

20
22

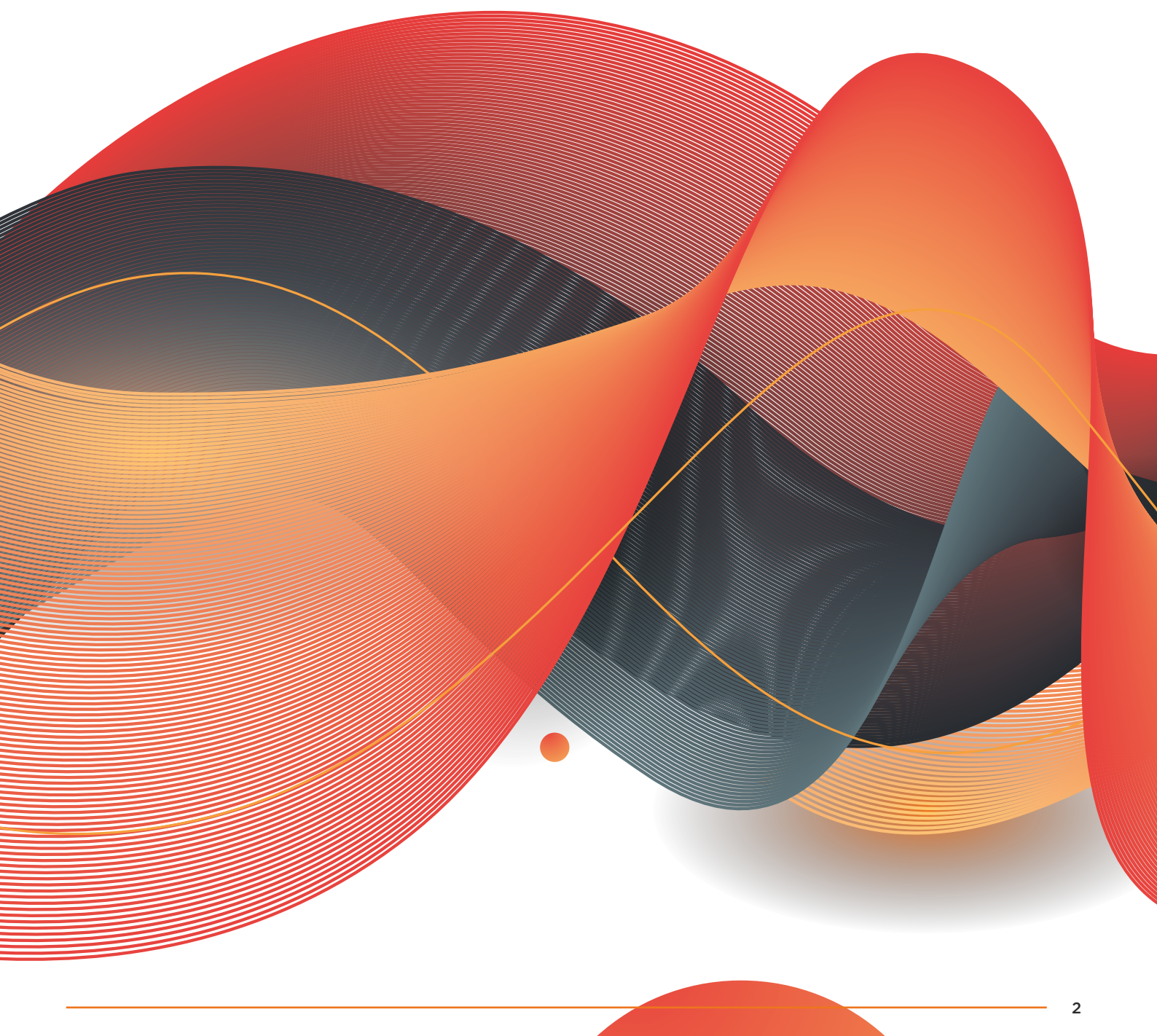
ANNUAL REPORT



STABILITA
doplnková dôchodková spoločnosť

**Supplement to the independent auditor's report
to the Report on the information provided in
the annual report**

December 31, 2022





Deloitte Audit s.r.o.
Digital Park II, Einsteinova 23
851 01 Bratislava, Slovak Republic

Tel: +421 2 582 40 111
deloitteSK@deloitteCE.com,
www.deloitte.sk

Incorporated in Company Register kept at
District Court Bratislava I section Sro, file
No. 4444/B company ID: 31 343 414
VAT ID: SK2020325516

STABILITA, d.d.s., a.s.

**SUPPLEMENT TO THE INDEPENDENT AUDITOR'S REPORT
to the Report on the information provided in the annual report**

for Shareholders, the Supervisory Board and the Board of Directors of STABILITA, d.d.s., a.s. and the Audit Committee:

We have audited the financial statements of STABILITA, d.d.s., a.s. (hereinafter referred to as the "Company") as of 31 December 2021 listed in the Annex to the attached Annual report of the company, to which we issued the Independent auditor's report on March 30, 2022, which forms the annex to the company's Annual report. We have prepared this supplement in accordance with Section 27 paragraph 6 of Act No. 423/2015 Coll. on Statutory audit and on amendment of Act No. 431/2002 Coll. on Accounting, as amended (hereinafter referred to as the "Act on statutory audit").

Based on the work performed, described in the section "Report on the information provided in the Annual report" of the aforementioned Independent auditor's report, in our opinion:

- the information given in the company's Annual report for 2022 is consistent with its financial statements for the given year,
- the annual report contains information pursuant to Act No. 431/2002 Coll. on Accounting, as amended.

In addition, based on our knowledge of the company and its situation, which we acquired during the audit of financial statements, we are required to indicate whether we have identified material misstatements in the annual report. In this context, there are no findings that we could state.

In Bratislava, April 18, 2023

Ing. Peter Longauer, FCCA
responsible auditor

UDVA license No. 1136

In the name of company Deloitte Audit s.r.o.

Deloitte refers to one or more companies of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of members firms and their affiliate subjects (hereinafter jointly the "organization Deloitte"). DTTL (hereinafter the "Deloitte Global") and each of its member companies and affiliate subjects represents a legally separate and independent entity that is not allowed to assign obligations to or commit other subjects within the organization Deloitte in relation to third subjects. DTTL, each of its member companies and each affiliate subject is accountable exclusively for its tasks and negligence, instead of tasks and negligence of other subjects within the organization Deloitte. DTTL itself doesn't provide services to clients. More information can be found at www.deloitte.com/sk/o-nas.



20
22

ANNUAL REPORT

Table of contents

■ GENERAL INFORMATION ABOUT COMPANY	6
a) Information on the company current situation	7
b) Information on events of special significance that occurred after the end of the accounting period	10
c) Information on the expected future development of the company activities	10
Other information	11
d) Information on the costs of research and development	11
e) Information on the acquisition of own equity and business interest	11
Environmental effects	11
f) Proposed profit distribution at STABILITA d.d.s., a. s. for year 2022	11
g) Information required by special regulations	11
h) Information on foreign organizational unit	11
Impacts on employment	11
Information pursuant to § 20 clauses 12 - 14 of Act No. 431/2002 Coll.	11
■ ANNEX	
Individual Final Accounts 2022	13

General information about the company

Commercial name

Supplemental retirement company STABILITA, d.d.s., a.s.

Registered office

Bačikova 5, 040 01 Košice

Phone No.: +421 55 / 800 11 76, Fax No.: +421 55 / 622 58 48

E-mail: marketing@stabilita.sk

Company foundation date

April 01, 2007

Company ID

36 718 556

Tax ID

2022311852

VAT ID

SK2022311852

Incorporated

In the Company Register kept at the District Court Košice I, section Sa, file No. 1407/V

Board of Directors

JUDr. Marián Melichárek, chairman of the Board
(assumed office on July 01, 2022)

Ing. Martin Pivarči, deputy chairman of the Board
(assumed office on July 01, 2022)

Ing. Viliam Markócsy, member of the Board
(assumed office on July 01, 2022)

Ing. Michal Krajčovič, CSc., (terminated office
of the Board chairman as of June 30, 2022)

JUDr. Marián Melichárek, (terminated office
of the Board deputy chairman as of June 30, 2022)

Ing. Martin Pivarči, (terminated office of the Board member as of June 30, 2022)

Supervisory Board

Ing. Ján Žačko (assumed office of chairman on Apr 01, 2007)

Ing. Lenka Vargová, (assumed office of deputy chairman on Apr 28, 2022)

Ing. Rita Markuseková, (assumed office of a member on Apr 28, 2022)

Ing. Stanislava Ferjarová, CSc., , (assumed office of a member on June 24, 2008)

Ing. Ľubor Podracký, (assumed office of a member on Sept 26, 2007)

JUDr. Magdaléna Martincová (terminated office as of May 10, 2022)

Ing. Ľudovít Ihring (terminated office as of May 10, 2022)

Ing. Róbert Rigo (terminated office as of May 10, 2022)

Ing. Peter Benedikt (terminated office as of May 10, 2022)

Ing. Ján Peržel (terminated office as of May 10, 2022)

JUDr. Nataša Kučerová (terminated office as of May 10, 2022)

Ing. Viliam Markócsy (terminated office as of May 10, 2022)

Registered capital

1 660 000 € as of 31. 12. 2022

Net business assets

11 192 650 € as of 31. 12. 2022

Depository

Slovenská sporiteľňa, a.s., registered office at Tomášikova 48, 832 37 in Bratislava

Structure of shareholders and their share on registered capital

Shareholders	Company ID	Country of registration	% share on reg. capital	
			as of 31.12.2022	as of 31.12.2021
Železnice SR	31364501	Slovak Republic	55,26	55,26
Lorea Investment Limited	7001665	Republic of Cyprus		30,22
U. S. Steel Košice, s.r.o.	36199222	USA		9,30
Železiarne Podbrezová a.s.	31562141	Slovak Republic		
IAD Investments, správ.spol.,a.s.,	17330254	Slovak Republic	44,69	5,17
Marek Szabo	7303076407	Slovak Republic	0,05	0,05

Shareholder's rights (shareholder Železiarne Podbrezová, a.s.), corresponding to 5.17% of complete stock, were transferred on December 14, 2021. Shareholder's rights of company Lorea Investments Cyprus Limited corresponding 30.22% of complete stock were transferred on February 17, 2022 and the shareholder's rights of company U.S. Steel Košice corresponding 9.30 % of complete stock were transferred on February 22, 2022

a) Information on the company current situation

Financial markets have passed through unusually demanding situation during the last few years, and year 2022 was of no exception in this term. While the preceding years had been relatively positive for financial markets and investments generated remarkable profit, exact opposite occurred in the previous year. With incoming New Year, general optimism started diminishing and investors responded with increased off-setting of the risks generated during 2021. Continued prices increase and speeding up inflation brought concerns on the financial markets of the central banks responses to such situation in the form of faster increase of interest rates. These concerns and overall situation was even worsened by the conflict between Russia and Ukraine, which resulted in imposed unprecedented sanctions and cut off economic relations of the western countries with Russia. It was a very cold shower for financial markets when the value all Russia-related investments dropped radically in a very short time. Concurrently, supplies of commodities whose Russia is a major exporter of, have been reduced and the world reported lack of mainly energy raw materials. In this situation, problems associated with increasing inflation have even deepened and inflation reached double-digit values in Europe during the year.

Central banks that indicated the efforts for making stricter monetary policy already towards the end of 2021 had to respond to the new circumstances. In 2022, central banks agreed on the fastest increase of the interest rates within the last decades. Their effort to return the inflation back to their long-term goal of approx. 2% was expressed on the financial markets with worsened conditions and affected debenture and stock markets. Following the long-term period of growth starting after the financial crisis in 2008, the markets set on a negative trend of decreasing values during the whole year. Global economy started slowing down under the load of increasing interest rates, and recession potential started growing in the advanced economies during the year.

It was almost impossible to find a safe harbor by investors in such environment; as they lost the most risky investments in shares, conservative debenture assets value also dropped, directly responding to the increasing interest rates. Sector of collective investments reported one of the worst years when majority of investment

funds reported negative capitalization. Supplemental retirement funds controlled by company Stabilita were of no exception either. Index Contributory supplemental retirement fund (hereinafter "d.d.f."), comprising exclusively the investments in shares, reached -18.07 % and the Share Contributory d.d.f., comprising mainly investments in shares, lost -10.99%.

Major downfall of investments in debentures caused negative capitalization also for the funds aiming at safer investment strategies. Contributory d.d.f. and Payout d.d.f. closed the year with -11,09% and -11,42% decrease, respectively. At the end of year, company Stabilita opened a new Conservative Contributory d.d.f., considering favorable market conditions and major decreases of conservative investments. Solely during December, operation of this d.d.f. ensured positive capitalization corresponding to 0.05% at the end of the year.

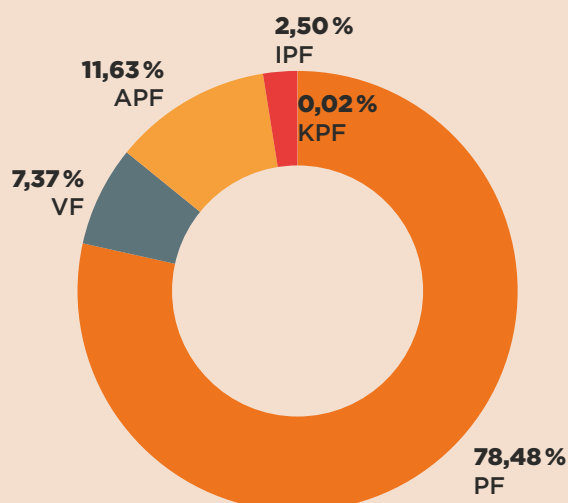
Total volume of assets controlled by the Supplemental Retirement Company STABILITA, d.d.s., a.s. decreased as a result of the above described effects, and reached € 404.5 mil. at the end of 2022, which was less by approx. 26 million € than as of Dec 31, 2021.

The highest volume of assets was in Stabilita Contributory d.d.f., STABILITA, d.d.s., a. s. (hereinafter „Contributory d.d.f.“), namely 78.48% of total volume of assets, Stabilita Share Contributory d.d.f., STABILITA, d.d.s., a. s. (hereinafter „Share d.d.f.“) comprised 11.63% of total volume of assets, Stabilita Index Contributory d.d.f., STABILITA, d.d.s., a. s. (hereinafter „Index d.d.f.“) comprised 2.50 % of total volume of assets, Stabilita Conservative Contributory d.d.f., STABILITA, d.d.s., a. s. (hereinafter „Conservative d.d.f.“) comprised 0.02% of total volume of assets and Stabilita Payout d.d.f., STABILITA, d.d.s., a. s. (hereinafter „Payout d.d.f.“) comprised 7.37 of total volume of assets.

Net assets value in funds as of Dec 31, 2022:

Contributory d.d.f.	317 470 250
Payoff d.d.f.	29 817 470
Share d.d.f.	47 065 125
Index d.d.f.	10 103 393
Conservative d.d.f.	83 345
Total assets in funds:	404 539 583

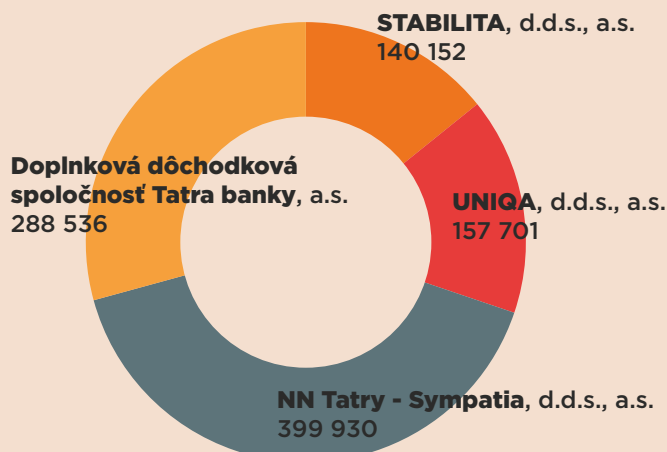
**Share of particular funds on net assets value controlled by the company
Stabilita, d.d.s. a. s. as of 31.12.2022**



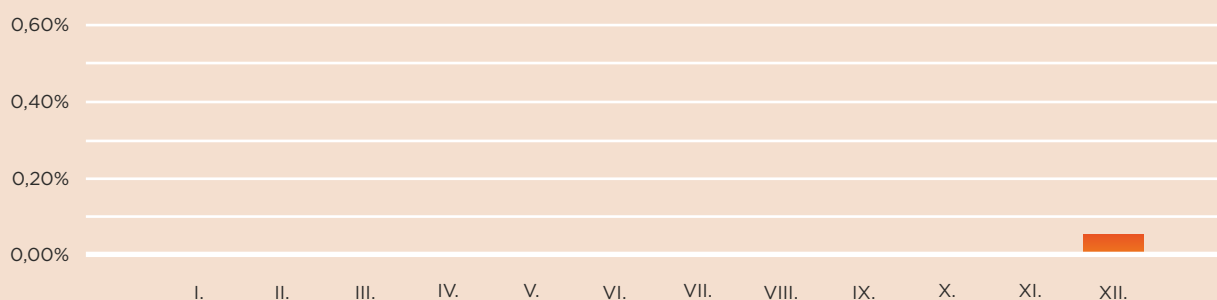
Despite of unfavorable situation of particular funds, development in the area of new participants' contracts acquisition was more favorable. During the year, the company concluded total 5,614 participant contracts /including recurring contracts/. Newly- contracted employer subjects represented a significant basis for new participant contracts.

