues	66	388	0	388	1 054
C. II. 2. 4. 6.	Other receivables	67	119 510	0	119 510	38 336
C. IV.	Cash and bank accounts	75	1 309 069	0	1 309 069	1 649 501
C. IV. 1.	Cash	76	4 926	0	4 926	4 355
C. IV. 2.	Bank accounts	77	1 304 143	0	1 304 143	1 645 146
D.	Prepayments and accrued income	78	769 360	0	769 360	274 188
D. 1.	Prepaid expenses	79	116 550	0	116 550	65 080
D. 3.	Accrued income	81	652 810	0	652 810	209 108

Balance sheet as of December 31, 2024

(in thousand Czech crowns)		CURRENT ACCOUNTING PERIOD		PREVIOUS ACCOUNT. PERIOD
	LINE	NET	NET	
TOTAL LIABILITIES AND EQUITY	1	9 076 815	10 415 451	
A. Equity	2	697 771	595 504	
A. I. Subscribed capital	3	1 002 000	1 002 000	
A. I. 1. Subscribed capital	4	1 002 000	1 002 000	
A. II. Share premium and capital reserves	7	947 901	947 901	
A. II. 2. Capital reserves	9	947 901	947 901	
A. II. 2. 1. Other capital reserves	10	947 927	947 927	
A. II. 2. 2. Valuation differences from revaluation of assets and liabilities	11	(26)	(26)	
A. III. Revenue reserves	15	1 169	1 169	
A. III. 2. Statutory and other reserve	17	1 169	1 169	
A. IV. Retained earnings	18	(1 355 563)	(681 017)	
A. IV. 1. Retained earnings and accumulated losses of previous years	19	(1 355 563)	(681 017)	
A. V. Profit / loss of current accounting period	21	102 264	(674 549)	
B. +C. Liabilities	23	6 479 337	5 866 483	
B. Provisions	24	622 793	491 417	
B. 4. Others provisions	28	622 793	491 417	
C. Payables	29	5 856 544	5 375 066	
C. I. Long-term liabilities	30	3 358 331	3 749 524	
C. I. 4. Trade payables	36	46 331		
C. I. 6. Payables - controlling or controlled entity	38	3 312 000	3 749 524	
C. II. SHORT-TERM LIABILITIES	45	2 498 213	1 625 542	
C. II. 3. Short-term advances received	50	1 150 011	468 098	
C. II. 4. Trade payables	51	524 015	415 026	
C. II. 6. Payables - controlling or controlled entity	53	408 014	0	
C. II. 8. Other payables	55	416 173	742 418	
C. II. 8. 3. Payables to employees	58	84 449	76 923	
C. II. 8. 4. Payables to social security and health insurance	59	47 279	41 818	
C. II. 8. 5. Government - tax payables and subsidies	60	12 638	10 687	
C. II. 8. 6. Estimated accrued items	61	252 498	593 835	
C. II. 8. 7. Other payables	62	19 309	19 155	
D. Accruals and deferred income	66	1 899 707	3 953 464	
D. 1. Accrued expenses	67	43 791	44 422	
D. 2. Deferred income	68	1 855 916	3 909 042	

Profit and loss statement as of December 31, 2024

(in thousand Czech crowns)		VALUES IN ACCOUNTING PERIOD		
	LINE	CURRENT ACCOUNTING PERIOD	PREVIOUS ACCOUNT. PERIOD	
I.	Revenues from the sale of own products and services	1	5 358 145	4 015 616
II.	Revenues from sold goods	2	649 178	237 771
A.	Consumption from production	3	3 951 468	3 316 339
A. 1.	Costs of goods sold	4	355 303	140 994
A. 2.	Consumption of material and energy	5	2 349 170	1 988 402
A. 3.	Services	6	1 246 995	1 186 943
B.	Increase/decrease in finished goods and in work in progress	7	(731 582)	(302 342)
C.	Own work capitalized	8	(138 752)	(107 611)
D.	Staff costs	9	1 534 093	1 360 127
D. 1.	Wages and salaries	10	1 120 338	986 925
D. 2.	Social security and health insurance costs and other costs	11	413 755	373 202
D. 2. 1.	Social security and health insurance costs	12	363 392	319 793
D. 2. 2.	Other social costs	13	50 363	53 409
E.	Adjustment of values in operating activities	14	727 393	479 871
E. 1.	Adjustment of values of Intangible and tangible assets	15	518 720	474 067
E. 1. 1	Adjustment of values of Intangible and tangible assets - permanent	16	531 608	493 104
E. 1. 2	Adjustment of values of Intangible and tangible assets - temporary	17	(12 888)	(19 037)
E. 2.	Adjustment of values of inventories	18	50 769	67 013
E. 3.	Adjustment of values of receivables	19	157 904	(61 209)
III.	Other operating income	20	163 240	107 624
III. 1.	Proceeds on sale of fixed assets	21	530	700
III. 2.	Proceeds on sale of material	22	149 270	88 982
III. 3.	Other operating income	23	13 440	17 942

Profit and loss statement as of December 31, 2024

(in thousand Czech crowns)		VALUES IN ACCOUNTING PERIOD		
	LINE	CURRENT ACCOUNTING PERIOD	PREVIOUS ACCOUNT. PERIOD	
F.	Other operating expenses	24	541 993	49 844
F. 2.	Material sold	26	144 718	70 260
F. 3.	Taxes and fees relating to operating activities	27	17 214	5 629
F. 4.	Provisions and adjustments relating to operating activities and complex deferred expenses	28	131 375	(180 540)
F. 5.	Other operating expenses	29	248 686	154 495
*	Profit/loss from operating activities	30	285 950	(435 217)
VI.	Interest income and similar income	39	36 959	57 965
VI. 1.	Interest income and similar income in subsidiaries	40	3 376	2 356
VI. 2.	Other interest income and similar income	41	33 583	55 609
I.	Adjustments relating to financial activities	42	0	60 982
J.	Interest expense and similar expenses	43	207 386	200 789
J. 1.	Interest expense and similar expenses in subsidiaries	44	199 710	193 578
J. 2.	Other interest expense and similar expenses	45	7 676	7 211
VII.	Other financial revenues	46	5 924	608
K.	Other financial expenses	47	19 183	36 134
*	Profit/loss from financial activities	48	(183 686)	(239 332)
**	Profit/loss before tax	49	102 264	(674 549)
**	Profit/loss after tax	53	102 264	(674 549)
***	Profit/loss for the period	55	102 264	(674 549)
*	Netto turnover for the period	56	6 007 323	