Total 243 new employer contracts were concluded in 2022 and total number of contracts reached 7,444 as of Dec 31, 2022. Total 986,319 clients were registered in the 3rd pillar within four companies offering supplemental retirement savings in Slovakia as of Dec 31, 2022 and the following graph indicates their distribution (note: total number refers to the number of clients recorded under their birth ID, including clients - recipients of supplemental retirement allowances).

Number of clients in particular DDS



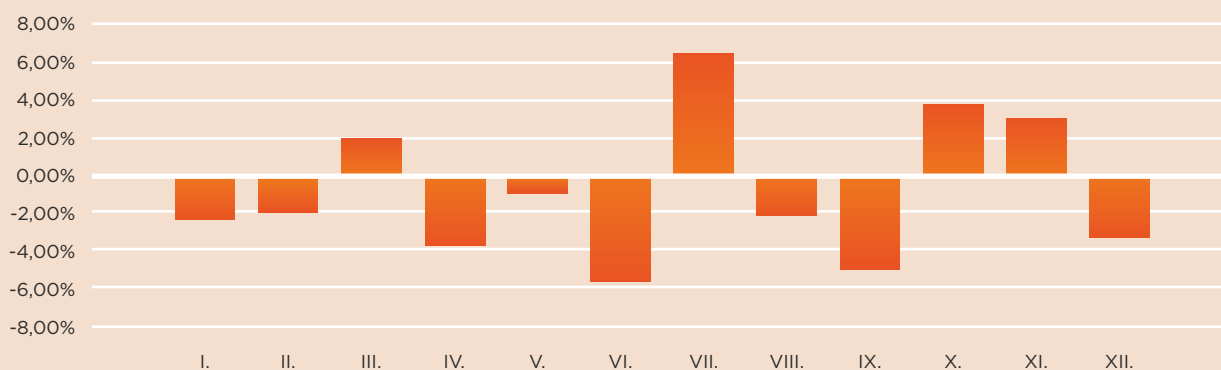
Development of monthly KPF pension unit value (conservative ddf)



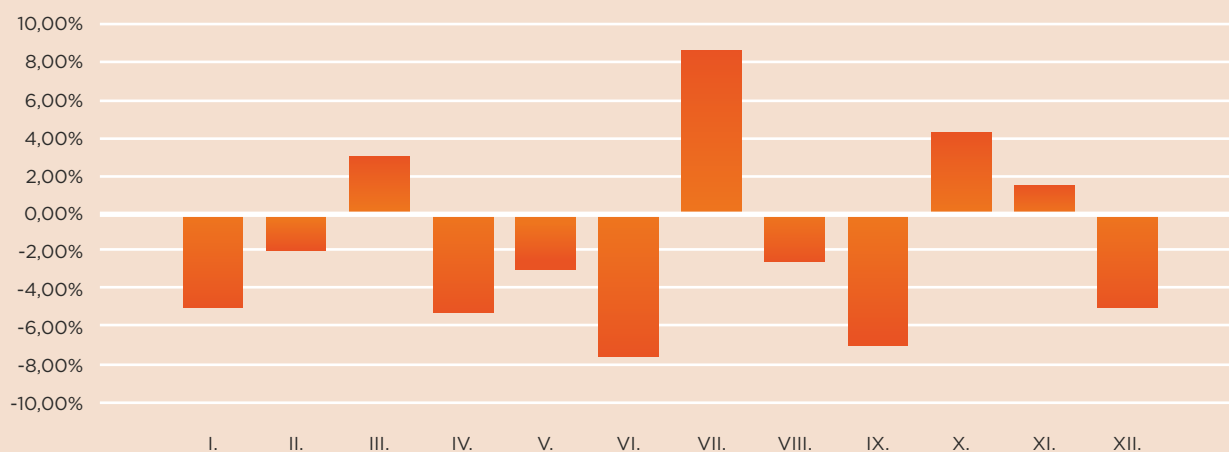
Development of monthly PF pension unit value (contributory ddf)



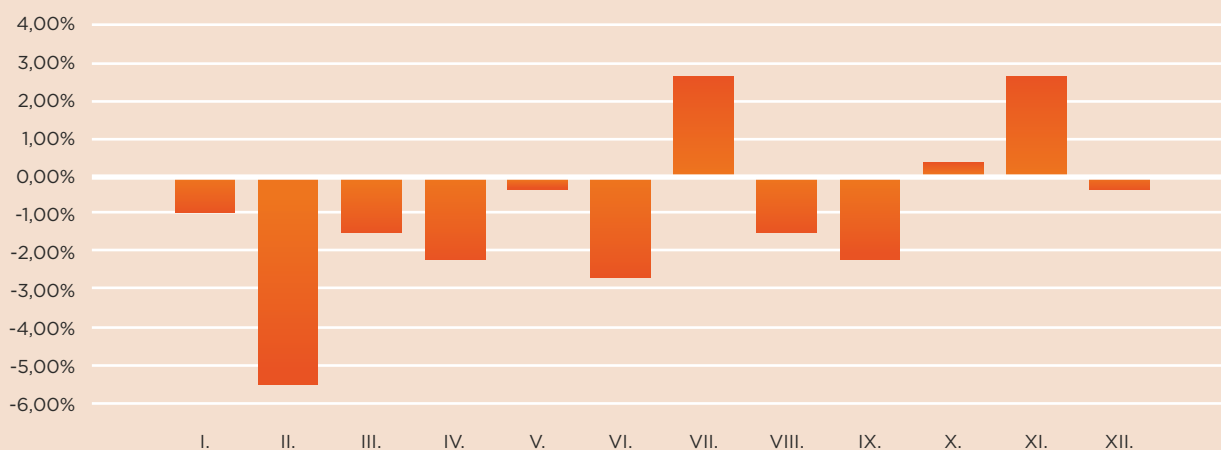
Development of monthly AF pension unit value (share contributory ddf)



Development of monthly IPF pension unit value (Index ddf)



Development of monthly VF pension unit value (payoff ddf)



Comparison of supplemental retirement funds' performance

Major contributory d.d.f.

Fund foundation date	Performance in particular period					Annualized performance
	2018	2019	2020	2021	2022	From foundation date till 31.12.2022
Balanced contributory d.d.f. NN Tatry - Sympatia, d.d.s., a.s.						
01.02.2006	-3,14%	12,20%	1,87%	5,47%	-16,13%	0,64%
Contributory supplemental retirement fund UNIQA d.d.s., a.s. contributory d.d.f.						
15.02.2006	-2,56%	4,07%	1,53%	3,08%	-10,55%	1,03%
Supplemental retirement company of Tatra banka, a.s., Comfort life 2030 contributory d.d.f.						
10.04.2006	-6,75%	6,02%	4,07%	5,22%	-8,47%	1,06%
STABILITA contributory d.d.f., STABILITA, d.d.s., a.s.						
02.04.2007	-5,30%	7,45%	2,08%	2,46%	-11,09%	1,00%

Key indicators of the company pursuant to International Accounting Standards

Year 2022	Year 2021	Year 2020
Total reached revenues		
4 779 750	6 036 949	4 365 998
Post-tax profit		
492 523	1 422 099	582 132
Own capital cost effectiveness		
4,50%	14,23%	6,48%
Cost effectiveness of assets		
3,79%	11,70%	5,17%

b) Information on events of special significance that occurred after the end of the accounting period

Amendment of Act No. 650/2004 Coll. came in force on January 01, 2023, reducing maximum charge for administration of contributory funds controlled by the Supplemental Retirement Company to 1.15% of the average annual net value of funds assets. Despite of this fact, the company has maintained the charge for administration of the conservative contributory d.d.f. as 0.9% of the average annual net value of the fund..

Development on the financial markets in March 2023 was accompanied by increased volatility of European banks stock prices, resulting from the failure of the Silicon Valey Bank and reported financial issues of the bank Credit Suisse. The company isn't in any direct relation to the affected banks.

Along with the above stated facts, no significant events occurred after the date of the Annual Report preparation that would require additional recording, adjustments or audit of Final Accounts as of Dec 31, 2022.

c) Information on the expected future development of the company activities

STABILITA, d.d.s., a.s. is the second oldest company performing on the market with supplemental retirement savings, and the only company that is not an integral part of any financial group. The company offers to its clients exclusively and only the product of supplemental retirement savings. Thus, the need for keeping the brand awareness and strengthening of the brand position remains a huge challenge for the company within the demanding competition environment.

For purpose of gradual fulfillment of the above stated plans, the company intends to use up its corporate jubilee (25 years on the market) in 2022 and to focus the communication to the company presentation as of the strong, time proved and stable part of the retirement system with 25 years of tradition. We especially accentuate the communication with our clients not only in sake of mutual trust building but also education and increase of financial literacy.

Strategic areas of the company development mainly address the clients' portfolio management quality improvement, implementation of new pro-client solutions, and gradual services digitalization.

Within business activity, stabilization of distribution internal network represents the key role aimed at providing quality service within the whole territory of the Slovak Republic, and revival of acquisition activities that suffered badly as a result of anti-pandemic measures during years 2020 and 2021, and subsequently also the economic and energy crisis that has significantly affected many employer subjects and their ability to finance the social benefits, including quality product of supplemental retirement savings.

Considering the increase of shareholder's participation - IAD Investments, správ. spol., a.s. in company STABILITA, d.d.s., a.s., the company shall pay attention in the near future primarily to seeking of possible intersections and mutual cooperation in both acquisition activity, and in advertisement and promotion areas.

Other information

d) Information on the costs of research and development

During 2022, the company didn't spend any cost to research and development.

e) Information on the acquisition of own equity and business interest

In 2022, the supplemental retirement company did not acquire any of its own equity or stakes in other companies and thus did not fulfill Section 20 par. 1) letter e) of Act 431/2002 Coll. on Accounting.

Environmental effects

The company didn't report any activities that would have adversely affected the environment. We are fully aware of the importance of sustainable finances. Pursuant to Article 4, clause 1, item b), and Article 7, clause 2 of The Sustainable Finance Disclosure Regulation, the company hasn't taken in account unfavorable effects of investment decisions associated with the sustainability factors yet, especially because of low impact caused by the size of the company activity, nature and extent.

The company admitted that its investment decisions could consider the sustainability factors in the future. We continuously monitor the financial market situation; if we come to conclusion that the benefits of eventual declaration on the policies in the area of due care related to the financial decisions' consequences on the sustainability factors would prevail the risk of non-reporting to the end investors on such consequences, the company would consider making efforts and review such its decisions and take properly in account the effects of its investment decisions on the sustainability factors.

Information resulting from the Article 7 of the EU Parliament and EU Council Regulation No. 2020/852 dated June 18, 2020 on the Creation of Sustainable Investments Facilitation Frame and on amendment of EU Regulation No. 2019/2088 (Taxonomy Regulation): Criteria applicable to environmentally sustainable economic activities are not taken in account in case of ground investments of this financial product.

f) Proposed distribution of profit reached by company STABILITA d.d.s., a. s. during 2022

Profit/ loss 2022	492 523,39
Distribution:	
Retained profit of previous years	492 523,39

g) Data required by special regulations

The company performs its activities pursuant to Act No. 650/2004 Coll. on Supplemental Retirement Savings as amended. The stated Act doesn't regulate special requirements of data and information published in the Annual Report.

h) Data on the organizational unit abroad

The company does not have an accounting unit registered abroad.

Effects on employment

The company recorded 45 employees as of December 31, 2022.

Information pursuant to § 20 clause 12 and clause 14 of Act No. 431/2002 Coll.

As a subject of public interest, the company recorded 45 employees as of December 31, 2022 and it doesn't perform activities that would influence environmental, social and employment area, nor does the company publish information on fight against corruption and bribery pursuant to § 20 clause 9 of the Act, because of the company employee headcount that is below 500, as stated in the clause above.

Information pursuant to § 20 clause 17 Act No. 431/2002 Coll.

Overview of cost according to particular company activity types

Item	as of 31. 12. 2022	as of 31. 12. 2021
Material cost	177 558	156 715
Cost of rewards and commission	270 237	214 252
Services	1 151 637	1 159 574
Personnel cost	2 163 823	2 292 832
Depreciations	267 656	256 214
Cost of income tax	169 727	392 187
Other operating cost	130 653	156 596
Total:	4 331 291	4 628 370

20
22

ANNUAL REPORT



Independent Auditor's Report and Individual Final Accounts

for fiscal period starting on January 01, 2022
and ending on December, 2022

prepared in compliance with the International Financial Recording
Standards as amended adopted by the European Union

Statement of financial position as of 31. 12. 2022	18	10) Structure of other short- term assets	32
Statement of comprehensive income and loss for the year ending Dec 31, 2022	18	11) Long-term liabilities from leasing	32
Statement of changes at equity for 12 months of the year ending as of Dec 31, 2022	19	11a) Short-term liabilities from leasing	32
Statement of changes at equity for 12 months of the year ending as of Dec 31, 2021	19	12) Reserve for loyalty program	32
Statement of cash flows for 12 months of the year ending Dec 31, 2022	19	13a) Other short- term liabilities	33
Remarks to the Final Accounts for period from January 01 2021 to December 31, 2022	20	14) Due income tax	33
A) General information on the company	20	15) Registered capital	33
B) Accounting principles and methods applied	23	15a) Funds created from profit	34
C) Additional information	29	16) Retained profit	34
D) Remarks to items in particular company records	30	Items description in Profit and Loss Statement	34
1) Long-term intangible assets – summary of transactions as of Dec 31, 2022	30	17) Revenues from rewards and commissions	34
2) Long- term tangible assets – summary of transactions as of Dec 31, 2022	30	18) Cost of rewards and commission	34
3) Accruals and deferrals – contract procurement cost	31	20) Personnel cost	34
4) Non-trade financial assets mandatorily evaluated in real value through Profit and Loss Statement	31	21) Depreciations of tangible and intangible assets	34
5) Receivables resulting from deferred income tax	31	22) Other operating income	34
6) Cash and cash equivalent	32	23) Other operating cost	34
7) Receivables from the banks	32	24) Financial income	35
8) Receivables from controlled supplemental retirement funds	32	25) Financial cost	35
9) Tax receivables	32	26) Net profit/ loss from financial assets revaluation	35
		27) Income tax	35
		28) Profit per share	35
		E) Overview of conditional assets and liabilities	36
		F) Information on allied parties	36
		G) Reasonability of own sources	36
		H) Risk management	37
		I) Leasing – IFRS 16	39
		J) Information on the following events	39

DeloitteG

Deloitte Audit s.r.o.
DigitalPark II, Einsteinova 23
851 01 Bratislava
Slovak Republic

Tel: +4212 582 49 111
deloitteSK@deloitteCE.co
m www.deloitte.sk

Incorporated in the Company
Register kept at District Court
Bratislava 1 section Sro, file No.
4444/B company ID: 31 343 414
VAT ID: SK2020325516

STABILITA, d.d.s., a.s.

STABILITA, d.d.s., a.s.

REPORT OF INDEPENDENT AUDITOR

To shareholders, the Supervisory Board and the Board of Directors of the company
STABILITA, d.d.s., a.s., and to the Audit Committee:

REPORT ON THE AUDIT OF FINAL ACCOUNTS

OPINION

We executed an audit of the Final Accounts of STABILITA d.d.s., a.s. (hereinafter referred to as the company) which includes statement of financial position as of 31/12/2022, Statement of comprehensive gains and losses, statement of changes within equity, statement of cash flows for the year ended on that date, and annotations including the review of significant accounting principles and accounting methods.

In our opinion, the accompanying Final Accounts provide a true and fair view of the company's financial position as of December 31, 2022 and the results of its operations and its cash flows for the year that ended on that date, in accordance with International Financial Reporting Standards as adopted by the European Union.

The basis for our position

We executed the audit in accordance with International Auditor Standards. Our responsibility resulting from these standards is detailed in the paragraph. The auditor's responsibility for the audit of the Final Accounts. We are independent from the company according to the provisions of Act no. 423/2015 Coll. on Statutory Audit and on Amendments to the Act no. 431/2002 Coll. on Accounting as amended (hereinafter Act on statutory Audit) related to the ethics, including Code of Ethics of the Auditor, which are relevant to our audit of the Final Accounts. And we have met the other requirements of these ethical provisions. We are convinced that the audit evidence obtained provides a sufficient and appropriate basis for our position.

Key audit issues

Key audit issues are issues which, according to our expert judgment, are the most important in our audit of Final Accounts for the current period. We have dealt with these issues in relation to the audit of the Final Accounts as a whole and in formulating our opinion on it but we do not provide a separate opinion on these matters.

Description of the most serious assessed risks of material misstatement, including the assessed risks of material misstatement due to fraud	Summary of our response to the risks
Loyalty program reserve for participants <i>See note D12 of the financial statement</i> The company creates a long-term reserve for the loyalty program for participants of the complementary pension saving in order to stabilize the participant's stock. The company allocates points to the participants of saving depending on the amount of participant contributions paid, and on the length of their participation in the system. The value of each point is expressed in euro. The participant's claim for payment of the monetary value corresponding to the balance of the point account arises on the date of payment of the first allowance.	We did the testing of draft and of operational effectiveness of controls related to IS serving to keeping participants' contributory accounts. We did the testing of draft and of operational effectiveness of key control procedures in connection with the process of allocation of the contributions of each participant to the participant account, payment of allowances and processing of participants' complaints. We did the testing of draft and operational effectiveness of the company control procedure focused on verification of correctness of input data and estimations used during reserve calculation.