Cash flow statements as of December 31, 2024

(in thousand Czech crowns)		VALUES IN ACCOUNTING PERIOD		
		LINE	CURRENT ACCOUNTING PERIOD	PREVIOUS ACCOUNT. PERIOD
P.	Cash and cash equivalents at beginning of accounting period	1	1 649 501	634 744
Z.	Profit/loss before taxation	2	102 264	(674 549)
A. 1.	Adjustments for non-cash transactions	3	1 031 790	502 437
A. 1. 1.	Depreciation of fixed assets (except of net book value of fixed assets sold, depreciation of adjustment for assets acquisition (+/-)).	4	531 608	493 104
A. 1. 2.	Change in adjustments, provisions	5	327 160	(132 790)
A. 1. 3.	Profit/loss on disposal of fixed assets	6	(530)	(700)
A. 1. 5.	Net interest expense (+)(except of capitalized interest) and interest income (-)	8	170 427	142 823
A. 1. 6.	Adjustments for other non-cash movements	9	3 125	
A*	Net cash flow from operating activities before tax and changes in working capital	10	1 134 054	(172 112)
A. 2.	Change in non-financial items of working capital	11	(1 056 533)	1 661 007
A. 2. 1.	Increase/decrease in trade and other receivables, including prepayments and accrued income (+/-)	12	408 514	(345 617)
A. 2. 2.	Increase/decrease in trade payables, including accruals and deferred income (+/-)	13	(1 542 138)	1 473 284
A. 2. 3.	Increase/decrease in inventories	14	77 091	(1 094 423)
A. 2. 4.	Increase/decrease in short-term financial assets not classified under cash and cash equivalents	15		1 627 763
A **	Net cash flow from operating activities before taxes	16	77 521	1 488 895
A. 3.	Interest paid, excl. capitalized interests	17	(207 386)	(203 974)
A. 4.	Interest received (+)	18	36 800	55 609
A. 5.	Income tax on ordinary activities paid and additional assessments for past periods (including deposits and refunds)(-)	19		1 002
A ***	Net cash flow from operating activities	22	(93 065)	1 341 532
B. 1.	Costs associated with acquisition of fixed assets	23	(216 656)	(361 579)
B. 2.	Proceeds on sales of fixed assets	24	530	700
B. 3.	Loans and credits to related persons	25	(1 100)	(656)
B ***	Net cash flow from investing activities	26	(217 226)	(361 535)
C. 1.	Net effect of changes in long-term liabilities and short-term liabilities, belonging to the financial activities area, to cash and cash equivalents	27	(30 141)	34 760
C ***	Net cash from financing activities	35	(30 141)	34 760
F.	Net increase/decrease in cash and cash equivalents	36	(340 432)	1 014 757
R.	Cash and cash equivalents at end of period	37	1 309 069	1 649 501

Changes in shareholders equity as of December 31, 2024

(in thousand Czech crowns)			VALUES IN ACCOUNTING PERIOD	
		LINE	CURRENT ACCOUNTING PERIOD	PREVIOUS ACCOUNT. PERIOD
A. 1.	Opening balance	1	1 002 000	1 002 000
A. 4.	Closing balance	4	1 002 000	1 002 000
C. 1.	Opening balance A. +/- B.	9	1 002 000	1 002 000
C. 6.	Closing balance A. +/- B. incl. (252)	14	1 002 000	1 002 000
E. 1.	Opening balance	19	947 927	947 927
E. 4.	Closing balance	22	947 927	947 927
F. 1.	Opening balance	23	(26)	(26)
F. 4.	Closing balance	26	(26)	(26)
H. 1.	Opening balance	31	1 169	1 169
H. 4.	Closing balance	34	1 169	1 169
I. 1.	Opening balance	35	1 022 220	1 022 220
I. 4.	Closing balance	38	1 022 220	1 022 220
J. 1.	Opening balance	39	(2 377 783)	(1 703 234)
J. 2.	Increase	40		(674 549)
J. 4.	Closing balance	42	(2 377 783)	(2 377 783)
L. 2.	Increase	48	102 264	
L. 4.	Closing balance	50	102 264	
X. 1.	Opening balance	55	595 507	1 270 056
X. 2.	Increase	56	102 264	(674 549)
X. 4.	Closing balance	58	697 771	595 507



Financial Statements for the year ended 31 December 2024

1. Description of the company

AERO Vodochody AEROSPACE a.s. (hereinafter referred to as the "Company") was incorporated on 15 December 2011 by the Municipal Court in Prague, Section B, Insert 17749 under the name TULAREO a.s. and is located in Odolena Voda, Dolínek, U Letiště 374, Postal Code 250 70, Czech Republic. The identification number is 241 94 204. The main scope of the Company's activity is cooperation in the production of helicopters and aircraft parts, foreign trade in military material, development, production, repairs and modernization of training and combat military aircraft, aerial work and operation of Vodochody Airport.

Members of statutory bodies as at 31st of December 2024:

Board of Directors	
Chairman of the Board:	Ing. Viktor Sotona, MBA
Member of the Board:	Tibor Bial
Supervisory Board	
Chairman:	Jana Fialová
Member:	Miloslav Hostaša

On 25th of April 2024, Mr. Miloslav Hostaša was elected to the position of a member of the Supervisory Board.

These financial statements have been prepared as at 31st of December 2024. The reporting period is from 1st of January 2024 to 31st of December 2024.

2023 is the first year when the accounting unit subjected to a consolidation. Consolidation is carried out by Interstand Consulting Kft. with registered office at Damjanich utca 23/B, 1188 Budapest. The consolidated financial statements of the consolidating accounting units can be obtained online in the system of the Ministry of Justice of the Republic of Hungary (<https://e-beszamolo.im.gov.hu/oldal/kezdolap>).

The current economic situation is being impacted mainly by the war in Ukraine which broke out on 24th of February 2022, including the related sanctions against Russia,

then by disrupted supply chains, energy crisis, uncertainty on the commodities and financial markets and finally by negative trends in key macroeconomic indicators with consequences on business, such as the inflation rate, growth of interest rates, volatility of foreign exchange rates. Another driver has emerged in US import tariffs, which has affected many sectors in countries across the globe, however export to USA forms only a marginal part of the Company's revenue.

The Company's management has evaluated the impact of the current economic situation on its business and concluded that it has no material impact to the operation of the Company in the current nor the following period.

2. Basic principles for the preparation of financial statements

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles in the Czech Republic relevant for large companies and have been prepared under the historical cost convention. Derivatives and securities (excluding interests in controlled entities or entities under significant influence) are stated at fair value.

3. General accounting policies, accounting methods and deviations from these methods

With respect to the business object and business model of the entity, the company determines that netto turnover of the sales will be defined according to the sales of products and services.

In connection with the amendment to Act No. 563/1991 Coll., on Accounting, as amended, the definition of net turnover in the profit and loss statement has changed as of January 1, 2024. In accordance with the opinion of the Ministry of Finance of the Czech Republic, for the accounting period starting from January 1 to December 31, 2024, the value of net turnover determined according to § 35 of Decree No. 500/2002 Coll. will be reported in the current period, and the value of net turnover for the comparable period will not be reported.

The valuation methods used by the Company in preparing the financial statements for 2024 are as follows:

The accompanying balance sheet, income statement and cash flow statement are an integral part of the financial statements.

a) Intangible fixed assets

All intangible assets with a useful life longer than one year and a unit cost of more than CZK 60 thousand are treated as tangible fixed assets.

Purchased intangible and tangible fixed assets are initially recorded at cost, which includes all costs related to their acquisition. Intangible fixed assets created by own activities are valued at own costs, which include direct material and labor costs and a proportional part of production overheads.

Intangible fixed assets are depreciated applying the straight-line method over their estimated useful lives or based on performance as follows:

Estimated useful life	
Development costs – aircraft prototype	Percentage of project completion
Development costs – other	realized sales of serial production
Software	3-5 years
Other royalties	according to contract
Goodwill	5 years

The depreciation plan is updated during the useful life of the intangible fixed assets based on the expected useful life or change of the performance plan.

The company creates provisions mainly for long-term intangible assets, which relate to terminated programs. A provision for impairment is created when the carrying value of an asset is greater than its estimated recoverable amount. The estimated recoverable amount is determined based on expected future cash flows generated by this asset.

Goodwill represents the difference between the valuation of the enterprise (or its part) acquired through a transfer or transfer for consideration or deposit or the valuation

of assets and liabilities within a business combination, other than a change in legal form, and the total of individually re-valued assets and liabilities acquired less assumed debts.

Repairs and maintenance expenditures for intangible fixed assets are expensed as incurred. Technical improvements of intangible fixed assets are capitalized.

Emission allowances are presented by the Company as other intangible fixed assets. Emission allowances allocated to the Company by the National Allocation Plan are recorded to the account of other intangible fixed assets and to the account taxes and state subsidies payable upon being credited to the Company in the Register of Emission Allowances in the Czech Republic.

Emission allowances allocated to the Company free of charge are recorded at replacement cost. Emission allowances purchased by the Company are recorded at cost.

The consumption of emission allowances is recorded to other operating expenses on the basis of an estimate of actual CO2 emissions produced in the period or on the basis of actual CO2 emissions produced in the period. At the same time the emission allowances liability is released in other operating income, if it is consumption of the allocated emission allowances.

The first-in-first-out method is applied for all disposals of emission allowances.

Sales of emission allowances are recorded as other operating revenue and are stated at the selling price. At the same time, their book value is disposed from assets.

A provision is created for the deficit in emission allowances to cover their consumption in the disclosed period. A provision for diminution in value is created when the carrying value of emission allowances is greater than its estimated recoverable amount.

b) Tangible fixed assets

All tangible assets with a useful life longer than one year and a unit cost of more than CZK 80 thousand are treated as tangible fixed assets.

Purchased tangible fixed assets are initially recorded at cost, which includes all costs related with its acquisition. Own work capitalised is recorded at cost, which include direct material and labor costs and a proportional part of production overheads. Assets received as gifts are recorded at replacement cost against other operating income account as at the date of receipt. The replacement cost of these assets is determined based on their price at the time the asset was acquired.

Tangible fixed assets, except for land which is not depreciated, are depreciated applying the straight-line method over their estimated useful lives or based on performance as follows:

	Estimated useful life
Constructions	20-40 years
Jigs	realized sales of serial production
Machines, devices and equipment	3-30 years
Means of transport	3-20 years
Inventory	3-15 years
Other tangible fixed assets	3-15 years

The depreciation plan is updated during the useful life of the tangible fixed assets based on the expected useful life or change of the performance plan.

The Company creates provisions mainly for tangible fixed assets, which relate to terminated programs. A provision for impairment is created when the carrying value of an asset is greater than its estimated recoverable amount. The estimated recoverable amount is determined based on expected future cash flows generated by this asset.

Repairs and maintenance expenditures for tangible fixed assets are expensed as incurred. Technical improvements of tangible fixed assets are capitalized.

c) Long-term investments

Long-term financial investments are mainly investments in subsidiaries and investments in associates.

Investments in subsidiaries represent shares in enterprises that are controlled by the Company ("the subsidiary").

Investments in associates represent shares in enterprises over which the Company has significant influence, but not control ("the associate").

Investments in subsidiaries and associates are recorded at cost, which includes the acquisition price and direct acquisition-related costs, such as fees and commissions to brokers and exchanges, less a provision for diminution in value.

d) Inventories

Purchased inventories are stated at the lower of cost and net realizable amount. Cost includes all costs related with its acquisition (mainly transport costs, customs duty, etc.). The weighted average cost method is applied for all disposals.

Inventories generated from own production, i.e. work-in-progress and semi-finished goods, are stated at the lower of production cost and estimated net realizable amount. Production cost includes direct material and direct wages.

A provision is created for slow-moving and obsolete inventory based on an analysis of turnover and individual evaluation of inventories.

e) Receivables

Receivables are stated at nominal value less a provision for doubtful amounts. A provision for doubtful amounts is created on the basis of an ageing analysis (100% for overdue receivables over 1 year and 50% overdue for between 0,5 and 1 year) and an individual evaluation of the credit worthiness of the customers. The provision is not created for guarantees and deposits.

f) Cash and cash equivalents

Cash and cash equivalents include cash in hand, stamps and vouchers and cash in banks, including bank overdrafts.

Cash equivalents are short-term highly liquid investments that can be exchanged for a predictable amount of cash and no significant changes of value over time are expected. Cash equivalents are, for example, deposits with a maturity of less than 3 months from the date of acquisition and liquid debt securities traded in public markets.

The Company has prepared a Cash-flow statement using the indirect method.

g) Foreign currency translation

Transactions denominated in a foreign currency are translated and recorded at the rate of exchange ruling as at the transaction date.

Cash, receivables and liabilities balances denominated in foreign currencies have been translated at the exchange rate published by the Czech National Bank as at the balance sheet date. All exchange gains and losses on cash, receivables and liabilities balances are recorded in the income statement and presented net.

Investments in subsidiaries and associates and other investments and securities denominated in a foreign currency, which are not accounted for at fair value, are translated at the year-end at exchange rate as published by the Czech National Bank. Any translation difference is recognized in equity.

h) Prepayments and accrued income

Complex prepaid expenses represent aggregate costs that are materially related to one purpose, in particular the serial production of aircraft and military programs. These costs incurred before the start of production / program and are released to the income statement according to realized sales, within 4 years at the latest.

In particular, development costs are not included in complex prepaid expenses.

i) Derivative financial instruments

Derivatives are initially measured at cost. In the accompanying balance sheet, derivatives are reported as part of other current liabilities.

Derivatives are divided into trading derivatives and hedging derivatives.

A hedging derivative is considered to be a derivative that simultaneously meets the following conditions:

- a) corresponds to the Company's risk management strategy,
- b) at the inception of the hedge, the hedging relationship is formally documented by an accounting record; the documentation contains the identification of the hedged items and hedging instruments, the precise definition of the risk that is the subject of the hedge, the approach to determining and documenting the effectiveness of the hedge,
- c) hedging is effective; hedging is effective if at the inception and during the hedging relationship changes in the fair values or cash flows of the hedging instruments are commensurate with the risk being hedged, or total changes in the fair values or cash flows of the hedging instruments range eighty percent to one hundred and twenty-five percent of changes in fair values or cash flows of hedged items corresponding to the hedged risk. The Company determines whether the hedge is effective at the inception of the hedge and at least at the time of preparation of the regular, extraordinary and interim financial statements and at the time of preparation of the statements.

A derivative that does not meet any of the above conditions is considered a trading derivative. Valuation differences of a trading derivative are recognized in the income statement at least when the financial statements are prepared.

Derivatives are re-measured to fair value at the balance sheet date. The fair value of the derivative is determined as the market value (hereinafter the "market price") announced on the date of determination of the fair value. If a derivative is admitted to trading on a regulated market, the market price means the price on that market at which it is traded at the time of valuation. If the regulated market does not operate at the time of valuation, the price valid on the last working day preceding the moment of valuation shall be used. If a market price is not available, the entity uses a qualified estimate to measure the derivative. Determining the market price of a derivative or its components by a qualified estimate may be derived by an entity from a similar derivative or its components for which the market price is known.