The calculation of the reserve includes estimates of future draw downs and actual determination of the present value of future performance.

Estimation of the drawing in the future requires from the company Top Management to apply qualified judgment. Accordingly, the issue was identified as the audit issue of key importance.

The amount of the loyalty program reserve for participants for the year ending 31/12/2022 refers to EUR 101 thsd.

We have verified the accuracy and completeness of the calculated points for the year 2022 as well as the amount of revenues related to dissolution of reserve during the year.

We also assessed the value of key assumptions used by the company in the calculation of estimated future payments to the participants of supplemental retirement saving within the loyalty program..

Model of accrual intermediary remuneration

see note D3 of the Final Accounts

The Company applies time accruals to acquisition costs in order to conclude contracts with supplemental retirement saving participants.

Asset of the deferred acquisition costs represents that portion of the intermediary commissions paid to future periods for the duration of the participant contract.

The company distinguishes these costs during expected period of contracts effectiveness with individual savings participants.

The non-time accrued portion of acquisition cost expense for obtaining participant contracts will be reported by the Company in "Active Contracts Procurement Cost". Cost incurred by time accrual shall be entered in "Cost of rewards and commission".

Determination of expected period of participants' contract effectiveness and amortization coefficients in particular years requires from the Company management to apply significant judgment. This matter was identified as a key audit issue.

For the year ending December 31, 2022, the book value of the above stated assets reached € 4,095 thsd. Related cost for 2022 reached € 270 thsd.

We assessed the proposal and implementation of key control procedures introduced by the management of a supplemental retirement company, focused on annual verification of exactness of the time accrual model of cost spent to participant contracts' procurements and up-to-date aspect of applied entries.

We also performed the following procedures:

- 1) We assessed the compliance of the used methodology with the requirements of the applicable accounting standards.
- 2) We assessed reasonability of key estimates and assumptions used by Top Management in determining the effective period of participants' contracts.
- 3) We evaluated the correctness of the mathematical model and key entries applied in calculation of redemption coefficients in particular years.
- 4) We compared the resulting redemption coefficients to available historical data on the situation of the savers' pension accounts.
- 5) We tested the amount of the provisions paid and time accrued cost reported by the company in year 2022.

Responsibility of the statutory body and the persons entrusted with management of the Final Accounts

The statutory body is responsible for preparation and fair presentation of the Final Accounts in accordance with the International Standards for Financial Reporting as approved by the European Union and for internal audits which the statutory body considers relevant to preparation of Final Accounts so it does not include any substantial discrepancies either due to fraud or error.

When preparing the Final Accounts, the statutory body is responsible for assessing the company's ability to continuously carry on its activities, for describing the facts relating to the continuous business continuity, if it is necessary, and for the use of the presumption of continuous business continuity in accounting, unless it intends to liquidate the company or to end its business or does not have any real possibility as to do so.

The persons entrusted with management are responsible for oversight of the company's financial reporting process.

The auditor's responsibility for the audit of the Final Accounts

Our responsibility is to obtain reasonable assurance whether the Final Accounts as a whole does not include any substantial discrepancies either due to fraud or error, and to issue an auditor's report that contains the auditor's position. A reasonable assurance is a high level of assurance, but not a guarantee that the audit performed according to the International Auditor Standards will always reveal any significant misstatement. Misstatements may arise as a result of fraud or error and are considered to be significant if it is reasonable to expect that they individually or in aggregate affect economic decisions of users that were adopted on the basis of these Final Accounts.

We apply expert judgment in the audit in accordance with the International Auditor Standards and maintain professional skepticism throughout the audit. Besides that:

- We identify and assess risks of material misstatement of the Final Accounts either due to fraud or error, we design and perform audit procedures that respond to these risks, and we obtain audit evidence that is sufficient and appropriate to provide the basis for the auditor's opinion. The risk of not detecting material misstatement as a result of fraud is higher than the risk due to an error since a fraud can include a secret agreement, falsification, deliberate omission, false declaration, or obsolescence of internal control.
- We are getting familiar with internal controls relevant to the audit, to be able to design audit procedures that are appropriate in the given circumstances but not to express an opinion on the effectiveness of internal company controls.
- We evaluate the appropriateness of the accounting policies and methods used and the accounting methods used as well as the reasonableness of the accounting estimates and related information published by the statutory body.
- We conclude on whether the statutory body appropriately uses the accounting principle of continuous business continuity and on the basis of the audit evidence we have obtained, we conclude if there is a significant uncertainty about events or circumstances that could significantly undermine the company's ability to continue to operate continuously. If we come to the conclusion that there is significant uncertainty, we are required to report in our auditor's report the related information in the Final Accounts or, if such information is insufficient, to modify our opinion. However, our findings are based on audit evidence obtained by the date of issue of our Auditor's Report. Future events or circumstances may cause the company to cease continuing its activity.
- We evaluate the overall presentation, structure and content of the Final Accounts, including disclosures, as well as whether the Final Accounts faithfully reflect the transactions and events that have taken place.

With the persons entrusted with management, we communicate, among other things, about the planned scope and timing of the audit, and the significant audit findings, including any significant internal control deficiencies that we may find during our audit.

We also provide a statement to the persons entrusted with management that we have complied with the relevant ethical requirements regarding independence and we communicate with them about all relationships and other facts that can reasonably be considered to have an impact on our independence, as well as about any related protective measures.

From the facts communicated to the persons entrusted with the administration we will identify those that have the greatest importance in the audit of the Final Accounts of the current period and are therefore the key issues of the audit. These matters are stated in our auditor's report unless the law or other legal regulations exclude their disclosure, or if, in extremely rare circumstances, we do not decide that a matter should not be reported, because it can reasonably be expected that the adverse consequences of its disclosure would outweigh the public benefit of its introduction.

REPORT ON OTHER REQUIREMENTS OF LAWS AND OTHER LEGAL REGULATIONS

Report on the information presented in the annual report

The Statutory body is responsible for information presented in the annual report compiled according to the requirements of the Accounting Act No.431/2002 Coll. as amended (further Accounting Act). Our above statement on the Final Accounts does not apply to other information in the annual report.

With regard to audit of the Final Accounts we are responsible for getting acquainted with the information contained in the Annual Report and for evaluating whether this information is not inconsistent with the Final Accounts or our knowledge that we obtained during the audit of the Final Accounts or otherwise appear to be significantly incorrect.

As of the issuance of auditor's report on the financial statement, we did not have the Annual report

- the information provided in the annual report compiled for the year 2020 is consistent with the Final Accounts for that year,
- the annual report contains information as under the Act on Accounting.

Besides that, based on our knowledge of the company and its situation we have gained during the audit of the Final Accounts, we are required to state whether we have identified material misstatements in the annual report we received after the date of issue of this auditor's report.

Further notification pursuant to the Directive of European Parliament and Council No. 537/2014 dated April 16. 2014 on Special Requirements related to Statutory Audit of subjects of public interest.

Appointment of auditor

We were appointed for statutory auditors by the company Supervisory Board on May 11, 2022. Total uninterrupted period of the assignment including previous renewals (prolonged period to which we were originally appointed) and our repeated appointments for statutory auditors refers to seven years.

Consistency with additional report intended to the Audit Committee

Our auditor's opinion presented in this report is consistent with the additional report prepared for the company Audit Committee and issued on March 16, 2023.

Non - auditor services

We didn't provide any forbidden non-auditor services to the company, as stated in the Article 5, clause 1, Directive of the European Parliament and Council No. 537/2014 dated April 16. 2014 on Special Requirements related to Statutory Audit of subjects of public interest and we remained independent of the company during the audit process.

Along with the statutory audit services and services published in the Annual Report or Final Accounts, we didn't provide any other services to the Company or the companies with decisive control by the Company.

In Bratislava, March 21, 2023

Ing. Peter Longauer, FCCA
responsible auditor
UDVA license No. 1136

In the name of the company
Deloitte Audit s.r.o.
SKAu license No. 014

Statement of financial position as of 31. 12. 2022 (data in the table in EUR)

Item	Pos.No.	31.12.2022	31.12.2021
ASSETS			
Long- term assets		5 457 532	10 822 102
Long-term intangible assets	(1)	635 103	543 918
Long-term tangible assets	(2)	567 103	715 414
Time accrued cost of contracts procurement	(3)	4 095 076	3 837 654
Non-trade fin. assets mandatorily evaluated RH via ZaS record	(4)	-	5 585 604
Receivables from deferred income tax	(5)	160 250	139 512
Short-term assets		7 503 394	2 181 438
Money and money equivalents	(6)	675 893	1 660 576
Receivables from banks	(7)	6 207 811	-
Receivables from controlled d. d. funds	(8)	394 264	418 476
Tax receivables	(9)	158 324	
Other short-term assets	(10)	67 102	102 386
Total assers		12 960 926	13 003 540
LIABILITIES AND EQUITY			
Long- term liabilities		884 376	1 126 355
Long-term liabilities from leasing	(11)	401 968	496 208
Reserves to loyalty program	(12)	482 408	630 147
Short-term liabilities		883 900	1 177 057
Short-term liabilities from leasing	(11a)	96 265	114 717
Trade liabilities	(13)	96 263	70 593
Other short-term liabilities	(13a)	691 372	812 493
Liabilities from due income tax	(14)	-	179 254
Total equity:		11 192 650	10 700 128
Subscribed registered capital	(15)	1 660 000	1 660 000
Funds created from profit	(15a)	332 000	832 000
Other capital funds		36 513	36 513
Retained profit	(16)	9 164 137	8 171 615
hereof deferred ON for active contracts		2 319 277	2 319 277
Total liabilities and equity		12 960 926	13 003 540

Statement of comprehensive income and loss for the year ending Dec 31, 2022 (data in the table in EUR)

Item	Remark	Year ending on Dec 31, 2022	Year ending on Dec 31, 2021
Revenues from rewards and commission	(17)	4 779 750	6 036 949
Cost of rewards and commission	(18)	(270 237)	(214 252)
Net profit/ loss from rewards and commission	(19)	4 509 513	5 822 697
Personnel cost	(20)	(2 163 823)	(2 292 832)
Depreciations of tangible and intangible assets	(21)	(267 656)	(256 214)
Other operating income	(22)	4 707	8 388
Other operating cost	(23)	(1 294 383)	(1 452 674)
Financial income	(24)	22 811	22
Financial cost	(25)	(2 992)	
Net profit/ loss from financial assets revaluation	(26)	(145 927)	(15 101)
Complex pre-tax profit/ loss		662 250	1 814 286
Income tax	(27)	(169 727)	(392 187)
Complex post-tax profit/ loss		492 523	1 422 099
Net profit per a share	(28)	9,85	28,44

The company profit and loss statement is equal to the comprehensive profit and loss statement and the company doesn't have any items of other parts of the comprehensive income..

Statement of changes at equity for 12 months of the year ending as of Dec 31, 2022 (data in EUR)

Item	Registered capital	Funds created from profit	Other capital funds	Retained profit of previous years	Profit in current fiscal period	Total equity
Balance as of 31. 12. 2021	1 660 000	832 000	36 513	6 749 516	1 422 099	10 700 128
Other movements		(500 000)		500 000		
Profit distribution 2021:						
Payment of dividends to shareholders						
Retained profit				1 422 099	(1 422 099)	
Profit as of 31.12.2022					492 523	492 523
Balance as of 31.12.2022	1 660 000	332 000	36 513	8 671 614	492 523	11 192 650

Statement of changes at equity for 12 months of the year ending as of Dec 31, 2021 (data in EUR)

Item	Registered capital	Funds created from profit	Other capital funds	Retained profit of previous years	Profit in current fiscal period	Total equity
Balance as of 31. 12. 2020	1 660 000	832 000	36 513	6 173 516	582 132	9 284 161
Other movements						
Profit distribution 2020:						
Contribution to Social Fund:					(6 132)	(6 132)
Payment of dividends to shareholders					-	
Retained profit				576 000	(576 000)	
Profit as of 31.12.2021					1 422 099	1 422 099
Balance as of 31.12.2021	1 660 000	832 000	36 513	6 749 516	1 422 099	10 700 128

Statement of cash flows for 12 months of the year ending Dec 31, 2022 (data in EUR)

Item denomination	31.12.2022	31.12.2021
Pre-tax profit	662 250	1 814 286
Adjustments	137 360	37 331
Depreciations of long- term assets	267 656	256 214
Change at status of time accrued cost for contracts acquisition	(257 422)	(242 069)
Revenues and cost of interests and impact of changes at currency exchange rates (+/-)	(18 801)	8 085
Revaluation of non-trade financial assets	145 927	15 101
Changes at working capital	(174 309)	124 157
Changes at status of receivables	57 410	(85 255)
Changes at status of liabilities	(83 980)	207 214
Changes at status of long- term reserves	(147 739)	13 235
Other items	-	(11 037)
Income tax expenses	(529 969)	(175 168)
Net cash flow from operating activities	95 332	1 800 608
Income or expenses from bank receivables (+/-)	5 439 677	(5 600 705)
Income or expenses from bank receivables (+/-)	(210 530)	(122 235)
Expenses of long- term assets acquisition	(6 185 000)	4 304 115
Net cash flow from investment activities	(955 853)	(1 418 825)
Leasing payments - principal	(124 163)	(109 660)
Net cash flow from financial activities	(124 163)	(109 660)
Net increase or decrease of cash flow and cash equivalents (+/-)	(984 683)	272 123
Status of of cash flow and cash equivalents at the beginning of fiscal period (Remark No. 5)	1 660 576	1 388 453
Balance of cash flow and cash equivalents at the end of fiscal period (Remark No. 5)	675 893	1 660 576

The cash flow statement is prepared using the indirect method..

Remarks to the Final Accounts for period from January 01 2021 to December 31, 2022

A) General information on the company

Business activity subject

Supplemental retirement company STABILITA, d.d.s., a.s., (hereinafter referred to as the "Company"), with seat at Bačikova 5, 040 01 Košice, Identification No. 36 718 556, is entered in the Company Register of District Court Košice I, Section Sa, Insert No. 1407/V. The company is the legal successor of the Supplemental retirement Insurance Company Stabilita.

The company's core subject of activities is the creation and management of supplemental retirement funds for the purpose of execution of supplemental retirement saving based on the authorization granted by the National Bank of Slovakia on 29 November 2006 under No. UDK-004/2006/PDDS which came to force on 6 December 2006. company was created by transformation of the Supplemental retirement Insurance Company STABILITA in compliance with the thirteenth part of the Act N. 650/2004 Coll. on Supplemental retirement Saving and amending and supplementing certain acts, as amended (hereinafter referred to as the "Act on CPC"), and according to the transformation project approved by the Assembly of founders of Supplemental retirement Insurance Company Stabilita on October 27, 2005.

The company was established for an indefinite period, and it conducts its business in the territory of the Slovak Republic. The National Bank of Slovakia shall exercise supervision over the activities of the company.

Depository of the supplemental retirement funds is Slovenská sporiteľňa, a.s. with registered seat at Tomášikova 48, 832 37 Bratislava, identification number 00 151 653, entered in Company Register administered by the District Court Bratislava I, section Sa, Insert No.601/B (hereinafter referred to as the Depository).

Statutory, supervisory and managing bodies as of 31.12.2022

Members of the Board as of Dec 31, 2022	office	termination	assumed office on
Ing. Michal Krajčovič, CSc.	chairman	30.06.2022	
JUDr. Marián Melichárek	deputy chairman	30.06.2022	
Ing. Martin Pivarčí	member	30.06.2022	
JUDr. Marián Melichárek	chairman		01.07.2022
Ing. Martin Pivarčí	deputy chairman		01.07.2022
Ing. Viliam Markócsy	member		01.07.2022

Members of Supervisory Board	Office	Assumed	Terminated
Ing. Ján Žačko	chairman	01.04.2007	
Ing. Ľubor Podracký	member	26.09.2007	
Ing. Stanislava Fejfarová, CSc.	member	24.06.2008	
Ing. Rita Markuseková	member	28.04.2022	
Ing. Lenka Vargová	deputy chairman	28.04.2022	
Ing. Ľudovít Ihring	member	26.09.2007	10.05.2022
Ing. Peter Benedikt	member	26.05.2011	10.05.2022
Ing. Ján Peržel	member	26.05.2011	10.05.2022
JUDr. Nataša Kučerová	member	26.05.2011	10.05.2022
Ing. Viliam Markócsy	deputy chairman	09.05.2019	10.05.2022
JUDr. Magdaléna Martincová	member	01.04.2007	10.05.2022
Ing. Róbert Rigo	member	25.07.2012	10.05.2022

Employee headcount information

Employee structure	31.12.2022	31.12.2021
Director General, CEO, Director Investments	3	3
Managers	13	14
Other employees	29	30
Average employee headcount	45	47
Employee headcount as of 31. 12. 2022	45	47

Approval of Final Accounts for the previous accounting period

At its meeting on 26. May 2022, the General Meeting approved the Final Accounts of the company for the year ended 31. December 2021 in accordance with provision no. X. par. 1) Articles of association for supplemental retirement funds and for the company.