For hedging derivatives for which the cash flow hedging method is used, valuation differences related to the hedged risk are reported in the relevant liability item. Gains or losses on the measurement of hedging derivatives are recognized in the income statement in the same periods as the expenses or income associated with the hedged instruments are recognized in the income statement. If, as a result of a hedged expected transaction, a non-financial asset, non-financial liability or firm liability for which fair value is hedged is subsequently recognized, the related gains or losses may be recognized together with the non-financial asset or liability.

For hedging derivatives for which the net investment hedging method with a subsidiary or associate is used, valuation differences that relate to currency risk are reported in the relevant liability item. They are recognized in the income statement in the same period in which the expenses or income associated with the decrease in hedged net investments in foreign currency investments are recognized.

As at 31st of December 2024 the Company had no opened derivative financial instruments.

j) Equity

The share capital of the Company is stated at the amount recorded in the public register maintained in the Municipal Court. Any increase or decrease in the share capital made pursuant to the decision of the General Meeting which was not entered in the Commercial Register as at the balance sheet date is recorded through changes in basic capital. Contributions in excess of share capital are recorded as share premium. Other capital contribution are created based on the Company's Articles of Association.

In accordance with the Act on Business Corporations and the Articles of Association, the Company is not obliged to create a reserve fund.

k) Liabilities

Long-term and short-term liabilities are reported at nominal values. Other liabilities also include values determined as a result of valuing financial derivatives at fair value.

Long-term and short-term liabilities to credit institutions are reported at nominal value. The part of long-term liabilities to credit institutions that is due within one year from the balance sheet date is also considered as short-term liabilities to credit institutions. Contingent liabilities that are not recognized in the balance sheet due to high uncertainty in determining their amount, title or due date are described in Note 16.

l) Provisions

Provisions are recognized when the Company has a present obligation, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

m) Employee benefits

The Company recognizes a provision relating to untaken holidays.

The Company recognizes a provision relating to rewards and bonuses of employees.

Regular contributions are made to the state to fund the national pension plan. The Company also provides contributions to defined contribution plans operated by independent pension funds.

n) Subsidies

A subsidy is recognized when money is received or an irrevocable right to receive a subsidy exists.

A subsidy received for the settlement of expenses is recorded as operating or financial revenue in the same period when expenses are incurred. A subsidy received for either the acquisition of fixed assets (including technical improvement) or for the settlement of interest charged to cost of fixed assets can either decrease the cost of fixed assets or own work capitalized. The Company records the received subsidies in separate accounts so that it is possible to monitor their drawing and use.

o) Revenue recognition

Revenues from sales of aircrafts of own production

When control of produced goods or rendered services is transferred over time to the customer, the Company recognizes revenue over time (i.e. under the percentage of completion method).

The Company transfers control over time if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Company's performance as the entity performs;
- the Company's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced;

- the Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

An asset created by a Company's performance does not have an alternative use to an entity if the Company is either restricted contractually from readily directing the asset for another use during the creation or enhancement of that asset or limited practically from readily directing the asset in its completed state for another use. The assessment of whether an asset has an alternative use to the Company is made at contract inception. After contract inception, a Company shall not update the assessment of the alternative use of an asset unless the parties to the contract approve a contract modification that substantively changes the performance obligation.

A Company shall consider the terms of the contract, as well as any laws that apply to the contract, when evaluating whether it has an enforceable right to payment for performance completed to date. The right to payment for performance completed to date does not need to be for a fixed amount. However, at all times throughout the duration of the contract, the Company must be entitled to an amount that at least compensates the Company for performance completed to date if the contract is terminated by the customer or another party for reasons other than the Company's failure to perform as promised.

For the application of the over time method, the measurement of progress towards complete satisfaction of a performance obligation is based on inputs (i.e. cost incurred).

At the end of each reporting period, a Company shall remeasure its progress towards complete satisfaction of a performance obligation satisfied over time.

Other revenues

Sales are recognized upon the delivery of products and customer acceptance or when goods are released from the stock based on the transfer of risks according to incoterms and are stated net of discounts and value added tax.

Sales are recognized as at the date the services are rendered and are stated net of discounts and value added tax.

p) Related parties

The Company's related parties are considered to be the following:

- parties, which directly or indirectly control the Company, their subsidiaries and associates;
- parties, which have directly or indirectly significant influence on the Company;
- members of the Company's or parent company's statutory and supervisory boards and management and parties close to such members, including entities in which they have a controlling or significant influence; and/or
- subsidiaries and associates and joint-venture companies.

Material transactions and outstanding balances with related parties are disclosed in Notes 19 Related parties transactions and 18 Employees.

q) Leases

The costs of assets held under both finance and operating leases are not capitalized as fixed assets. Lease payments are expensed evenly over the life of the lease. Future lease payments not yet due are disclosed in the notes but not recognized in the balance sheet.

r) Interest expense

Interest expense on borrowings to finance the acquisition of intangible and tangible fixed assets are capitalized during the period of completion and preparation of the asset for its intended use. Other borrowing costs are expensed. Long-term payables are not discounted.

s) Deferred tax

Deferred tax is recognized on all temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. Deferred tax asset is recognized if it is probable that sufficient future taxable profit will be available against which the asset can be utilized.

t) Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses for the period. Management has made these estimates and assumptions based on all relevant information available to it. However, as the nature of the estimate suggests, actual values in the future may differ from these estimates.

u) Mutual settlement

Cash, receivables and liabilities balances denominated in foreign currencies have been translated at the exchange rate published by the Czech National Bank as at the balance sheet date. All exchange gains and losses on cash, receivables and liabilities balances are recorded in the income statement and presented net.

v) Subsequent events

The effects of events, which occurred between the balance sheet date and the date of preparation of the financial statements, are recognized in the financial statements in the case that these events provide further evidence of conditions that existed as at the balance sheet date. Where significant events occur subsequent to the balance sheet date but prior to the preparation of the financial statements, which are indicative of conditions that arose subsequent to the balance sheet date, the effects of these events are quantified and disclosed, but are not themselves recognized in the financial statements.

4. Fixed assets

a) Intangible fixed assets

thousand CZK	31 st of December 2023	Additions/ transfers	Disposals	31 st of December 2024
Cost				
Development costs	2 232 247	40 037	-	2 272 284
Software	319 117	2 845	-196	321 766
Other royalties	747 068	-	-	747 068
Goodwill	-13 915	-	-	-13 915
Other intangible fixed assets	701	-	-	701
Intangible fixed assets in the course of construction	118 949	87 788	-47 994	158 743
Total	3 404 167	130 670	-48 190	3 486 647
Accumulated depreciation				
Development costs	-456 669	-346 255	-	-802 924
Software	-275 918	-5 871	196	-281 593
Other royalties	-541 244	-29 814	-	-571 058
Goodwill	13 915	-	-	13 915
Other intangible fixed assets	-701	-	-	-701
Total	-1 260 617	-381 940	196	-1 642 361
Provisions				
Development costs	-96 577	0	-	-96 577
Other royalties	-3 363	1 728	-	-1 635
Intangible fixed assets in the course of construction	-4 118	-	-	-4 118
Total	-104 058	1 728	-	-102 330
Net book value	2 039 492			1 741 956

thousand CZK	31 st of December 2023	Additions/ transfers	Disposals	31 st of December 2024
Cost				
Development costs	2 130 300	101 947	-	2 232 247
Software	277 411	41 706	-	319 117
Other royalties	730 595	16 473	-	747 068
Goodwill	-13 915	-	-	-13 915
Other intangible fixed assets	701	-	0	701
Intangible fixed assets in the course of construction	144 060	146 361	-171 472	118 949
Total	3 269 152	306 487	-171 472	3 404 167
Accumulated depreciation				
Development costs	-158 926	-297 743	-	-456 669
Software	-272 974	-2 944	-	-275 918
Other royalties	-503 064	-38 180	-	-541 244
Goodwill	13 915	-	-	13 915
Other intangible fixed assets	-701	-	-	-701
Total	-921 750	-338 867	-	-1 260 617
Provisions				
Development costs	-98 654	2 077	-	-96 577
Other royalties	-5 389	2 026	-	-3 363
Intangible fixed assets in the course of construction	-4 118	-	-	-4 118
Total	-108 161	4 103	-	-104 058
Net book value	2 239 241			2 039 492

In 2016, the Company bought a part of Letiště Vodochody a.s. Goodwill in the negative value of CZK -13 915 thousand arose as a difference between the valuation of a part of the business and the sum of individually revalued components of assets less liabilities assumed. Negative Goodwill was amortized over a period of 60 months.

Additions of intangible fixed assets represent the capitalization of assets developed by own activities within the development of the L-39NG aircraft based on the final confirmation of the aircraft certification.

In 2024, the Company did not receive a subsidy for long-term intangible assets.

b) Tangible fixed assets

thousand CZK	31 st of December 2023	Additions/ transfers	Disposals/ transfers	31 st of December 2024
Cost				
Land	17 102	-	-	17 102
Constructions	1 247 090	29 408	0	1 276 498
Equipment	2 370 435	92 725	-8 533	2 454 627
Other tangible fixed assets	20 380	1	-324	20 057
Advances paid for tangible fixed assets	9 559	76 608	-83 566	2 601
Tangible fixed assets in the course of construction	111 075	179 884	-196 378	99 426
Total	3 775 641	378 626	-288 801	3 870 311
Accumulated depreciation				
Constructions	-789 170	-32 582	-	-821 752
Equipment	-1 761 287	-116 520	8 532	-1 869 275
Other tangible fixed assets	-19 316	-553	322	-19 547
Total	-2 569 773	-149 655	8 854	-2 710 574
Provisions				
Equipment	-55 122	-9 979	19 215	-45 886
Advances paid for tangible fixed assets	0	0	-	0
Tangible fixed assets in the course of construction	-19 106	0	1 913	-17 193
Total	-74 228	-9 979	21 128	-63 079
Net book value	1 131 640			1 096 658

thousand CZK	1 January 2023	Additions/ transfers	Disposals/ transfers	31 December 2023
Cost				
Land	17 102	-	-	17 102
Constructions	1 184 828	62 262	-	1 247 090
Equipment	2 248 197	142 899	-20 661	2 370 435
Other tangible fixed assets	20 170	210	0	20 380
Advances paid for tangible fixed assets	10 721	133 660	-134 822	9 559
Tangible fixed assets in the course of construction	110 587	224 672	-224 184	111 075
Total	3 591 605	563 703	-379 667	3 775 641
Accumulated depreciation				
Constructions	-757 239	-31 931	-	-789 170
Equipment	-1 660 317	-121 631	20 661	-1 761 287
Other tangible fixed assets	-18 490	-826	-	-19 316
Total	-2 436 046	-154 388	20 661	-2 569 773
Provisions				
Equipment	-71 010	-	15 888	-55 122
Advances paid for tangible fixed assets	-524	524	-	0
Tangible fixed assets in the course of construction	-17 627	-2 024	545	-19 106
Total	-89 161	-1 500	16 433	-74 228
Net book value	1 066 398			1 131 640

As at 31st of December 2024 and 31st of December 2023, the aggregate amount of low value tangible assets stated in the off-balance sheet amounted at cost to CZK 167 245 thousand and CZK 197 505 thousand.

As at 31st of December 2024, the cost of assets with limited disposal amounted to CZK 781 092 thousand and its net book value amounted to CZK 274 427 thousand. As at 31st of December 2023, the cost of assets with limited disposal amounted to CZK 705 371 thousand and its net book value amounted to 262 386 thousand. This burden is related to the framework agreement on post-warranty support for L-159 and L-39 aircraft (see Note 16) and is not registered in the land register.

As at 31st of December 2024, the cost and net book value of the pledged movable assets in favor of MFB MAGYAR FEJLESZTÉSI BANK ZÁRTKÖRŰEN MŰKÖDŐ RÉSZVÉ- NYTÁRSASÁG in connection with the loan from Vodochody Holdings HU Kft amounted to CZK 472 760 thousand and to CZK 249 767 thousand and the cost and net book value of pledged immovable assets amounted to CZK 1 293 601 thousand and CZK 471 849 thousand, resp. as at 31st of December 2023, the cost and net book value of pledged movable assets in favor of received loans amounted to CZK 451 212 thousand and CZK 434 117 thousand and the cost and net book value of pledged immovable assets amounted to CZK 1 264 193 thousand and CZK 475 022 thousand (see Note 13).

In 2024 same as in 2023, the Company did not receive a subsidy for long-term tangible assets.

c) Non-current financial assets

Clarex and Clester receivables were capitalised in 2023. These have been transferred to financial fixed assets at nominal value in full (Clarex 061.016 GL, CZK 51.7 million, Clester 061.013 GL, CZK 10.3 million). As the receivables entering into this capitalisation were already considered to be high-risk and were subject to a 100 % valuation allowance, the financial assets arising from this capitalisation were also subject to a 100 % valuation allowance (total of CZK 61,9 million, 096.010 and 096.801 GL). There was no change or modification in 2024.

On the basis of the Share Purchase Agreement dated 7th March 2024, concluded between AERO Vodochody AEROSPACE a.s. (on the buyer's side) and Haferwende Kft (on the seller's side), 100% of the shares in Technometra Český Brod a.s. were purchased. AERO Vodochody AEROSPACE a.s. thus became the sole shareholder of Technometra Český Brod a.s. on the registration date of 16th May 2024.

5. Inventories

The Company created a provision for inventories as at 31st of December 2024 of CZK 829 454 thousand (as at 31st of December 2023: CZK 728 138 thousand).

6. Receivables

As at 31st of December 2024, provisions in the total amount of CZK 223 095 thousand were created for outstanding receivables, which are considered doubtful (as at 31st of December 2023: CZK 60 523 thousand).

Unsettled receivables as at 31st of December 2023 have not been covered by guarantees and none of them are due after more than 5 years.

The Company has no receivables nor provided any guarantees which are not included in the balance sheet.

As at 31st of December 2024 and 31st of December 2023, receivables overdue by more than 180 days amounted to CZK 217 735 thousand and CZK 1 110 554 thousand.

Short-term advances paid as at 31st of December 2024 and 31st of December 2023 relate mainly to operating, overhead activities.

Estimated receivables as at 31st of December 2024 and 31st of December 2023 mainly include estimated items of unpaid interest on loans to related parties (see Note 19). For long-term and short-term receivables from related parties see Note 19.

7. Short-term financial investments

The Company does not record any current financial assets as at 31.12.2024.