Publishing of Final Accounts for the previous period

The company's separate Final Accounts as of December 31, 2021 were filed in the register of Final Accounts on March 30, 2021. The annual report was filed in the register of Final Accounts on May 31, 2021.

Shareholder structure and their share in the company registered capital as of Dec 31, 2022 and Dec 31, 2021

Shareholders	Shareholder's ID	Registered in country	% share on registered capital	
			as of 31.12.2021	as of 31.12.2020
Železnice SR	31364501	Slovak Republic	55,26	55,26
Lorea Investment Limited	7001665	Republic of Cyprus	-	30,22
U. S. Steel Košice, s.r.o.	36199222	USA	-	9,30
Železiarne Podbrezová a.s.	31562141	Slovak Republic	-	-
IAD Investments, správ.spol.,a.s.,	17330254	Slovak Republic	44,69	5,17
Marek Szabo	7303076407	Slovak Republic	0,05	0,05

Shareholder's rights of shareholder Železiarne Podbrezová, a.s., corresponding to 5.17 % of the whole stock, were transferred on Dec 14, 2021. Shareholder's rights of company Lorea Investments Cyprus Limited corresponding 30.22% of complete stock were transferred on February 17, 2022 and the shareholder's rights of company U.S. Steel Košice corresponding 9.30 % of complete stock were transferred on February 22, 2022.

Information on supplemental retirement funds

As of December 31, 2022, the company controls 5 supplemental retirement funds: contributory supplemental retirement fund, share contributory supplemental retirement fund, conservative contributory supplemental retirement fund, index contributory supplemental retirement fund and a payout supplemental retirement fund. The net value of assets under management as of the balance sheet date is listed in the chart; data are rounded up / down to the nearest Euro.

Item	Net value of assets as of 31.12.2022	Net value of assets as of 31.12.2021	Auditor
Stabilita contributory d.d.f.	317 470 250	347 746 614	Deloitte Audit s.r.o.
Stabilita payout d.d.f.	29 817 470	31 390 756	Deloitte Audit s.r.o.
Stabilita share contributory d.d.f.	47 065 125	45 588 867	Deloitte Audit s.r.o.
Stabilita index contributory d.d.f.	10 103 393	5 914 237	Deloitte Audit s.r.o.
Stabilita conservative contributory d.d.f.	83 345	-	Deloitte Audit s.r.o.
Totala ssets of all funds:	404 539 583	430 640 474	

The company provides accounting and reporting of supplemental retirement funds separately from its own accounting and reporting. Supplemental retirement funds created and managed by the company are not separate legal entities, but each of the supplemental retirement funds prepares separate Final Accounts according to § 30 of the Act on Supplemental retirement Companies. Assets managed in the supplemental retirement funds are not the property of the company. Separate Final Accounts of the supplemental retirement funds are not consolidated in the Final Accounts of the company. The Company does not form a consolidated Final Accounts because it does not meet the conditions for consolidation under Section 22 of Act No. 431/2002 Coll. on Accounting as amended (hereinafter the "Accounting Act").

Stabilita Contributory d.d.f., STABILITA, d.d.s., a.s. (hereinafter "Contributory d.d.f.") was established under the Act on Supplemental retirement Companies for the purpose of administering contributions of the supplemental retirement saving participants and their employers, according to the fund's investment strategy. Establishment and management of Contributory d.d.f. were authorized by Decision no. UDK-004/2006/ PDDS of November 29, 2006, issued by the National Bank of Slovakia in force of December 6, 2006. The current status of the Contributory d.d.f. was approved by the Extraordinary General Assembly on May 17, 2016, it entered into force on that date and the text is published on the web site of supplemental retirement company.

The company began to build Contributory d.d.f. as at the date of its establishment on the basis of transfer of the property concerned, as corresponding to the value of liabilities of the Supplemental retirement Insurance Company to policyholders of supplemental retirement insurance, in accordance with the procedure laid down in thirteenth part of Act on the Supplemental retirement

Saving especially in § 83 par. 5 of the Act on Supplemental retirement Companies, in accordance with the procedure of delimitation of assets and liabilities of Supplemental retirement Insurance Company Stabilita laid down in the transformation project of Supplemental retirement Insurance Company Stabilita. All details of the Contributory d.d.f. are listed in the fund statute.

Contributory d.d.f. is established for unspecified period and it does not represent a legal entity. Investing of financial resources of the Contributory d.d.f. aims to acceptable forms of assets defined by the Act on CPC and the Statute so as to achieve appreciation of fund assets.

The investment policy of the Contributory d.d.f. is balanced; it takes into account the purpose of its establishment, which aims to achieve long-term appreciation at medium risk level. The policy envisages allocation of invested assets among equity component, bond and cash components, with the possibility of eliminating credit and market risk. The bond component forms the bulk of the assets in the Contributory d.d.f.. When investing in bonds this is largely in corporate bonds, government bonds, municipal bonds and bonds of banks and financial institutions, other forms of debt securities and bond ETF. When investing in shares, equity ETFs, Commodity ETCs and PL investing mostly in shares, the company does not exclude any territory or sector in the world; it means that the assets in the Contributory d.d.f. may be invested globally and in all sectors. Additional restrictions and details of the investment policy are based on the relevant legislation and the Statute.

In connection with the fact that the company, while managing assets, employs techniques and instruments in accordance with § 53 g paragraph 1 of the Act on CPCs, with these procedures there is a credit, market and liquidity risk. The company when investing the assets in the Contributory d.d.f. respects except for the rules for limiting and spreading mentioned in particular in the provisions in § 53b and 53f of the Act on CPC, also some stricter rules set out in an internal directive. This Directive is open to participants and beneficiaries upon request at the registered office of the company, its branches and sub-branches.

Stabilita Share Contributory d.d.f., STABILITA, d.d.s., a.s. (hereinafter "Share d.d.f.") was established pursuant to the Act on CPC for the purpose of administering contributions of the supplemental retirement saving participants and their employers, according to the fund's investment strategy. Establishing and management of the Stock d.d.f. was authorized by Decision no. ODT-12019/2011 of December 6, 2011, issued by the National Bank of Slovakia. The current Statute of the Equity d.d.f. was approved by the Extraordinary General Assembly May 17, 2016, it entered into force on that date and the text is published on the web site of supplemental retirement company.

Equity d.d.f. is established for unspecified period and it does not represent a legal entity. Investing of financial resources of the Equity d.d.f. aims to acceptable forms of assets defined by law and the Statute so as to achieve appreciation of fund assets in the supplemental retirement fund.

Investment policy of the Equity d.d.f. is a growth policy in order to achieve growth in the value of assets in the long term at a higher level of risk. The policy envisages allocation of invested assets primarily in equity part, while investments in bond and money components are complementary, with the possibility of eliminating foreign exchange and market risk. An equity component can reach up to 100% of fund assets. When investing in bonds this is largely in corporate bonds, government bonds, municipal bonds and bonds of banks and financial institutions, other forms of debt securities and bond ETF. When investing in shares, equity ETFs, Commodity ETCs and PL investing mostly in shares, the company does not exclude any territory or sector in the world; it means that the assets in the Equity d.d.f. may be invested globally and in all sectors.

When investing in derivatives these are mainly options, forwards, IRS, CCIRS, swaps, futures, with the fact that these derivatives may be concluded on a regulated market and beyond, they can be used to hedge against risk and to achieve returns and all of them will be used without leverage.

The risk profile of the Equity d.d.f. arises from the given investment policy in accordance with Art. IV of the Statute and it presents a higher level of risk that is associated with investing in equity part of property, the bond component of property, to the monetary component of the property and to derivatives. Details of the investment policy result from the relevant legislation and the Statute.

In connection with the fact that the company, while managing assets of the Equity d.d.f., employs techniques and instruments in accordance with § 53 g paragraph 1 of the Act on CPCs, with these procedures there is a credit, market and liquidity risk. The company when investing the assets respects except for the rules for limiting and spreading mentioned in particular in the provisions in § 53b and 53f of the Act on CPC, also some stricter rules set out in an internal directive which is open to participants and beneficiaries upon request at the registered office of the company, its branches and sub-branches.

Stabilita index contributory d.d.f., STABILITA, d.d.s., a.s. (hereinafter the „Index d.d.f.“) was created on the basis of the decision No. NBSI-000-046-349, entry No. 100-000-217-365 dated February 26, 2020, issued by the National Bank of Slovakia (NBS) and that become effective on March 04, 2020. Index d.d.f. has been created for unlimited period and the fund has no legal subject status. The Statute of the index d.d.f. was approved by the extraordinary general assembly held on Jan 23, 2020 and signed by the Board members. Pursuant to the ODS Act, the company Board declares that the information contained in the Statute is valid as to date, complete and true. Legal relations between the participants to supplemental retirement saving and the Company, which have not expressly regulated by the Statute, shall follow the contract concluded with participants, the allowance plan, and applicable provisions of respective generally binding legal regulations. Investment strategy of the Index d.d.f. is a growth strategy aimed at ensuring the assets value increase within long-term horizon at high risk level. The strategy assumes allocation of the invested assets primarily to the stock component, while investments in debentures or money component are supplemental in order to eliminate monetary and market risk. Value of the stock component can reach up to

100% of the assets value. Restrictions and details of the investment strategy resulted from the applicable legal regulations and the Statute.

Investing the assets in the Index d.d.f., the Company follows the rules aimed at restricting and distributing the risk, specified especially in the provisions § 53b - § 53 g of the ODS Act. The categories of financial institutions that can be a counter-party in the transactions with derivatives concluded outside the regulated market pursuant to § 53 f clause 2 of the ODS Act are specified in the Enclosure No. 2 to the Statute.

The Company manages the assets in the Index d.d.f. independently in its name and in the interest of the supplemental retirement saving participants. Calendar year refers to a fiscal period of the index d.d.f. Assets invested in the Index d.d.f. are not included in the Company assets. The assets invested in the Index d.d.f. and their management is recorded separately from the assets and their management in other supplemental retirement funds managed by the Company.

The Company evaluates the assets invested in the Index d.d.f. in compliance with the NBS regulation No. 180/2012 on the Methods and Procedures Applied to Determination of Value of Assets invested in a retirement fund and supplemental retirement fund. Calculating current value of a supplemental retirement unit and net value of assets invested in the Index d.d.f., the Company proceeds pursuant to the ODS Act and internal regulations of the Company named "Operating procedure of evaluation of assets in supplemental retirement funds and determination of net value of assets in the supplemental retirement funds", which are made accessible to the participants and allowance beneficiaries upon request in the Company registered office and in branch offices.

Stabilita conservative contributory d.d.f., STABILITA, d.d.s., a.s. (hereinafter the „Conservative d.d.f.“) is a retirement fund founded pursuant to provisions of Act No. 650/2004 Coll. on Supplemental Retirement Savings as amended (hereinafter „Act No. (650/2004 Coll.“) by the Supplemental Retirement Company Doplnková dôchodková spoločnosť STABILITA, d. d. s., a. s., (hereinafter the "Company"), company ID: 36 718 556, registered office at: Bačíkova 5, 040 01 Košice, founded upon the Deed of Foundation in the form of a notary record prepared by the notary JUDr. Magdaléna Drgoňová under No. N3/2006, Nz 1079/2006, NCRI 1071/2006 dated January 12, 2006, incorporated in the Company Register kept at the District Court Košice I, section Sa, file No. 1407/V. The company is a legal successor of the Supplemental Retirement Insurance Company Stabilita, registered office at Bačíkova 5, 041 48 Košice, company ID: 31 262 368 that was founded upon transfer of the company assets and delimitation of assets and liabilities of the Supplemental Retirement Insurance Company as if Apr 01, 2007.

The company activity refers to the control of the conservative retirement fund is regulated by the Act No. 650/2004 Coll. on Supplemental Retirement Savings as amended, the Fund Statute and other generally mandatory legal regulations.

Conservative d.d.f. is not a legal entity, it was established for unspecified period and it does not represent a legal entity. The fund assets are not included in the Company assets; it is recorded separately from the Company assets and from assets management in the Company and its other supplemental retirement funds controlled by the Company. Creation and management of the Conserv-

ative Retirement Fund was permitted upon the decision file No. V NBS1-000-077-121 and file No. 100-000-438-076, which come in force and effect on Dec 190, 2022.

The Statute of Conservative d.d.f. was approved by the Extraordinary General Meeting on Nov 03, 2022 a band signed by the members of the Board. The company Board of Directors declared pursuant to the Supplemental Retirement Savings Act that the facts stated in the Statute are updated, complete and true. Updated wording of the Statute is published on the Company website www.stabilita.sk. Conservative d.d.f. was created at the moment of depositing the first contribution to the current account of the Conservative d.d.f. kept at the Company depository. Legal relations between the participants to the Supplemental Retirement Savings scheme and the Company which are not regulated in the Statute shall follow the participation contract, the allowance plan, applicable provisions of the Supplemental Retirement Savings Act and further provisions of applicable generally mandatory legal regulations.

Investment strategy of the Conservative d.d.f. is conservative, taking in account the purpose of the Fund establishment. The strategy is aimed at reaching long-term capitalization of the Conservative d.d.f. assets at low risk level. The strategy considers assets allocation especially in debenture investments, in monetary investments, share investments and also other investments with possible elimination of currency and interest risk.

Further restrictions and details of the investment strategy result from applicable legal regulations and the Statute. Following the restrictions stated in the Supplemental Retirement Savings Act or in the Statute, the Company can invest the assets of the Conservative d.d.f. only in the financial instruments and bank deposits (pursuant to § 53 a of the Supplemental Retirement Savings Act).

Mainly state debentures or state-guaranteed debentures, corporate debentures, bank debentures, communal debentures, debentures of financial institutions, ETF and allotment certificates investing mainly in debentures, as well as other types of debenture securities where a debenture index represents the supporting assets, shall be allocated in the debenture investments.

Term deposits, treasury bonds and certificates of deposit with up to 1 year maturity, or other financial instruments whose revenue depends on the development of the value of monetary investments shall be allocated in the monetary investments. Assets managed in the Conservative d.d.f. are not the Company assets; individual Final Accounts of the Supplemental Retirement Fund is not consolidated in the Company Final Accounts. The Company doesn't prepare consolidated Final Accounts since the terms of consolidations pursuant to provisions of § 22 Act No. 431/2002 Coll. on Bookkeeping as amended (the "Bookkeeping Act") weren't met.

Stabilita Payout d.d.f., STABILITA, d.d.s., a.s. (hereinafter „Payout d.d.f.“) was established by a decision no. UDK-004/2006/PDDS of November 29, 2006, issued by the National Bank of Slovakia and in force of December 6, 2006. The current status of the Payout d.d.f. was approved by the Extraordinary General Assembly on May 17, 2016, it entered into force on that date and the text is published on the web site of supplemental retirement company.

The Payout d.d.f. is established for unspecified period and it does not represent a legal entity. Investing of financial resources of the Payout d.d.f. aims to accept-

able forms of assets defined by law and the Statute so as to achieve appreciation of fund assets in the supplemental retirement fund. Assets in a Payout d.d.f. can only be used to ensure proper and safe investment of the fund assets and the protection of beneficiaries of supplemental retirement savings.

Investment strategy of the Payout fund is of a conservative type, it takes into account the purpose of establishment of the fund which is to secure resources for settlement of benefits of supplemental retirement saving for the beneficiaries that requires investment into assets providing for not only valorization of assets but also liquidity taking into account the continuous payment of benefits in accordance with valid benefit schemes according to participant contracts and benefit plans. The objective of the investment policy is to achieve long-term capital growth at low risk provided that the policy is based on allocation of invested assets in bond and cash components, with the possibility of eliminating foreign exchange and interest rate risk. The share of the bond component can be as high as 90% of the assets of the supplemental retirement fund.

When investing in bonds this is largely in corporate bonds, government bonds, municipal bonds and bonds of banks and financial institutions, other forms of debt securities and bond ETF.

In connection with the fact that the company, while managing assets of the Payout d.d.f., employs techniques and instruments in accordance with § 53 g paragraph 1 of the Act on CPCs, with these procedures there is a credit, market and liquidity risk. The company when investing the assets respects except for the rules for limiting and spreading mentioned in particular in the provisions in § 53b to 53f of the Act on CPC, also some stricter rules set out in an internal directive which is open to participants and beneficiaries upon request at the registered office of the company, its branches and sub-branches.

B) Accounting principles and methods applied

B1) The basis of presentation and the assumption of further continuous company operation

Declaration of conformance

Individual statement for the year 2022 was compiled in compliance with International Financial Reporting Standards (hereinafter IFRS), in the wording adopted by bodies of the European Union (EU), Commission Regulation no. 1725/2003, and current interpretations of the International Financial Reporting Interpretations Committee Standards (IFRIC). These Final Accounts have been prepared assuming that the Company will continue as a going concern (i.e. going concern).

These Final Accounts are the only regular Final Accounts compiled by the company.

Background and objective of the preparation of the Final Accounts

Independent Final Accounts of the Company for the period of 2022 with a comparable period of 2019, were compiled in accordance with the Act on Accounting within the meaning of § 17a). According to this act the

company prepares the Final Accounts and annual report under special regulations Regulation of the European Parliament and of the Council EC 1606/2002 on the application of International Accounting Standards (IFRS).