8. Cash

As at 31st of December 2024 and 31st of December 2023, the Company had the following balances of accounts with limited disposal (in CZK thousand):

Bank	Currency	31.12.2024		31.12.2023	
		Amount in foreign currency thousand	Amount in CZK thousand	Amount in foreign currency thousand	Amount in CZK thousand
Komerční banka, a.s.	EUR	271	6 820	28 970	716 138
Komerční banka, a.s.	USD	430	10 422	430	9 622
Unicredit Bank CR and SK, a.s.	EUR	4 927	124 086	9 854	243 640
ČEB, a.s.	USD	367	8 897	2 327	52 065
MFB	EUR	-	-	1 254	31 005
Total		5 995	150 225	42 835	1 052 470

Financial assets deposited in restricted accounts serve as collateral for guarantees provided by banks (see Note 13). As at 31st of December 2024 and 31st of December 2023, the Company had such funds deposited in its accounts in the amount of CZK 150 225 thousand and CZK 1 052 470 thousand. All bank accounts, with the exception of the above-mentioned restricted bank accounts, are pledged to MFB MAGYAR FEJLESZTÉSI BANK ZÁRTKÖRŰEN MŰKÖDŐ RÉSZVÉNYTÁRSASÁG (see Note 13).

9. Prepayments and accrued income

Prepaid expenses as at 31st of December 2024 and 31st of December 2023 mainly include accrued rents, insurance and overheads paid in advance and are charged to the expenses in the period they temporally and materially belong to.

Accrued income as at 31st of December 2024 in the amount of CZK 652 810 thousand and 31st of December 2023 in the amount of CZK 209 108 thousand mainly include recognized part of the sales of owned produced aircrafts, for which customer will settle cash in the future.

10. Equity

Since 1st of January 2022 the parent company of the Company is Vodochody Holdings HU Kft with its registered office at 1122 Budapešť, Városmajor utca 13. 6. Em, Hungary, which is the sole shareholder of the Company.

The share capital of the Company in the amount of CZK 1 002 000 thousand consists of 5 010 registered ordinary shares in book-entry form with a nominal value of CZK 200 thousand and is repaid in full.

Other capital funds in the amount of CZK 947 927 thousand consists of capitalized received advances from Omnipol relating to the development of the L-39NG aircraft that were assigned to the parent company before the capitalization.

Other reserves from profit are formed by the social fund.

Differences from mergers and demergers as at 31st of December 2024 and 31st of December 2023 represent the revaluation of the share in the subsidiary Clester Trading a.s.

On 30th of June 2024, the shareholder decided that the company's loss of CZK - 674 549 thousand for the year 2023 will be transferred to the accumulated losses account of previous years.

Until the date of preparation of these financial statements, the Company has not propose allocation of the loss incurred in 2024

11. Provisions

Changes in provision accounts (in CZK thousand):

	Balance as at 1. 1. 2023	Netto change	Balance as at 31. 12. 2023	Netto change	Balance as at 31. 12. 2024
Business case Iraq	110 906	2 981	113 887	-87 034	26 853
Business case AČR (incl. PP16)	69 057	-15 486	53 571	-45 259	8 312
Business case Tunis and Algeria	5 909	1 751	7 660	4 451	12 111
Business case Uzbekistan	3 258	-338	2 920	-2 920	-
Business case EMBRAER	34 198	-442	33 756	10 028	43 784
Business case CSeries	43 371	-18 328	25 043	62 785	87 828
Business case Sikorsky	-	-	-	-	-
Business case Black Hawk	-	-	-	-	-
Business case CWB	3 334	-3 118	216	-106	110
Business case MTA	350	48	398	-67	331
Business case Latecoere	6 502	-6 502	-	-	-
Business case T2	52 475	-52 475	-	-	-
Business case Kazakhstan	3 950	-3 950	-	-	-
Business case Ethiopia	8 403	-1 413	6 990	-341	6 649
Business case Pilot equipment	-	-	-	-	-
Business case DJ	6 962	-	6 962	-	6 962
Business case STA	13 055	-1 060	11 995	342	12 337
Business case SAFRAN	1 603	-1 603	-	-	-
Business case L410	-	-	-	-	-
Business case Nigeria GO	12 744	-2 608	10 136	-3 897	6 239
Business case Ethiopia 2	150 208	-116 590	33 618	-33 618	-
Business case Kazakhstan 2	5 462	-1 268	4 194	-2 907	1 287
Business case Kazakhstan 3	9 181	-357	8 824	-1 467	7 357
Business case AČR	-	8 612	8 612	-7 468	1 144

	Balance as at 1. 1. 2023	Netto change	Balance as at 31. 12. 2023	Netto change	Balance as at 31. 12. 2024
Business case Draken Europe R&L	-	1 256	1 256	-1 256	-
Business case Vietnam	-	48 578	48 578	34 186	82 764
Business case engines - 1320024,130025	-	-	-	27 200	27 200
Business case NG Hungary	-	-	-	31 007	31 007
Business case NG LOM	-	-	-	18 701	18 701
Business case - warranty works Bulgaria	-	-	-	3 070	3 070
Penalty OSSZ	-	-	-	-	-
Employee bonuses and rewards	95 939	-20 464	75 475	130 854	206 329
Untaken holiday	22 215	15 110	37 325	-4 907	32 418
Employee benefits	6 179	-6 179	-	-	-
Emission allowances	6 695	-6 695	-	-	-
Total	671 956	-180 540	491 417	131 376	622 793

12. Payables

Liabilities have not been secured against any assets of the Company and liabilities to VOHOHU are due in 2036. The loan is repaid in quarterly payments according to the repayment schedule and the quarterly payment amounts to CZK 3 082 thousand. The part of this loan, due in 2025, in the amount of 12 328 thousand EUR (CZK 310,500 thousand) was recognised as a current liability in the financial statements.

Estimated payables as at 31st of December 2024 and 31st of December 2023 mainly include uninvoiced deliveries of materials and services. They are charged to the period they temporally and materially belong to.

Advances received as at 31st of December 2024 and 31st of December 2023 mainly include advances related to operating, overhead activities.

As at 31st of December 2024, the Company does not record overdue liabilities for social security nor health insurance.

For payables to related parties see Note 19.

13. Payables to banks

As at 31st of December 2024, the following guarantees were provided to the Company by banks (in CZK thousand):

Bank	Type of guarantee	Valid till	Amount
Komerční banka, a.s.	performance bond, 1705473029	24.10.2027	453
	counter-guarantee, 2000240029	10.3.2030	504
	guarantee, 2100361029	31.12.2025	756
	guarantee, 2200309029	31.12.2025	567
	guarantee, 2206579029	30.7.2025	378
	guarantee, 2200057029	31.3.2025	4 241
	counter-guarantee, 1906396029	10.3.2030	1 939
	counter-guarantee, 2303412029	30.9.2026	4 241
	performance bond, 2206752029	30.9.2025	11 441
	advance payment guarantee, 2205569029	30.6.2026	501 793
UniCredit Bank	guarantee, 2302245029	31.3.2026	733
	advance payment guarantee	30.9.2025	236 355
ČEB, a.s.	performance bond	31.7.2025	3 217
	performance bond	31.10.2025	5 681
Total			784 117

As at 31st of December 2023, the following guarantees were provided to the Company by banks (in CZK thousand):

Bank	Type of guarantee	Valid till	Amount
Komerční banka, a.s.	performance bond	24.10.2027	445
	counter-guarantee	10.3.2030	495
	guarantee	30.6.2024	742
	guarantee	30.8.2024	556
	guarantee	30.7.2025	371
	guarantee	31.3.2025	3 916
	counter-guarantee	10.3.2030	1 790
	counter-guarantee	30.9.2026	3 916
	performance bond	30.9.2025	11 232
	advance payment guarantee	30.9.2024	224 631
	advance payment guarantee	30.6.2026	501 793
	guarantee	31.3.2026	720
UniCredit Bank	performance bond	30.9.2026	11 602
	advance payment guarantee	30.9.2025	232 038
ČEB, a.s.	performance bond	31.10.2025	31 087
	advance payment guarantee	31.1.2025	20 978
Total			1 046 311

As at 31st of December 2024 and 31st of December 2023, the Company guaranteed for issued bank guarantees by restricted cash in bank accounts in the amount of CZK 150 225 thousand and CZK 1 046 311 thousand (see Note 8).

14. Accruals and deferred income

Accrued expenses mainly include interest on loans received and are charged to the expenses in the period they temporally and materially belong to.

Deferred income as at 31st of December 2024 and 31st of December 2023 mainly represents accrued revenues from sales of self-produced aircrafts.

15. Leases

The Company has leased non-current assets that are accounted in the off-balance sheet (see Note 3q).

Assets leased by the Company in the form of operating leases as at 31st of December 2024 (in CZK thousand):

Description	Terms	The amount of lease in 2024
Computers	by 2029	1 520
Personal cars	by 2026	6 739
VZV	by 2028	601

Assets leased by the Company in the form of financial leasing (i.e. the lessee will repurchase the assets after the end of the lease period) as at 31st of December 2024 (in CZK thousand):

Description	Terms	Currency	The sum of the lease payments for the entire period of the expected lease	Actually paid lease payments from financial lease as at 31 st of December 2024	Breakdown of the amount of future lease payments by actual maturity as at 31 st of December 2024	
					Due within one year	Due after one year
Machinery by 2024	by 2024	EUR	603	30	-	-
Machinery by 2029	by 2029	CZK	56 504	3 767	11 301	41 436

16. Assets and liabilities in the off-balance sheet

The Company normally uses agent services on a contractual basis. In the case of concluding a business relationship with the customer, these contracts result in the obligation to pay the agent the amount of realized income. This amount cannot be determined until the contract is concluded.

On 8th of December 2005, AERO Vodochody a.s. entered into a framework agreement with the Ministry of Defense of the Czech Republic on post-warranty support for L-159 and L-39 aircrafts, in which it undertook to cooperate in repairs, maintenance and modernization of aircrafts. The contract was concluded for a definite period until January 2029. As part of the spin-off project, the contract was transferred to AERO Vodochody AEROSPACE a.s. In case of breach of contractual relations, as well as in case of withdrawal from the contract, the Ministry of Defense may claim contractual penalties and further claim any damages in excess of the amount of this penalty. Under this agreement, the Company undertook to limited disposal of a significant part of its tangible fixed assets (see Note 4b).

The main production orders of the Company are solved within the framework of long-term contractual relations with suppliers. The value of future liabilities under concluded contracts as at 31st of December 2024 amounts to CZK 2 397 553 thousand. The highest value of orders is for WILLIAMS INTERNATIONAL CO., LLC, Honeywell-ITEC a MARTIN-BAKER AIRCRAFT CO LTD. These contracts usually include a provision on the amount of compensation that the Company is obliged to pay in the event of non-compliance with contractual obligations or withdraw from the contract. Suppliers also do not take responsibility for any consequential damage caused by an accident.

The main production orders of the Company are solved within the framework of long-term contractual relations with suppliers. The value of future liabilities under concluded contracts as at 31st of December 2023 amounts to CZK 3 920 139 thousand. The highest value of orders is for WILLIAMS INTERNATIONAL CO., LLC, MARTIN-

BAKER AIRCRAFT CO LTD a Honeywell-ITEC These contracts usually include a provision on the amount of compensation that the Company is obliged to pay in the event of non-compliance with contractual obligations or withdraw from the contract. Suppliers also do not take responsibility for any consequential damage caused by an accident.

The Company concluded liability insurance arising from its own aviation activities, including liability for the operation of aircrafts, including accident insurance, liability for the operation of hangars, liability for the operation of airports and navigation towers, liability for damage caused by a defective product. A total limit of USD 250 000 thousand has been agreed for liability insurance for damage caused by a defective product. This insurance is covered worldwide and covers the most significant foreseeable risks arising from aviation activities.

17. Revenue analysis

Breakdown of the Company's revenues from ordinary activities (in CZK thousand):

	Domestic	2024 Foreign
Aircraft production	1 884 888	4 086 644
Non-aircraft prouction	35 791	-
Total revenues	1 920 679	4 086 644

	Domestic	2023 Foreign
Aircraft production	2 344 808	1 844 677
Non-aircraft prouction	63 902	-
Total revenues	2 408 710	1 844 677

18. Employees

Breakdown of staff costs (in CZK thousand):

	2024		2023	
	Total number of employees	Members of the Statutory Body and Supervisory Board	Total number of employees	Members of the Statutory Body and Supervisory Board
Average number of employees	1 548	3	1 425	3
Wages and salaries	1 120 338		986 925	
Social security, health insurance and other costs	363 392		319 793	
Other costs	50 363		53 409	
Total staff costs	1 534 093		1 360 127	

In accordance with §39b, par. 6d) of the Decree 500/2002, the Company does not disclose the emoluments of bodies separately.

19. Related party transactions

In 2024, no loans, credits, deposits, advances were provided to Statutory Representatives nor Supervisory Board members and they did not own any shares in the Company.

The Company normally sells products and provides loans and services to related parties. In 2024, revenues from these activities, including interest income, reached CZK 11 577 thousand (of which interest income amounted to CZK 3 376 thousand). In 2023, income from these activities, including interest income, reached CZK 2 913 thousand (of which interest income amounted to CZK 2 356 thousand).

Loans provided to related parties (in CZK thousand):

Related party	Maturity	Interest rate	31.12.2024	31.12.2023
Vodochody Nemovitostní s.r.o. - in CZK	31.12.2023	5,00 %	3 724	2 624
Clarex Investments a.s. - in EUR - bill of exchange	31.12.2023		17 786	17 461
Total			21 510	20 085

On 23rd of December 2023, an agreement was concluded on the settlement of mutual claims between the company AERO Vodochody AEROSPACE a.s. and Clarex Investments a.s. On 23rd of December 2023, the sole shareholder of AERO Vodochody AEROSPACE a.s. declared that it was assuming its obligation to repay the contribution in the amount of CZK 52 228 thousand (EUR 2 112 thousand) to the equity capital of Clarex Investments a.s. On 23rd of December 2023, the sole shareholder of AERO Vodochody AEROSPACE a.s. decided on a deposit in the amount of CZK 52 228 thousand (EUR 2 112 thousand) to the equity capital of Clarex Investments a.s.

The provision for receivables from related parties as at 31 December 2024 amounts to 17 786 thousand CZK. Due to their low creditworthiness, it was created at 100% of the receivable value.

On 29th of November 2021, a framework loan agreement was concluded between Vodochody Nemovitostní s.r.o. and AERO Vodochody AEROSPACE a.s. up to CZK 5 000 thousand with a by amendment no. 4 of 20.11.2024 the maturity was extended until 31st of December 2025. The interest rate is set at 5%. The balance of this loan as at 31st of December 2024 and 31st of December 2023 amounts to CZK 3 724 thousand and CZK 2 624 thousand.