The Final Accounts are intended for general use, the information contained therein shall not be used for any specific assessment of the individual transactions. These Final Accounts cannot be the sole source of information when deciding and judging.

Information on the consolidated whole

The Company, pursuant to § 22 par. 12 of the Act of the National Council of the Slovak Republic no. 431/2002 Coll. is not subject to the obligation to draw up a consolidated financial statement and a consolidated annual report. Assets controlled at the supplemental retirement funds are not a property of the company. Individual Final Accounts of the supplemental retirement funds are not consolidated into the company Final Accounts.

The Railways of the Slovak Republic (Železnice Slovenskej Republiky), registered office Bratislava, Klemensova 8, is the main parent company, which applies the exemption from the preparation of the consolidated Final Accounts pursuant to § 22 par. 12 of the Act of the National Council of the Slovak Republic no. 431/2002 Coll.

Company presentation

The company prepared annual financial statement for 12 months of the year 2022 taking into consideration comparable data of the year 2021. In the course of the year 2022 the company adopted all new and revised standards issued by the Board for International Accounting Standards with effect from 1 January 2021 to 31 December 2022. All figures in the tables are stated in whole Euros, negative values in parentheses.

Significant accounting estimates

The preparation of Final Accounts in accordance with IFRS requires the management to prepare estimates and assumptions that affect the reported amounts of assets and liabilities, and estimated asset and liability items at the balance sheet date as well as on the reported amounts of income and expense over the reporting period. Actual results may differ from these estimates and future changes in economic conditions, business strategies, regulatory measures, accounting policies, or other factors may cause a change in estimates, which may subsequently have a significant effect on the reported financial position and results.

The effect of a change in accounting estimates is prospectively included in the economic outturn of the period in which the change occurs, provided that the changes affect only the period or the economic outturn and the subsequent periods, if the change also affects subsequent periods.

In 2018, the Company changed its accounting policy in relation to contract acquisition costs while deferring acquisition costs (deferred acquisition costs - DAC). In previous years, these costs were charged on a one-off basis to the periods in which they were incurred. As of 1 January 2018, the Company began to apply IFRS 15 and within it the DAC method. The company has developed a DAC application model, the parameters of which have been estimated based on the development of the average participant contract. Significant parameters of the model are: average contract life (dissolution time of acquisition

costs) 14 years, which consists of the average duration of participation in contributory funds for 13 years, of which the average contribution period is 11 years, and an average payout period in the pay-out fund of 1 year.

The model also takes into account the likelihood of death, the contractual age of the entitlement to the supplementary retirement pension and the fact that the participant may but does not have to draw the given allowance after the conditions for payment of the benefit have been met. The model parameter is also the amount of remuneration for fund management in accordance with Act 650/2004 Coll. on Supplemental retirement Savings and on Amendments and Supplements to Certain Acts Section 35a. and the expected evolution of fund appreciation. The application model works with an average contract, which means that it treats participant contracts as a whole. Therefore, cancelled contracts in a given period are already incorporated in the estimated parameters of the model as a whole. The company tests the model parameters at the end of the reporting period and suggests modifying the model in the event of a significant change. As of 31/12/2019, the company carried out a test of the correctness of setting the parameters of the DAC model, stating that none of the parameters recorded a significant change. The DAC method, which also concerned contracts concluded between 1 January 2014 and 31 December 2017, calculated the cumulative deferred acquisition costs as of 31 December 2017. The year 2014 was selected as the start of the application of the accrual of acquisition costs due to the fact that a significant legislative amendment to Act 650/2004 Coll. on Supplementary Pension Savings and on Amendments and Supplements to Certain Acts has come into force.

Reserve to Loyalty Program described in detail in the Remarks, section B7) Creation of reserve to loyalty program and other reserves, represents also a significant accounting estimation.

First - time adoption of new and amended IFRS standards applicable to current fiscal period

The following amendments to existing standards issued by the International Accounting Standards Board (IASB) and approved by the EU are valid for the current accounting period:

- Addenda to IFRS 16 „Leasing“ - relief on the leasing related to the Covid-19 pandemic after June 30, 2021 - adopted by EU on August 30, 2021 (with effect from April 01, 2021 for fiscal period starting on Jan 01, 2021 or later). Earlier application is allowed also in the Final Accounts that has not been approved for release as of the date of the Addendum publishing.),*
- Addenda to IFRS 3 „Business combinations“ - reference to conceptual frame with addenda to IFRS 3- (with effect for fiscal period starting on Jan 01, 2022 or later),
- Addenda to IAS 16 „Lands, buildings, construction and equipment“ - Revenues before the planned use - (with effect for fiscal period starting on Jan 01, 2022 or later),
- Addenda to IAS 37 „Reserves, conditioned liabilities and assets“ - Unfavorable contracts - contract fulfillment cost - (with effect for fiscal period starting on Jan 01, 2022 or later),
- Addenda to various standards aimed at „Improving IFRS standards (cycle 2018 - 2020)“ resulting from annual IFRS improvement project (IFRS 1, IFRS 9, IFRS 16 and IAS 41) that are mainly aimed at remov-

ing discrepancies and explaining the wording (Addenda to IFRS 1, IFRS 9 and IAS 41 are effective for fiscal periods starting on Jan 01, 2022 or later. Addendum to IFRS 16 applies only to an illustration example, i.e. without stated effective date).

Application of the addenda to the existing standards didn't result in any significant changes at the company Final Accounts.

New and amended IFRS standards issued by IASB that not have been adopted by EU yet

A new standard and addenda to the existing standards were issued as of the Final Accounts approval date that have not become effective yet:

- IFRS 17 „Insurance contracts“ including addenda to IFRS 17 issued on June 25, 2020 and addenda to IFRS17 “First application of IFRS 17 and IFRS9” issued on Dec 09, 2021 (with effect for fiscal period starting on Jan 01, 2023 or later)
- Addenda to IAS 1 „Presentation of Final Accounts“ – classification of liabilities to long- term or short- term (with effect for fiscal periods starting on January 2023 or later),
- Addenda to IAS 1 ‘Presentation of Final Accounts’ – Publishing of accounting policies (with effect for fiscal periods starting on January 2023 or later),
- Addenda to IAS 8 ‘Accounting Policies, Changes in Accounting Estimates and Errors’– Definition of accounting estimates (with effect for fiscal periods starting on January 2023 or later),
- Addenda to IAS 12 „Income tax“ – deferred tax related to liabilities and assets resulting from a single transaction (with effect for fiscal periods starting on January 2023 or later),
- Addenda to IFRS 16 „Leasing“ – Leasing liability from the transaction of sale and reverse leasing (with effect for fiscal periods starting on January 2024 or later),
- Addenda to IAS 1 ‘Presentation of Final Accounts’ – Long-term liabilities with covenants (with effect for fiscal periods starting on January 2023 or later),
- Amendments to IFRS 10 “Consolidated Final Accounts” and IAS 28 “Investments in Associates and Joint Ventures” - Sale or contribution of assets between an investor and their associate or joint venture and other addenda (effective date was postponed until completion of the equity method examination date),

The Company decided not to apply the new standard and addenda to the existing standards before their effective dates. The Company expects that adoption of the standard and the addenda to the existing standards will not significantly affect the Company Final Accounts at the time of their first application.

First application of new addenda to the existing standards valid in current fiscal period

The following addenda to the existing standards issued by IASB and adopted by EU are valid in current fiscal period:

- Addenda to IAS 16 „Lands, buildings, constructions and equipment“ – revenues before the planned use adopted by EU on June 28, 2021 (with effect for fiscal periods starting on January 2022 or later),

- Addenda to IAS 37 „Reserves, conditioned liabilities and conditioned assets” – Unfavorable Contracts – Cost of Contract Implementation adopted by EU on June 28, 2021 (with effect for fiscal periods starting on January 2022 or later),

- Addenda to IFRS 3 „Business Combinations“ – reference to the Conceptual Frame with addenda to IFRS 3, adopted by EU on June 28, 2021 (with effect for fiscal periods starting on January 01, 2022 or later),

- Addenda to various standards aimed at „Improving IFRS standards (cycle 2018 – 2020)“ resulting from annual IFRS improvement project (IFRS 1, IFRS 9, IFRS 16 and IAS 41) that are mainly aimed at removing discrepancies and explaining the wording – adopted on June 28, 2021 (Addenda to IFRS 1, IFRS 9 and IAS 41 are effective for fiscal periods starting on Jan 01, 2022 or later. Addendum to IFRS 16 applies only to an illustration example, i.e. without stated effective date).

Application of the addenda to the existing standards didn't result in any significant changes at the company Final Accounts.

Standards and addenda to existing standards issued by IASB and adopted by EU that have not become effective yet

The following addenda to the existing standards were issued by IASB and adopted by EU as of the Final Accounts approval date that have not become effective yet:

- Addenda to IFRS 17 „Insurance contracts“ – including addenda to IFRS 17 issued by IASB on June 25, 2020 and adopted by EU on Nov 19, 2021 (with effect for fiscal periods starting on January 01, 2023 or later),
- Addenda to IFRS 17 „Insurance contracts“ the first application of IFRS 17 and IFRS 9 – Comparing information adopted by EU on September 08, 2022. (with effect for fiscal periods starting on January 01, 2023 or later),
- Addenda to IAS 1 ‘Presentation of Final Accounts’ – Publishing of accounting policies adopted by EU on March 02, 2022 (with effect for fiscal periods starting on January 01, 2023 or later),
- Addenda to IAS 8 ‘Accounting Policies, Changes in Accounting Estimates and Errors’– Definition of accounting estimates adopted by EU on March 02, 2022 (with effect for fiscal periods starting on January 01, 2023 or later),
- Addenda to IAS 12 „Income tax“ – deferred tax related to liabilities and assets resulting from a single transaction adopted by EU on August 11, 2022 (with effect for fiscal periods starting on January 01, 2023 or later),

New standards and addenda to the existing standards issued by IASB that have not been adopted by EU yet

IFRS, as adopted by EU, currently don't significantly differ from the regulations adopted by IASB except the following new standards and addenda to the existing standards that have not been approved for application in EU as of March 17, 2023 (the stated effective dates apply to IFRS in such wording as issued by IASB):

- Addenda to IAS 1 „Presentation of Final Accounts“ – classification of liabilities to long- term or short- term (with effect for fiscal periods starting on January 01, 2023 or later),
- Addenda to IAS 1 ‘Presentation of Final Accounts’ – Publishing of accounting policies (with effect for fiscal periods starting on January 01, 2023 or later),
- Addenda to IFRS 16 „Leasing“ – Leasing liability from the transaction of sale and reverse leasing (with effect for fiscal periods starting on January 01, 2024 or later),
- IFRS 14 „Accounts of time accruals and deferrals at regulation“(with effect for fiscal periods starting on January 01, 2016 or later), – EC decided not to commence with the preliminary standard approval process and wait for its final wording.
- Amendments to IFRS 10 “Consolidated Final Accounts” and IAS 28 “Investments in Associates and Joint Ventures” - Sale or contribution of assets between an investor and their associate or joint venture and other addenda (effective date was postponed until completion of the equity method examination date).

The Company expects that adoption of the standard and the addenda to the existing standards will not significantly affect the Company Final Accounts at the time of their first application.

Accounting of securing instruments in relation to the portfolio of financial assets and liabilities whose principles have not been adopted by EU yet shall remain unregulated.

According to the Company estimations, accounting of securing instruments in relation to the portfolio of financial assets and liabilities pursuant to IAS 39 „Financial instruments: Recording and Evaluation“ wouldn’t have significantly affected the Final Accounts if it had been applied as of the date of the Final Accounts preparation.

B2) Information on the use of accounting principles and methods in relation to the prior period and their impact on the result of operations

The Company’s Independent Final Accounts for the year ending 31 December 2022 was prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union (“EU”).

B3) IFRS 16 disclosures

Under IFRS 16, a contract constitutes or includes a lease if it transfers the rights to control the use of an identified asset for a specified period in exchange for consideration.

Essential precondition is the requirement to have control over the specific asset used, which is stated directly or indirectly in the contract. Costs related to the use of leasing assets, most of which were previously recognized under external service costs, are currently classified by the Company as depreciation/amortization and interest expense. When depreciating the right to use, the Company uses the straight-line depreciation method, with lease liabilities settled at the effective discount rate. In the statement of cash flows, the cash flows from the principal of a lease liability are classified as cash flows from financial activities, with lease payments for short- term leases, lease payments for low-value assets and variable lease payments not

included in the evaluation of the lease liability are classified as cash flows from operating activities. Interest payments related to the lease liability are classified in accordance with IAS 7.

The Company, as a lessee, applies IAS 36 Impairment of Assets to determine whether an asset with a right to use is impaired and, if necessary, recognizes an impairment loss.

The accounting unit has applied the following existing practical simplifications:

- Applying a single discount rate to a portfolio of leases with reasonably similar characteristics.
- Adjustment of an asset with the right to use at the date of initial application by the amount of any provision for disadvantageous leases in the statement of financial position.
- Application of the simplified method for contracts with a maturity of up to 12 months on the date of initial application.
- Exemption of initial direct costs from the evaluation of an asset with the right to use at the date of initial application.
- Use of retrospective view, e.g. in determining the lease term, if the contract includes options to extend or terminate the lease.

a) Recognition of lease liabilities

The company records lease liabilities related to leases that were previously classified as “operating leases” in accordance with IAS 17 Leases. These liabilities have been measured at the present value of the lease payments receivable at the date of application of IFRS 16. Lease payments are discounted using the implicit lease interest rate or, if this rate cannot be easily determined, the incremental interest rate of the loan. The interest rate applied by the company in its first application is 1%.

The accounting entity uses simplifications in relation to short-term leases (less than 12 months), as well as for leases with a basic asset with low value (less than USD 5 thousand) and for contracts for which it will not recognize financial liabilities or any related assets with right of use. These types of lease payments will be recognized as expense using the straight-line method over the life of the lease in ‘General administrative expenses’.

b) Recognition of assets with the right to use

Assets with the right to use are initially measured by their acquisition cost.

The acquisition cost of an asset with a right of use consists of:

- initial estimate of lease liabilities,
- any lease payments made at or before the date of the commencement of the lease, minus any receivables from the lease incentives;
- initial costs incurred directly by the lessee as a result of concluding the lease agreement,
- estimates of the costs incurred by the lessee due to the obligation to disassemble and remove the basic asset or to carry out renovation/renewal.

c) Use of estimates

The implementation of IFRS 16 requires the use of certain estimates and calculations that affect the measurement of financial lease liabilities and assets with the right to use. These include, but are not limited to:

- determining which contracts are covered by IFRS 16;
- determining the duration of such contracts (including contracts of indefinite duration or contracts with the possibility of extension),
- determining the interest rates that will be applied to discount future cash flows;
- determining the depreciation rates.

B4) Description of ways of valuing assets and liabilities, methods of determining the real values of assets

The Final Accounts are prepared on the accrual basis of costs and revenues; their impact is accounted for in the period to which these items relate. Tangible and intangible fixed assets and inventories are valued at acquisition cost, which include costs related to its acquisition.

B5) Conversion of foreign currency to the euro

The company converts monetary assets and liabilities valued in foreign currency into euro by reference exchange rate determined and announced by the European Central Bank or National Bank of Slovakia on the date of the preparation of Final Accounts. The Company accounts the exchange rate differences on the profit and loss account as cost/ income items.

B6) Tangible and intangible fixed assets

Tangible and intangible fixed assets are stated at acquisition cost, which is reduced by accumulated depreciation (amortization). Depreciation of assets is calculated using the straight-line method of depreciation according to period of use of each depreciation class. Assets depreciation accounting policy is revised at the end of every fiscal period in case of tangible assets and software. Software is recorded at procurement price reduced by adjustments. Expenses related to renovation and modernizations of property are considered technical improvement and repairs and maintenance of this property are accounted directly to the expenses of the company. Functionally and morally worn out assets are discarded at the end of fiscal period upon proposal of Inventory Committee.

Long-term tangible and intangible assets are no more recorded upon discarding or if the Company doesn't

expect further economic benefits from the assets use. Income or loss from these assets discarding or sale is determined as the difference between the income from the assets sale and the assets book value, and it is recorded in the Profit and Loss Statement.

B7) Cash and cash equivalents

Cash and cash equivalents consist of the cash in the cash desk in the currency of euro and in foreign currencies, and of the balances of current accounts, and of valuables. Cash and cash equivalents are recorded in the Final Accounts in nominal value.

B8) Creation of reserve for loyalty program and of other reserves

Reserve is defined in terms of IAS 37 as a liability of indefinite time period or amount and its use is bound only to expenditures which it was originally created for. A liability is a present obligation of unit arising from past events the settlement of which is expected to reduce the resources embodying economic benefits.

Reserves can be distinguished from other liabilities because there is uncertainty about the time period or amount of future expenditure required in settlement. Apart from short-term provisions, the company created also in 2022 the long-term reserves for loyalty program so as to stabilize the participant stock of supplemental retirement saving. Interest rates have increased as a result of their development on the financial markets in 2022, i.e. including the interest rate used for discounting the future drawings and non-drawings of loyalty program points, which have significantly increased on year-to-year basis. Rules of the loyalty program and the resulting provisioning and use of the reserves have been incorporated into the in-company directive on the processing and bookkeeping of the company. Creation of reserve for the loyalty program and creation of other reserves represents a part of the "Profit and Loss Statement" (line 23). The use of the reserve for the loyalty program during a year is accounted as a long-term reserve decrease (Balance Sheet, line 12). The company reviewed the creation the loyalty program reserve and, with effect from 1 January 2017, reduced the value of the loyalty program to half; 1 point is equal to 0.005 EUR.

After the accounting period, the Company evaluates the contributions of the participants and adds points in accordance with the rules of the loyalty program. At the same time, it evaluates the drawdown of points for a given accounting period. Subsequently, the Company estimates the present value of future drawing as the new provision value.

Long- term tangible and intangible assets	Expected period of use	Depreciation method	Depreciation rate in %
Machines, instruments and equipment	4 years	even	25
transport means	4 years	even	25
Inventory	6 years	even	16,7
Independent HV and system up to € 1,700	2 years	even	50
Software	6 - 7 years	even	16,7
Trade mark	10 years	even	10
Other long- term int. nd tang. Assets up to € 2,400	2 years	even	50

Nominal value is applied for evaluation of receivables, payables, cash and cash equivalents.

B9) Employee benefits

Employee benefits represent all forms of counter values provided by the company in exchange for services provided by the employees. They are recorded in the item „Other short-term liabilities and reserves.“

They mainly refer to continuously paid wages and rewards to the employees, levies paid by the employer for social and health insurance, and employer's contribution to supplemental retirement savings and catering. The company created Social Fund in compliance with requirements of Act No. 152/1994 Coll. on the Social Fund as amended upon mandatory allocation from the cost. Other short-term liabilities include also trade liabilities and liabilities towards the funds, provided that payments have not been received and settled to the generated breakdown.

B10) Accounting for revenue and expenses

Time differentiation of accrued interest income and interest expense related to individual assets and liabilities items is recognized on relevant accounts of these items. Interest income and expenses are recognized in the period they relate to on accrual basis using the effective interest method. The company recorded revenues especially from the investments control and management at supplemental retirement funds. The company becomes entitled to the rewards pursuant to Act No. 650/2004 Coll. on Supplemental Retirement Savings, § 35a through 35c.

Costs of rewards and commissions are the activities of financial agents who perform financial intermediation for the company in accordance with Act 186/2009 Coll. on financial mediation and advisory, and on selected external partners. Parts of these costs are the costs of broker companies. Initially, rewards and commissions related to contracts procurement are carried on accounts as assets and recorded in the line 3) of the Balance Sheet. Subsequently, the assets are amortized during estimated period of Contract effect. Amount of amortization in particular years has been deferred from the internal model that predicts the company revenues for the saver's control of assets within the estimated Contract period of effectiveness. Amortization has been set out for particular years so as it can copy the amount of estimated revenues for the control during particular years.

Other administrative costs are broken down by types to personnel, depreciation of tangible and intangible assets, and other costs. Income tax is reported separately as it forms a part of the company's costs. The company keeps accruals and deferrals, and carried it on account that the cost relates to in the terms of time and subject matter.

B11) Financial assets

The Company's financial assets are:

- cash,
- term deposits,
- receivables,
- non-trade financial assets mandatorily evaluated by real value through Profit and Loss Statement.

The financial instruments also include the balance of the unassigned payment account, which represents the received contributions from the savings participants on the date on which the Final Accounts are prepared. At the same time, it records in the balance sheet receivables from savings participants whose contributions were deposited on the account of not allocated payments before sending the order for particular month by the saver. If the breakdown of contributions hasn't been sent to the company till the end of particular month, the payment and breakdown will be matched in the following month. In case of sending the payment breakdown, the company carries it on the liability account „Liabilities towards funds – generated payment breakdowns“. Following the payment allocation to the breakdown, the amount from the account of not allocated payments shall be deposited to respective supplemental retirement funds. Payments are transferred to funds on daily basis.

Financial assets – initial recording

Financial assets are initially evaluated in real value including the transaction cost related to the assets procurement. The date of financial settlement on which the proprietary and financial settlement occurs shall refer to a decisive date on which the financial assets purchase is recorded.

Financial assets – classification

Classification and subsequent evaluation of financial assets is determined according to:

- a) business model related to the method used by the accounting unit to management of its financial assets in order to generate cash flow. That means, the accounting unit's business model determines whether cash flow will result from the collection of contract cash flow, from financial assets sale, or both.
- b) characteristics of assets cash flow - in case of established business model: assets holding with the aim to collect the contract cash flow and collect cash flow from financial assets sale, the company shall assess whether the financial tool cash flow represents exclusively the payments of the principal and interest („SPPI test“)

Accordingly, the financial assets represented the allotment certificates of the open share fund BNPP ENHANCED BOND 6M CAP, procured during year 2021, classified in the portfolio – non-trade financial assets mandatorily evaluated by real value through profit/ loss reached, since cash flow of the assets doesn't represent exclusively the payments of the principal and interest and thereby it doesn't meet the terms of SPPI test.

Financial assets – subsequent evaluation through real value

The company has applied the following hierarchy of methods to determine the real value of financial tools:

- Level 1 – determination of market price from active markets for identical financial tools,
- Level 2 – evaluation techniques are based on directly or indirectly observable market inputs,
- Level 3 – evaluation techniques are largely based on non- observable inputs.

In case of portfolio of non-trade financial assets mandatorily evaluated through real value via profit/loss reached, revaluation to real value represents an integral part of the Profit and Loss Statement as a net profit (loss) from financial transactions for period in which they were conducted.

Financial assets – termination of recording

The company shall terminate recording of financial assets upon expired contract rights for cash flow from financial assets.

If the Company ends with financial assets recording in amortized value, the difference between the income and the book value shall be recorded in the Profit and Loss Statement.

B12) Taxation and deferred tax

Income tax calculation is exhaustively defined by Act 595/2003 Coll. on Income tax as amended based on economic outturn, which is recognized in the statement of comprehensive income and losses in accordance with international accounting standards. Income tax is a part of the cost items and when calculated it is subsequently adjusted by deductible and non-deductible items which incurred in the course of the accounting period. Liability, possibly receivable resulting from income tax is calculated upon mutual credit system of already paid tax advances in a given fiscal period.

Deferred income tax is calculated using the balance sheet liability method on all temporary differences arising between the tax base of assets and liabilities and their accounting values in the statement of financial position. Deferred income tax is determined using tax rates for the following tax period valid on the moment, when tax liability is realized or tax obligation is accounted for that have been enacted or substantively enacted by the balance sheet date. For 2022, the tax rate is 21%.

Accounting for a deferred tax claim can be only made under the assumption that in the future the company will have such economic result that will enable compensation of this tax claim.

B13) Accounting of revenues

In 2022, the Company recorded revenues mainly from the administration of the contributory supplemental retirement funds and also from the assets capitalization in the share d.d.f., and from the administration of the payout d. d. f. Charges for management and administration of the investments and assets of the participants and allowance recipients corresponds to the definition of a series of various services that are generally the same, having the same model of transfer to customer. Revenues and cost of interests are accounted in the time- and materially related period. Detail description of particular items of the Company revenues is contained in clause C) - Additional Information.

C) Additional information

Information on the amount of rewards to supplemental retirement company

The company is entitled under § 35 Act 650/2004 Coll. on CPCs to reward for:

- management of the funds
- valorization of assets in Share d.d.f., Index d.d.f., Conservative d.d.f. and Contributory d.d.f.
- transfer of a participant to other supplemental retirement company
- reward for severance pay within the meaning of § 87n paragraph. 10 of the Act on CPC

Reward for managing Share d.d.f., Contributory d.d.f. and Index d.d.f. in the year 2022 accounted for 1.20 % of the average annual net value of fund assets. (for year 2021: 1.20%). Reward for management of Payout d.d.f. in the year 2022 accounted for 0.60 % of the average annual net asset value of the fund (for year 2021: 0.60%) and reward for management of Conservative d.d.f. in the year 2022 accounted for 0.90 % of the average annual net asset value of the fund.

Reward for capitalization of assets in supplemental retirement funds is determined every working day in accordance with the calculation set forth in particular Statutes of supplemental retirement funds.

Reward for transfer of a participant to another supplemental retirement fund within one year from the conclusion of the participant contract may not present more than 5% of the balance on the participant's personal account on the day preceding the date of transfer. Claims for the amount of remuneration in individual funds are described in the fund rules in section VI.

Information on social security

The company pays contributions to health insurance companies and to the Social Insurance Company in the amount of statutory rates applicable during the year and calculated on the basis of gross salary. The social security costs are recognized in the period in which the relevant wages are cleared. The company does not create any other insurance funds for its employees. The company participates in supplemental retirement scheme for employees. No unrecognized liabilities to employees result from this scheme.

Information on statutory requirements

In accordance with the provisions of the Act on CPC the company shall comply with the statutory maximum limits and restrictions on the investment of assets in supplemental retirement funds. The rules for limitation of risk and for risk diversification are stated in the fund statutes in section V and published on the company's website. As of 31 December 2022, the company was meeting all the above limits and restrictions in accordance with the Act on Supplemental Retirement Savings.

D) Remarks to items in particular company records

1) Long-term intangible assets – summary of transactions as of Dec 31, 2022

Assets (gross)	No.	as of 1.1.2022	Increments	Decrements	as of 31.12.2022
B.I. Long- term intangible assets total	1	2 438 353	202 058	-	2 640 411
1. Software	2	2 388 891	195 994	-	2 584 885
2. Trade mark	3	3 926	-	-	3 926
4. Small intangible assets (€ 332 - 2 400)	4	45 536	6 064	-	51 600
B.II. Adjustments to long- term intangible assets total	5	(1 894 435)	(110 873)	-	(2 005 308)
1. Adjustments to software	6	(1 848 164)	(109 043)	-	(1 957 207)
2. Adjustments to trade mark	7	(2 928)	(396)	-	(3 324)
3. Adjustments to long- term int. assets (l. 6)	8	(43 343)	(1 434)	-	(44 777)
Long- term intangible assets book value (I.I+I.5)	9	543 918	91 185	-	635 103

Long- term intangible assets – summary of transactions as of Dec 31, 2021

Assets (gross)	No.	as of 1.1.2021	Increments	Decrements	as of 31.12.2021
B.I. Long- term intangible assets total	1	2 378 042	60 311	-	2 438 353
1. Software	2	2 328 580	60 311	-	2 388 891
2. Trade mark	3	3 926	-	-	3 926
4. Small intangible assets (€ 332 - 2 400)	4	45 536	-	-	45 536
B.II. Adjustments to long- term intangible assets total	5	(1 799 414)	(95 021)	-	(1 894 435)
1. Adjustments to software	6	(1 755 795)	(92 369)	-	(1 848 164)
2. Adjustments to trade mark	7	(2 532)	(396)	-	(2 928)
3. Adjustments to long- term int. assets (l. 6)	8	(41 087)	(2 256)	-	(43 343)
Long- term intangible assets book value (I.I+I.5)	9	578 628	(34 710)	-	543 918

2) Long- term tangible assets – summary of transactions as of Dec 31, 2022

Assets (gross)	No.	as of 1.1.2022	Increments	Decrements	as of 31.12.2022
B.I. Long- term tangible assets total (I.02 - 07)	1	1 611 187	8 473	24 169	1 595 491
1. Right for assets use	2	931 979	-	-	931 979
2. Indep. and group HV -machines, instr.	3	243 995	5 136	20 025	229 106
3. Indep. and group HV - transport means	4	244 962	-	-	244 962
4. Indep.HV - inventory	5	68 849	-	-	68 849
5. Indep. HV (€ 166 -1700)	6	67 485	3 337	4 144	66 678
6. Other long-term tangible assets	7	53 917	-	-	53 917
B.II. Adjustments to long- term tangible assets total (I. 09 - 14)	8	(895 773)	(156 784)	(24 169)	(1 028 388)
1. Adjustments to rights for assets use	9	(330 746)	(110 604)	-	(441 350)
2. Adjustments to machines, instruments	10	(188 791)	(27 575)	(20 025)	(196 341)
3. Adjustments to transport means	11	(196 336)	(12 168)	-	(208 504)
4. Adjustments to inventory	12	(65 830)	(869)	-	(66 699)
5. Adjustments to SHV (€ 166 - 1700)	13	(60 153)	(5 568)	(4 144)	(61 577)
6. Adjustments to other long-term t. assets	14	(53 917)	-	-	(53 917)
B.III. Long-term t.assets book value	15	715 414	(148 311)	-	567 103

Long- term tangible assets – summary of transactions as of Dec 31, 2021

Assets (gross)	Line No.	as of 1.1.2021	Increments	Decrements	as of 31.12.2021
B.I. Long- term tangible assets total (I.02 - 07)	1	1 572 725	63 585	25 123	1 611 187
1. Right for assets use	2	927 131	4 848	-	931 979
2. Indep. and group HV -machines, instr.	3	257 006	8 541	21 552	243 995
3. Indep. and group HV - transport means	4	204 852	40 110	-	244 962
4. Indep.HV - inventory	5	68 849	-	-	68 849
5. Indep. HV (€ 166 -1700)	6	62 631	8 425	3 571	67 485
6. Other long-term tangible assets	7	52 256	1 661	-	53 917
B.II. Adjustments to long- term tangible assets total (I. 09 - 14)	8	(758 042)	(162 854)	(25 123)	(895 773)
1. Adjustments to rights for assets use	9	(220 224)	(110 522)		(330 746)
2. Adjustments to machines, instruments	10	(178 448)	(31 895)	(21 552)	(188 791)
3. Adjustments to transport means	11	(180 252)	(16 084)	-	(196 336)
4. Adjustments to inventory	12	(64 558)	(1 272)	-	(65 830)
5. Adjustments to SHV (€ 166 - 1700)	13	(62 304)	(1 420)	(3 571)	(60 153)
6. Adjustments to other long-term t. assets	14	(52 256)	(1 661)	-	(53 917)
B.III. Long-term t.assets book value	15	814 863	(99 269)	-	715 414

Abbreviations: HV – tangible assets, DNHM – long-term intangible assets, DHM – long-term tangible assets

Method and insurance coverage of long- term tangible assets

Motor vehicles in company ownership on 31/ 12/ 2022 are insured at Slovenská poisťovňa Allianz by means of a fleet contract for mandatory insurance policy No. 8080074463. Vehicle damage or destruction of a vehicle and theft is covered by motor hull insurance policy with the company UNIQUA poisťovňa, a.s that has acquired the insurance portfolio of company Colonnade Insurance S.A. By the insurance contract with this insurance company the company insured the tangible fixed assets against the element and the alienation, located in the individual branches and in the building on Bačíkova Street in Košice. There is no lien recorded on the property to which the Company has the right of management. Insurance contracts are concluded for unlimited period.

3) Accruals and deferrals – contract procurement cost

Item	31.12.2022	31.12.2021
Status at the beginning of year	3 837 654	3 595 585
Contract procurement cost paid during the year	527 658	456 321
Clearing in cost account during the year	(270 236)	(214 252)
Status at the end of year	4 095 076	3 837 654

4) Non-trade financial assets mandatorily evaluated in real value through Profit and Loss Statement

Item	status as of 31.12.2022	status as of 31.12.2021
PL BNP Paribas LU0325598752	-	5 600 705
PL revaluation		(15 101)
Total:	-	5 585 604

During year 2021, the company acquired allotment certificates of the open share fund BNPP ENHANCED BOND 6M CAP in its assets as financial assets. As of

Dec 31, 2021 the financial assets was classified on the Level 1 in the terms of hierarchy of methods of identifying and publishing real value of financial tools, and its quoted market price was determined from the active markets for identical financial tools. Revaluation to real value is included in the Profit and Loss Statement as a net profit/ loss from financial transactions for the period in which they occurred. Allotment certificates of BNP Paribas were sold as of Sept 14, 2022, thus the Company didn't record the assets as of Dec 31, 2022.

5) Receivables resulting from deferred income tax

Item	status as of 31.12.2022	status as of 31.12.2021
Deferred tax - tax receivables	160 250	139 512
Total	160 250	139 512

Deferred tax receivable arises on temporary differences between the tax value of assets and liabilities and their carrying amount for financial reporting purposes. The Company has a deferred tax asset, the amount of the deferred tax asset at 31 December 2022 refers to € 160 250.

Calculation of the deferred tax receivable is presented in the following table:

Item	31.12.2022	31.12.2021
Temporary differences between assets book value and tax base, thereof:	(143 881)	(44 426)
deductible		
taxable	(143 881)	(44 426)
Temporary differences between liabilities book value and tax base, thereof:	906 976	708 768
deductible	906 976	708 768
taxable		
Subtotal:	763 095	664 342
Income tax rate (in %)	21	21
Deferred tax receivable	160 250	139 512
Tax receivable for previous period	139 512	182 910
Deferred tax income/ cost)	20 738	(43 398)
Deferred tax receivable	160 250	139 512

6) Cash and cash equivalent

Item	status as of 31.12.2022	status as of 31.12.2021
Domestic/ foreign cash register	3 937	5 443
Valuables	27 476	34 894
Operating accounts	458 712	1 272 780
Wage account	37 870	229 076
Non-allocated payments account	147 898	118 383
Total:	675 893	1 660 576

The item "Cash and cash equivalents" also includes the unallocated payments account, where the participants deposit their contributions on a monthly basis. The balance of the account represents outstanding directed contributions to payments received as of Dec 31, 2022.