In 2015, Clarex Investments a.s. issued bills of exchange in the total amount of EUR 428 thousand and in 2019 bills of exchange for interest 2016 - 2019 in the total amount of EUR 209 thousand. The Company reports these bills of exchange as at 31st of December 2024 and 31st of December 2023 in the amount of CZK 17 786 thousand and CZK 17 461 thousand on the row "Receivables - subsidiaries and controlling party".

Short-term receivables, incl. estimated items and accruals for related parties (in CZK thousand):

Related party	31.12.2024	31.12.2023
Letiště Vodochody a.s. – trade receivables in CZK	56	56
Vodochody Nemovitostní a.s. – interest in CZK (estimated receivable)	354	194
LV-Solar Vodochody a.s. – trade receivables in CZK	-	-
Technometra Český Brod a.s. – trade receivables in CZK, estimated revenues	5 545	-
HSC Aerojet – depozit HSC / MFB	112 423	-
Total	118 378	250

The Company purchases products, material, receives loans and uses the services of related parties in the ordinary course of business. In 2024, these purchases, including interest expense, amounted to CZK 276 622 thousand (of which interest expense amounted to CZK 207 386 thousand). In 2023, these purchases, including cost interest, amounted to CZK 215 628 thousand CZK (of which cost interest amounted to CZK 200 788 thousand).

Loans received from related parties (in CZK thousand):

Related party	Maturity	Interest rate	31.12.2024	31.12.2023
Vodochody Holdings HU Kft. – EUR	15.8.2036	5,30 %	3 622 500	3 652 010
Vodochody Holdings HU Kft. – CZK	31.12.2025	7,85 %	97 514	97 514
Total			3 720 014	3 749 524

Related party	Maturity	Interest rate	31.12.2023	1.1.2023
Vodochody Holdings HU Kft. – in EUR	15.8.2036	5,30 %	3 652 010	3 617 250
Vodochody Holdings HU Kft. – in CZK	31.12.2025	7,85 %	97 514	97 514
Total			3 749 524	3 714 764

On 23rd of September 2021, a loan agreement was concluded between Vodochody Holdings HU Kft. and AERO Vodochody AEROSPACE a.s. in the amount of EUR 150 000 thousand with maturity on 15th of August 2036. The interest rate is set at 5,30%.

The loan is repaid according to a repayment schedule. The quarterly repayments are set at EUR 3 082 thousand. The loan will be repaid in this way until 2036.

As at 31st of December 2024, the following pledges were established in favor of MFB MAGYAR FEJLESZTÉSI BANK ZÁRTKÖRŰEN MŰKÖDŐ RÉSZVÉNYTÁRSASÁG in connection with a loan from Vodochody Holdings HU Kft.:

- pledge of bank accounts (see Note 8)
- pledge of shares of AERO Vodochody AEROSPACE a.s. on the basis of an agreement with the parent company Vodochody Holdings HU Kft.
- pledge of the business of the company AERO Vodochody AEROSPACE a.s.
- pledge of immovable assets (see Note 4b)
- pledge of movable assets (see Note 4b)
- pledge of potential receivables from insurance fulfillment
- pledge of potential receivables from rental contracts
- pledge of trademarks, industrial designs and rights of AERO Vodochody AEROSPACE a.s.

Short-term liabilities, incl. estimated items and accruals to related parties (in CZK thousand):

Related party	31.12.2024	31.12.2023
Vodochody Holdings HU Kft. (interests)	43 792	44 422
LV-Solar Vodochody a.s. – trade payables in CZK	1 693	1 693
Letiště Vodochody a.s. – trade payables in CZK	20 366	-
Total	65 851	46 115

20. Income tax

The income tax was calculated as follows:

CZK thousands	2024	2023
Loss / Profit before taxation	102 264	-674 549
Items increasing tax base	76 187	88 386
Tax non-deductible expenses	1 272 121	717 056
Difference between accounting and tax depreciation	152 154	116 271
Items decreasing tax base	-914 535	-758 752
Tax base	688 191	-511 588
Tax loss utilization	0	0
Tax base	688 191	-511 588
Gifts deduction	0	0
Tax base	688 191	-511 588
Tota income tax expense	402	0
Tax deductions	-402	0
Final tax liability	0	0

The Company calculated deferred tax as follows (in CZK thousand):

Deferred tax items	31. 12. 2024		31. 12. 2023	
	Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability
Difference between accounting and tax net book value of fixed assets	142 753	-	111 699	-
Tax loss carried forward	232 476	-	386 225	-
Tax loss of current period	-	-	-	-
Other temporary differences:				
Provision to receivables and advances to inventories	55 376	-	24 237	-
Provision to inventories	165 660	-	152 909	-
Provision to fixed assets	34 733	-	35 586	-
Provision for long-term investments	13 016	-	13 016	-
Other provisions	130 786	-	103 198	-
Total	774 800	-	826 870	-
Net	774 800		826 870	-

As at 31st of December 2024 and 31st of December 2023, the Company did not book a deferred tax asset in the amount of CZK 774 800 thousand and CZK 826 870 thousand due to uncertainty about its realization.

21. Extraordinary income and expenses in terms of its size or origin

Other operating income in 2024 consists mainly of the amortisation of liabilities, as well as income from subsidies received, inventory surpluses and reimbursement of costs for claims, in total amount of CZK 13,417 thousand. CZK.

Other operating expenses in 2024 consist mainly of shortages, damages and insurance same as in 2023. Other financial expenses in 2024 consist mainly of foreign exchange losses and guarantee fees same as in 2023.

Remuneration to the statutory auditor for verification services in 2024 amounted to CZK 1 227 thousand, in 2023 it amounted to CZK 1 239 thousand.

22. Continuation of company with unlimited duration

In 2024, the company reports a profit of CZK 102 264 thousand and positive equity as of 31st of December 2024 in the amount of CZK 697 771 thousand. The company is confident that it will be able to continue as a going concern and will be able to realize its assets and meet its external obligations in the ordinary course of business.

This argument is based mainly on the successful sale of the first L-39NG aircrafts, which will ensure significant revenues in the near and medium-term future. Further contracts are expected to be concluded.

The financial statements as of 31st of December 2024 were prepared on the assumption that the company will continue to operate as an enterprise with an unlimited duration. The attached financial statements therefore do not contain any adjustments that could result from this uncertainty.

23. Cash flow

The cash flow statement was prepared using the indirect method.

Cash equivalents represent short-term liquid assets that can be easily and readily converted into a known amount of cash in advance.

Cash and cash equivalents can be analysed as follows (in thousands CZK):

	31.12.2024	31.12.2023
Cash	4 926	4 355
Bank accounts	1 304 143	1 645 146
Total cash and cash equivalents	1 309 069	1 649 501

Cash flows from operating, investing or financing activities are presented in the cash flow statement on an uncompensated basis.

24. Significant events after the balance sheet date

The Company's management is aware of unfavorable economic effects that have direct impact to the Company (e.g. growth of interest rates leading to rising in price of purchased items, volatility of foreign exchange rates) and adjusts the strategy accordingly. Therefore, the current economic situation has no material impact to the operation of the Company in the following period.

15th of May 2025

Compiled by:

Markéta Pinkasová

Signature of the statutory
body of the entity

Ing. Viktor Sotona, MBA

Signature of the statutory
body of the entity

Tibor Bial



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