7) Receivables from the banks

Item	status as of 31.12.2022	status as of 31.12.2021
KTV in SLSP 2706317	1 103 592	-
KTV in SLSP 2729980	1 803 162	-
KTV in SLSP 2752421	3 000 591	-
KTV in SLSP 2752430	300 466	-
Total:	6 207 811	-

As of Dec 31, 2022, the Company recorded funds - assets on depository account in the form of term deposits with maturity within one year. Interest rate applied to term deposits refers to 0.82% p.a. at KTV € 1,1 million, 2.13% p.a. at KTV € 1,8 million, 2.81% p. a. at KTV € 2.985 million and 1.38% p.a. at KTV € 0.3 million.

8) Receivables from controlled supplemental retirement funds

Item	status as of 31.12.2022	status as of 31.12.2021
Receivable from Contributory Fund administration	321 422	345 596
Receivable from Payout Fund administration	14 946	15 655
Receivable from Share Contributory Fund administration and capitalization	47 620	51 641
Receivable from Index Fund administration	10 255	5 584
Receivable from Conservative Fund administration	21	-
Total:	394 264	418 476

Receivables apply to rewards for the funds administration and capitalization as of December 31, 2022.

9) Tax receivables

Tax receivables represent the difference between the paid tax advances of legal entity income tax and the due tax for year 2022. Tax advances refer to € 348,789,- and the due tax refers to € 190,465,-. The amount of € 158,324,- is included in the Balance Sheet as a tax receivable under item 9).

10) Structure of other short- term assets

Item	status as of 31.12.2022	status as of 31.12.2021
Provided domestic advances	13 278	40 937
Cost of future periods	41 328	54 058
Income of future periods	-	-
Material on stock	2 075	2 190
Other receivables	10 421	5 201
Total:	67 102	102 386

The advances provided are permanent advances for rent and energy bills at the branches in Bratislava, Nitra and Trenčín. Deferred expenses are the fees paid for parking cards, professional magazines and newspapers' subscriptions, and commercials for the winter season January - March 2023. The cost also includes the maintenance and upgrade of the server for 2023 and 2024. The material in stock represents the balance of small office supplies and forms for conclusion of supplemental retirement savings contracts. Other receivables in the value of € 10,421,- represent outstanding assessments of the saving scheme participants as of Dec 31, 2022.

11) Long-term liabilities from leasing

Item	status as of 31.12.2022	status as of 31.12.2021
Liabilities from leasing	401 968	496 208
Total:	401 968	496 208

The item „interest-bearing liabilities“ represents the value of the liability - payment of leasing pursuant to IFRS 16 Leasing in contact points Košice and Bratislava. Total value after applied discount refers to € 401,968,- as of Dec 31, 2022.

11a) Short-term liabilities from leasing

Item	status as of 31.12.2022	status as of 31.12.2021
Liabilities from leasing	96 265	114 717
Total:	96 265	114 717

Short-term liabilities from leasing refer to liabilities with up to 1 year maturity.

12) Reserve for loyalty program

Item	status as of 31.12.2022	status as of 31.12.2021
Reserve for loyalty program	466 632	613 168
hereof - reserve for the 15th year - free of charge	15 776	16 979
Total:	482 408	630 147

Overview of movements in reserves for loyalty program in 2022

Status as of 1.1.2022	Drawing in 2022	Reserve creation for 2022	Other effects	Status as of 31.12.2022
Reserve for loyalty program				
613 168	(66 691)	56 028	(135 874)	466 632
Reserve for the 15th year free				
16 979	-	1 203	-	15 776
As of December 31, 2022				
630 147	(66 691)	57 231	(135 874)	482 408

Overview of movements in reserves for loyalty program in 2021

Status as of 1.1.2022	Drawing in 2022	Reserve creation for 2022	Other effects	Status as of 31.12.2022
Reserve for loyalty program				
596 372	(64 296)	81 092	-	613 168
Reserve for the 15th year free				
20 540	(3 738)	177	-	16 979
As of December 31, 2021				
616 912	(68 034)	81 269	-	630 147

Reserves for loyalty program represent the balance of long-term reserve creation described in item B8). It is created once per a year from the contributions of the saving scheme participants, and its amount depends on the monthly contribution of each participant. Resulting from the development on the financial markets in 2022, interest rates have increased, so has the interest rate used for discounting the future drawings and non-drawings of the loyalty program points, and these are significantly higher than in the previous year. The effect of interest rate change used for discounting the reserve is contained in the table as "Other effects".

13a) Other short-term liabilities

Item	status as of 31.12.2022	status as of 31.12.2021
Trade liabilities	96 263	70 593
Total:	96 263	70 593
Liabilities towards funds	157 891	123 181
Social fund	16 708	12 366
Liabilities towards employees	343 269	357 003
Liabilities towards insurance companies	115 845	175 385
Other short-term liabilities	20 725	24 098
Tax liabilities	36 934	120 460
Other short-term liabilities	691 372	812 493

The item "Trade Liabilities" includes the liabilities towards suppliers with 14 days maturity. Total liabilities as of Dec 31, 2022 referred to € 96,263,- and represent the outstanding invoices from the mediators, invoices for telecommunication services and SW updates, invoiced on monthly basis. Services for December 2022 were paid up during January 2023, following the due dates of particular liabilities. As of Dec 31, 2022, the Company didn't record any outstanding liabilities. The Company doesn't record any liabilities with the remaining maturity exceeding 1 month from the date of the Final Accounts preparation. Liabilities towards the funds represent the generated breakdowns that didn't have payment allocated as of the fiscal period ending date. The item "Liabilities towards Employees" represents personnel cost related to unpaid rewards and undrawn vacations. Other short-term liabilities represent the liabilities from not invoiced supplies including short-term liabilities towards selected external labor force, and expenses of future periods. Tax liabilities refer to direct taxes from dependant activities towards employees.

Creation of and drawing from Social Fund in years 2022 and 2021:

Item	2022	2021
Social Fund status at the beginning of year:	12 366	27 995
Creation of Social Fund	34 066	19 641
Use - catering	(29 598)	(27 654)
Use - other	(125)	(7 616)
Social Fund status at the end of year:	16 709	12 366

Pursuant to the Social Fund Act, a part of the Social Fund is created obligatorily and carried on the Cost account, and another part of the Social Fund is created as an optional/ voluntary contribution, also carried on the Cost account, and the item is not included in the basis serving for calculation of the income tax. Pursuant to the Social Fund Act, money from the Social Fund is drawn for health, social, recreational and other needs of employees as stated above in the table.

14) Due income tax

Income tax is calculated according to Act no. 595/2003 Coll. On Income Tax, as amended, on the basis of the results reported in the Profit and Loss Statement prepared under IFRS. Income tax is charged to company's expenses at the moment of the tax liability and in the statement, it is calculated on the basis of the tax resulting from the pre-tax profit, which amounted to € 662,250,- in 12 months of 2022. Tax liability occurs by means of mutual setting off the advances paid in the amount of € 348,789,- and the due tax in the amount of € 190,465,-, resulting in the tax duty in the amount of € 158,324,- described in the point 9) of the Remarks.

15) Registered capital

Registered capital of the company as of 31/12/2022 consists of 50,000 shares with a nominal value of EUR 33.20 per share. The company's shares represent the rights of shareholders as partners to participate in accordance with the law and the company's articles of association in its management, profit distribution and liquidation balance after the company's liquidation.

Information on supplemental retirement company shareholders

Share on registered capital as of 31.12.2022	"% share on registered capital as of 31.12.2022"	Share on registered capital as of 31.12.2021	"Share on registered capital as of 31.12.2021"
Železnice SR			
917 316	55,26	917 316	55,26
Lorea Investment Limited			
-	-	501 718	30,22
U. S. Steel Košice, s.r.o.			
-	-	154 314	9,30
IAD Investments, správ.spol.a.s.,			
741 854	44,69	85 822	5,17
Szabo Marek			
830	0,05	830	0,05
Total:			
1 660 000	100	1 660 000	100

Shareholder's rights of the shareholder - company Železiarne Podbrezová, a.s., corresponding to 5.17 % of the whole stock, were transferred on December 14, 2021; shareholder rights of other companies were transferred in February 2022 as described in item A) of General Information about the Company on the page 7.

15a) Funds created from profit

Total value of the reserve fund as of 31 December 2022 amounted to EUR 332,000 (€ 332,000 as of Dec 31, 2021), which fulfils the mandatory allocation up to 20% of the share capital in accordance with the Commercial Code 513/1991 Coll., § 217 par. 1. Reserve fund reserves are created from profit according to statutory requirements. The legal reserve fund is not available for distribution to shareholders.

General Meeting approved the Individual Final Accounts, Annual Report and profit distribution for year 2021 on May 26, 2022. Dividends weren't paid up to the shareholders.

16) Retained profit

Retained profit of the company in the total amount of EUR 9,164,137,- consist of retained post-tax profit from the previous periods and the impact of the implementation of IFRS15 in connection with deferred active contracts on active contracts in the amount of EUR 492,523.

Items description in Profit and Loss Statement

17) Revenues from rewards and commissions

Item	31.12.2022	31.12.2021
Reward for funds administration	4 676 567	4 789 078
Reward for funds assets capitalization	19 695	1 191 113
Reward for severance pay and transfers	83 488	56 758
Net revenues from interests	4 565 498	5 872 376

The Company recorded revenues in 2022 mainly from the administration and management of the supplemental retirement funds. Revenues from the assets management in the contributory supplemental retirement funds reached € 4,500,872,- and revenues from the assets management in the payout supplemental retirement funds reached € 175,695.

18) Cost of rewards and commission

Item	31.12.2022	31.12.2021
Revenues from rewards and commission	4 779 750	6 036 949
Rewards for mediation	(270 237)	(214 252)
Total	4 509 513	5 822 697

Revenue item refers to the reward that the company is entitled to pursuant to Act 650/2004 Coll., particular rewards are described in the table above. Item „cost of reward and commissions“ includes also cost of mediation for which the company accounts for accruals and deferrals since January 01, 2018.

20) Personnel cost

Item	31.12.2022	31.12.2021
Wage cost and agreements	(1 217 220)	(1 250 882)
Rewards for Top Management members (monthly, annual)	(184 984)	(275 038)
Rewards for Supervisory Board members	(84 295)	(84 466)
Social security cost	(513 361)	(517 732)
Employee trainings	(3 698)	(24 606)
Contribution to plant catering	(34 851)	(33 799)
Contribution to supplemental retirement savings	(69 104)	(78 039)
Compensation of income in case of long-term sick leave	(4 728)	(1 047)
Obligatory creation of Social Fund	(34 065)	(13 509)
Severance pay	(17 516)	(13 715)
Total:	(2 163 823)	(2 292 832)

More detailed breakdown of personnel cost divided in particular items is provided in the table above.

21) Depreciations of tangible and intangible assets

Item	31.12.2022	31.12.2021
Depreciations of LTTA	(46 179)	(50 671)
Depreciations of LTIA	(110 872)	(95 021)
Depreciations of assets - leasing	(110 604)	(110 522)
Total:	(267 655)	(256 214)

22) Other operating income

Item	31.12.2022	31.12.2021
Other operating income	4 707	8 388

The item "Other operating income" in 2022 represents the revenues from the motor vehicle sale and other operating revenues (dissolving of non-drawn reserve for energies).

23) Other operating cost

Item	31.12.2022	31.12.2021
Material consumption	(177 558)	(156 715)
Services (purchased outputs), thereof:	(1 151 637)	(1 159 574)
x cost of technical provision	(338 451)	(432 752)
x rental	(78 167)	(67 870)
x Final Accounts audit	(31 104)	(24 404)
x other ascertaining auditor services	-	-
x tax consultations	(6 000)	(6 000)
x other non-auditor services	-	-
x legal services and consultations	(44 334)	(24 236)
x advertisement cost	(299 330)	(287 136)
x other provided services	(354 251)	(317 176)
Other taxes and charges	(13 859)	(40 840)
Insurance of assets	(8 075)	(7 758)
Creation of long-term reserves for loyalty program	101 103	(61 962)
Other operating cost	(44 357)	(25 825)
Total:	(1 294 383)	(1 452 674)

Cost of auditor services refers to cost of Individual Final Accounts and Annual Report audit as of December 31, 2022. Company Deloitte Audit s.r.o. didn't provide any other services to our company during year 2022.

24) Financial income

Item	31.12.2022	31.12.2021
Interest from term deposits	22 811	-
Interest from current accounts	-	22
Total:	22 811	22

25) Financial cost

Item	31.12.2022	31.12.2021
Interest expenses for term deposits	(2 992)	-
Total	(2 992)	-

26) Net profit/ loss from financial assets revaluation

Item	31.12.2022	31.12.2021
Profit from revaluation BNP Paribas	-	(15 101)
Realization of securities BPN Paribas	(145 927)	-
Net profit/ loss from revaluation BNP Paribas	(145 927)	(15 101)

The Company reached not realized loss from allotment certificates revaluation in 2021 in total amount of € 15,101; in 2022 the Company sold these allotment certificates without overall sale effect resulting in the loss of € 145,927.

27) Income tax

Item	31.12.2022	31.12.2021
Income tax - due-	(190 465)	(348 789)
Income tax - deferred	20 738	(43 398)
Total:	(169 727)	(392 187)

Income tax payable is calculated based on the economic result recorded in the accounting, which is adjusted for permanent or temporary differences relating to tax unrecognized cost items of the company and income not included in the tax base in a given taxable period.

28) Profit per share

The indicator provides information on the relative performance of the company, gives a ratio of data on the amount of profit after tax and the number of shares per this result.

Item	31.12.2022	31.12.2021
Post- tax profit/ loss	492 523	1 422 099
Number of shares	50 000	50 000
Basic profit per a share	9,85	28,44

Item	31.12.2022		31.12.2021	
	Tax basis in EUR	Tax in EUR	Tax basis in EUR	Tax in EUR
Pre - tax profit/ loss	662 250		1 814 286	
thereof theoretical tax	21%	139 073	21%	381 000
Permanent differences increasing tax basis	145 971	30 654	53 271	11 187
Permanent differences decreasing tax basis	0	0	0	0
Effect of change at tax basis	0	0	0	0
Other	0	0	0	0
Loss redemption	0	0	0	0
Total:	808 221	169 727	1 867 557	392 187
Due tax:		190 465		348 789
Deferred tax:		(20 738)		43 398
Total recorded tax:		169 727		392 187

Theoretical income tax is calculated without taking into account the impact of allowable and deductible items. The basis for the calculation is the accounting profit taxed at the rate in force in that year.

E) Overview of conditional assets and liabilities

Receivables from future credits, loans, and guaranties:

- as of 31/ 12/ 2022 the company did not provide any loan, guaranty and has no receivables from future loans.

Provided securing:

- the company didn't secure any real - estate, bonds or other assets

Receivables from spot transactions, forward transactions and fixed operation with options

- as of 31/ 12/ 2022 the company has no liabilities arising from derivative transactions

Receivables written off, values passed into custody, administration and deposit

- the company administers 5 supplemental retirement funds whose net assets value as of Dec 31, 2022 and Dec 31, is stated in section "General Information about Funds" on the page 7.

Liabilities from future credits, loans, and guaranties

- the company was not provided any loan, guarantee or credit
- the Company concluded contracts with lessors on the leased premises at particular contact points with the length of notice up to 6 months. These contracts weren't classified as "lease" pursuant to IFRS 16. The value of liabilities resulting from the contracts refers to € 69,836,- per a year.

Liabilities from spot transactions, forward transactions and fixed operation with options

- as of 31/ 12/ 2022 the company has no liabilities arising from derivative transactions

F) Information on allied parties

Allied parties as defined in IAS 24 are particularly:

- A person or close family member of that person is related to the management company if that person:
 - has control or joint control over management company,
 - has a significant impact on the management company or
 - is a member of the key management personnel of the management company or its parent company.
- Accounting entity is related to a management company, if any of these conditions applies:
 - accounting entity and the management company are members of the same group (which means that each parent company, subsidiary and affiliated company is related to each other),
 - accounting entity is an associated company or joint venture of the management company (or associate or joint venture of a group member, which the management company is a member of),
 - accounting entity and the management company are joint ventures of the same third party,
 - accounting entity is a joint venture of the third-party and the management company is an associate of the same third party,
 - accounting entity is a program of post-employment benefits for employees of either the management company or an entity that is related to the management company,
 - accounting entity is controlled or joint-controlled by a person referred to in point. a) and

- a person who controls or co-manages a management company has a material influence on the entity or is a member of the entity's key management personnel (or the parent of that entity).

When assessing relationships with each related person, emphasis is placed on the nature of the relationship, not just the legal form.

Summary of the company transactions with the allied parties:

Item	31.12.2022	31.12.2021
Wages and rewards for statutory reps.	184 984	275 038
Wages and rewards for Superv.Board	84 295	84 466
Total	269 279	359 504

The table contains summary of the company transactions with the allied parties during year 2022.

G) Reasonability of own sources

For purposes of capital management company defines regulatory capital. Regulatory capital is the capital that is set by capital adequacy rules. When quantifying regulatory capital, the company proceeds in accordance with the valid legislation that sets its structure as well as its minimum amount. The company is obliged to comply with the requirements of the regulatory capital of the company resulting from the relevant provisions of the CPC Act and its implementing rules.

Regulatory capital, referred to as the company's own funding sources, consists of basic own resources and additional own resources, the sum of which is reduced by the value of the deductible items. Regulatory capital serves to cover risks arising from the company's activities. National Bank of Slovakia as the supervising authority requires the company to monitor and comply with requirements for minimum capital specified in the Act on CPC. The company adheres to the legal requirements of CPC referring to minimum capital.

The following table presents the composition of the regulatory capital and the indicators of capital adequacy under the Act on CPC and its implementing rules for the years ended on December 31:

Item	31.12.2022	31.12.2021
Own company sources	x	x
Basic own sources	11 192 650	10 700 128
Additional own sources	0	0
Deductible items	635 103	543 918
Total own sources:	10 557 547	10 156 210

Indicators of own sources reasonability:

Limit of own sources pursuant to: § 33 clause 3 item a) of the DDS Act	1 852 910	1 866 583
Limit of own sources pursuant to: § 33 clause 3 item b) of the DDS Act	1 053 993	918 279
Own sources are reasonable	yes	yes

H) Risk management

As of 31 December 2022, the Company had all the funds deposited in the current account with the depositary with one year maturity. Following the ending of the era of negative interest rates and gradual normalization of the ECB monetary policy, the Company decided to invest its funds on the monetary market in the conservative financial instrument with stable and predictable revenues and without market volatility / revaluation. The term deposits replaced completely sold standard shares fund ETF - BNPP ENHANCED BONDS 6M CAP, ISIN:LU00325598752 present in the Company assets because of negative interest rates offered on the monetary market. The investment was aimed at ensuring conservative investment with high liquidity level.

Considering the above described investment, the company assets face the following risks:

Credit risk – is mainly the risk of loss resulting from worsened financial situation or failure of the issuer to fulfill his duties, which can result in the decrease of bonds value on the market and loss resulting from held financial instruments. Procuring the financial instrument in the portfolio, the Company decides according to the bond issuer's fundamentals and rating, or according to respective bonds. Assessment of credit quality of bonds results from allocated rating (of the issue or issuer) by the rating agency Standard & Poor's, Fitch, Moody's or any other registered and certified rating agency included in the list of rating agencies published on the website of NBS, however the Company doesn't rely upon such rating.

Currency risk is expressed as the change at particular currency exchange rates that, along with the bond market value, affects the value of reimbursed coupon. Therefore, in compliance with the legislation in effect on the retirement savings and with the Statute of the Supplemental Retirement Fund, the Company can make transactions aimed at reducing the currency risk that eliminate possible exchange rate loss in case of strengthened domestic currency compared to the currency in which the bond was denominated. Pursuant to the legislation in effect on the retirement savings and with the Statute of the Supplemental Retirement Fund, the Company can use currency derivatives for the risk elimination, e.g. currency forward, swap, and option.

Interest rate risk – is mainly the risk of loss resulting from the change at interest rates and their effect on the assets value in the supplemental retirement funds. Change at interest rates on the market affects the prices of debentures and the value of the whole portfolio. In case of increasing interest rates, the debenture prices drop and vice versa. The prices of debentures are inversely proportional to the revenues. Modified duration is applied to measurement of debentures sensitivity to the interest rate movement. Durability represents the average debenture maturity, taking in account the changes at the revenues until the deadline, i.e. it expresses the change at debenture value depending on the shift of the interest rate curve. Pursuant to the legislation in effect on the retirement savings and with the Statute of the Supplemental Retirement Fund, the Company can use currency derivatives for the risk elimination, e.g. interest swap - IRS, currency - interest swap - CIRS.

Liquidity risk is characterized by the possibility that the company will not have sufficient liquidity at the time it is to meet certain financial obligations. It is linked to the ability to repay and the monetization of assets and liabilities. It is in the interest of the company to maintain its

ability to pay and to meet its obligations at the same time properly and in time and the resulting obligation to manage its assets in order to maintain its liquidity position.

Market situation

The commencement of year 2022 could be characterized as full of hope in the gradual alleviation of the anti-pandemic measures because of retreating Covid-19 and the hope in the economic revitalization, but also as the year of escalating tension, worsening relationship between the Western countries and Russia, and subsequent outbreak of the war conflict in Ukraine being attacked by Russia that has continued to date without any indication of the end and occasional reminder of the Russian nuclear arsenal. The advanced world responded to the Russian aggression with imposed sanction packages in efforts to paralyze the Russian economy, restrict the trading with Russian assets, cut Russia off the capital and financial market, freeze the exchange reserves of the Russian Central Bank and the assets of Russian politicians, and to disconnect majority of the Russian banks from the international payment system SWIFT.

The war conflict has significantly affected the global market with energy and agricultural commodities, and with subsequent transfer to the services and increasing cost imposed on the households that caused the increase of consumer inflation in EU to double-digit number. The EU efforts for reduction of energy dependence on Russia represented one of the major factors of the inflation increase, which resulted in the deepest energy crisis in Europe within the last few decades. Aggressive currency policy of central banks that strived for inflation taming and for this purpose they introduced the restrictive policy (QE termination, reduction of liquidity) in the form of rapid interest rate increase represented another negative factor that caused economic growth slowdown and recession, along with the war.

These measures resulted in steep increase of expense interests and, in case of refinancing, also much more expensive debts for companies and households. The consumers and businesses mood reached historical bottom during the year because of the Russian invasion, disturbed supplier chains, worsened family finances and concerns of lacking energies has gradually improved thanks to retreating energy crisis and expected moderate recession. However, it is still pretty below the long-term average because of the concerns of the higher energy expressed by the households, consumers and industrial sector. Economy has been still exposed to numerous risks, for example consequences of sanctions imposed on Russia and strict European currency policy. While the EU zone economy shows the signs of slowdown, its growth in the 3.Q. referring to 2.3 % on year-to-year basis represents quite favorable performance thanks to the investments and consumer expenses. Ongoing war operations in Ukraine and related sanctions imposed on Russia could affect the European and global economy. The accounting units hasn't any direct exposure towards Ukraine, Russia or White Russia, nor towards the issuers of bonds in these countries.

At the same time, impact on general economic situation could require reviewing certain preconditions and estimations. It can lead to major adjustments of accounting value of certain assets and liabilities in the following fiscal period, especially of accruals and deferrals of cost of contracts procurement and of the value of reserve for loyalty program because of required revision of pre-

assumptions and parameters applied to determination of their value as of Dec 31, 2022, which could require reviewing them in the following fiscal period as a result of current situation. Longer duration of current market situation could affect the revenues from the administration of supplemental retirement funds. In case of a pessimistic scenario including the stagnating or slightly worsened development of the administered funds NAV till the end of the year, continued war conflict and market uncertainty, we can expect major decrease of the Company revenues during 2023 compared to the planned and actual NAV in the administered funds.

Any improvement of the market situation during the year, which is of course uncertain, will improve the adverse development of the revenues reached by the Company. However, the amount of the revenues is currently very hard to quantify.

Nevertheless, the company has continued to fulfill its obligations as of the date of the Final Accounts preparation and the liabilities' deadline, thus the company continues to apply precondition of uninterrupted activity continuation in the Final Accounts preparation

The following table contains analysis of particular active Balance Sheet items payability:

Liquidity position of financial and non-financial assets as of Dec 31, 2022

Assets	0-1 mos.	1-3 mos.	3 m-1 yr.	1-5 yrs.	above 5 y.	N/A	Total:
Long- term intangible assets	-	-	-	-	-	635 103	635 103
Long- term tangible assets	-	-	-	-	-	567 103	567 103
Contract accruals and deferrals	-	-	-	-	-	4 095 076	4 095 076
Deferred income tax	-	-	-	-	-	160 250	160 250
Cash and cash equivalents	-	-	-	-	-	675 893	675 893
Receivables from banks	-	-	6 207 811	-	-	-	6 207 811
Receivables from d.d.f.	394 264	-	-	-	-	-	394 264
Tax receivables	-	-	-	-	-	158 324	158 324
Other short - term assets	-	67 102	-	-	-	-	67 102
Total:	394 264	67 102	6 207 811	0	0	6 291 749	12 960 926

Liquidity position of financial and non-financial assets as of Dec 31, 2021

Assets	0-1 mos.	1-3 mos.	3 m-1 yr.	1-5 yrs.	above 5 y.	N/A	Total:
Long- term intangible assets	-	-	-	-	-	543 918	543 918
Long- term tangible assets	-	-	-	-	-	715 414	715 414
Contract accruals and deferrals	-	-	-	-	-	3 837 654	3 837 654
Deferred income tax	-	-	-	-	-	139 512	139 512
Cash and cash equivalents	-	-	-	-	-	1 660 576	1 660 576
Bonds	5 585 604	-	-	-	-	-	5 585 604
Receivables from d.d.f.	418 476	-	-	-	-	-	418 476
Other short - term assets	-	102 386	-	-	-	-	102 386
Total:	6 004 080	102 386	0	0	0	6 897 074	13 003 540

Liquidity position of financial and non-financial assets as of Dec 31, 2022 according to time till payment deadline

Liabilities	0-1 mos.	1-3 mos.	3 m-1 yr.	1-5 yrs.	above 5 y.	N/A	Total:
Leasing liabilities	-	-	7 556	453 717	36 960	-	498 233
Reserve for loyalty program	-	-	-	-	-	482 408	482 408
Other short-term liabilities	269 767	501 160	-	-	-	16 708	787 635
Income tax	-	-	-	-	-	-	0
Subscribed registered capital	-	-	-	-	-	1 660 000	1 660 000
Funds created from profit	-	-	-	-	-	332 000	332 000
Other capital funds	-	-	-	-	-	36 513	36 513
Evaluation differences	-	-	-	-	-	-	0
Retained profit	-	-	-	-	-	9 164 137	9 164 137
Total:	269 767	501 160	7 556	-	0	11 691 766	12 960 926

Liquidity position of financial and non-financial assets as of Dec 31, 2021 according to time till payment deadline

Liabilities	0-1 mos.	1-3 mos.	3 m-1 yr.	1-5 yrs.	above 5 y.	N/A	Total:
Leasing liabilities	-	-	114 717	343 157	153 051	-	610 925
Reserve for loyalty program	-	-	-	-	-	630 147	630 147
Other short-term liabilities	390 536	480 184	-	-	-	12 366	883 086
Income tax	-	179 254	-	-	-	-	179 254
Subscribed registered capital	-	-	-	-	-	1 660 000	1 660 000
Funds created from profit	-	-	-	-	-	832 000	832 000
Other capital funds	-	-	-	-	-	36 513	36 513
Evaluation differences	-	-	-	-	-	-	0
Retained profit	-	-	-	-	-	8 171 615	8 171 615
Total:	390 536	659 438	114 717	-	0	11 342 641	13 003 540

I) Leasing – IFRS 16

The company has leased the office premises for limited period at the contact point in Bratislava. Leasing contract was concluded for seven years and for unlimited period at the headquarters in Košice. Ten year leasing period has been considered for purposes of IFRS 16. During the leasing period, the company depreciates the right for the assets use on the cost account.

Leasing related liabilities are recorded in the “Record of Financial Standing”, line 11, as liabilities from leasing. As of March 31, 2023, 7-year leasing period of lease ends for the Company in the contact point in Bratislava. Upon the Contract concluded in January 2023, the leasing period was prolonged by further five years but the leasing payment was reduced by a single monthly installment per a year. Total value of leasing payment that will increase the value of tangible assets refers to € 137,180,-. Liability from the leasing was evaluated on the contract conclusion date at the current value of leasing installments within the leasing duration. The liability from lease shall be discounted during leasing period, using the discount rate corresponding to the lessee’s lending rate. The rate was determined pursuant to available financial information and it is calculated by the Company actuary.

The table contains overview of liabilities from leasing according to remaining time till deadline:

Liability from leasing	year 2022	year 2021
Less than one year	96 265	114 717
one to five years	313 259	343 157
more than five years	88 709	153 051
Total:	498 233	610 925

The table contains overview of transactions related to leasing, recorded in the profit / loss:

Liability from leasing	year 2022	year 2021
Cost interest	5 736	11 132
Variable cost not include in the liability from leasing	48 693	33 820
Cost of short- term lease of small tangible assets	0	0

Cost interest related to discounted liabilities from leasing is recorded in the Statement of Profit/ loss, line 8) and represent a part of „other cost“.

J) Information on the following events

Effective from January 01, 2023, amendment of Act No. 650/2004 Coll. has come in force, reducing maximum charge for administration of contributory funds administered by the Supplemental Retirement Company to 1.15% of the average annual net value of the funds’ assets. From January 01, 2024 the charge will be further reduced 1.05% of the average annual net value of the funds’ assets and to 1% of the average annual net value of the funds’ assets from January 01, 2025.

Development on financial markets in March 2023 was accompanied by increased volatility of European banks’ shares that resulted from the failure of Silicon Valley Bank, and by reports on financial issues of the bank Credit Suisse. Our Company doesn’t have direct exposure to the affected banks. We monitor the whole situation in detail, analyze and evaluate it. As of the Final Accounts preparation date, we didn’t report any direct consequences of actual situation related to the development on financial markets on our Company.

Moreover, no events of a special importance had occurred during the period from the final accounts as of Dec 31, 2022 until preparation of the Annual Report.

In Košice, dated March 17, 2023



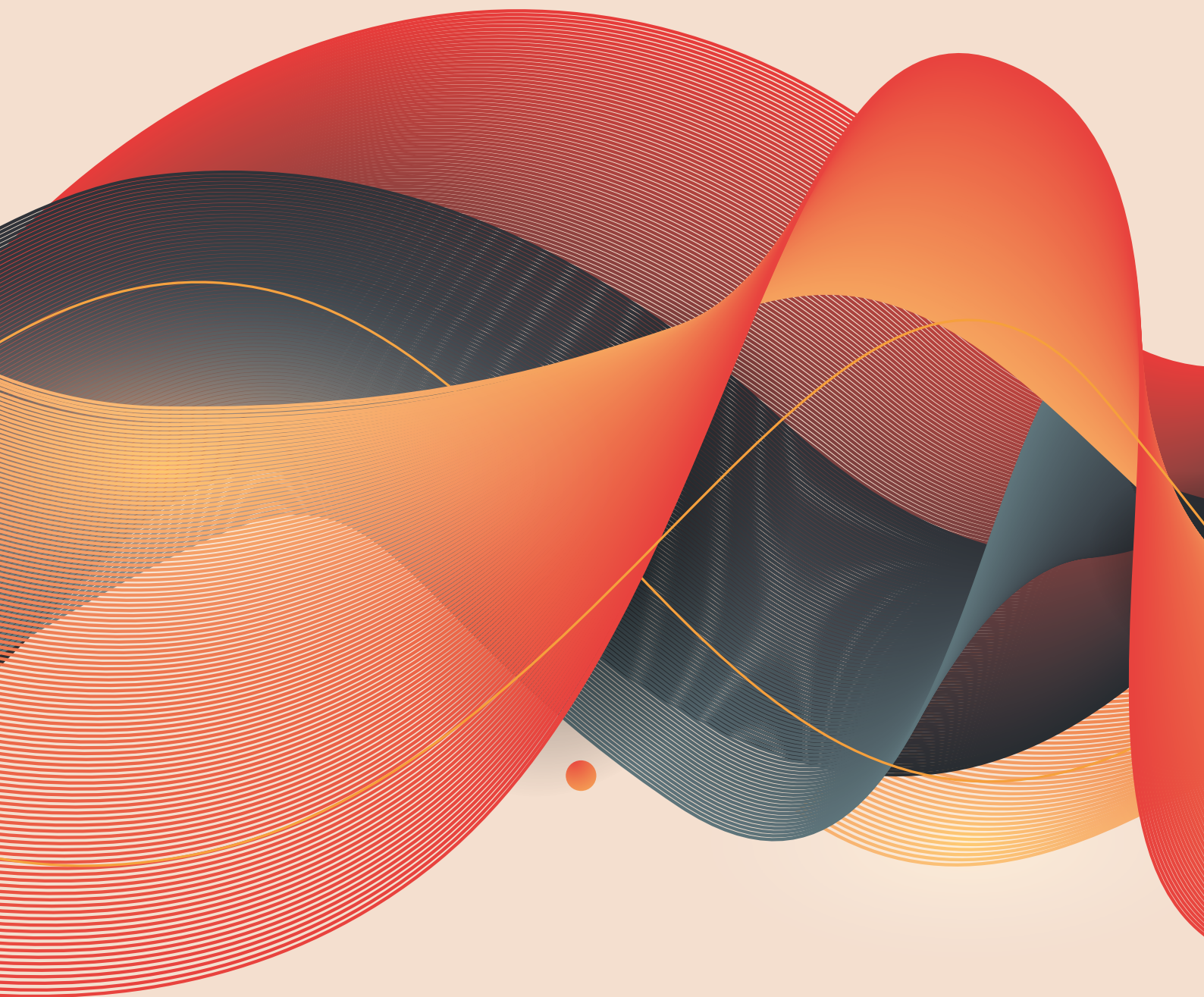
JUDr. Marián Melichárek
Chairman of the Board of Directors



Ing. Martin Pivarčí
Deputy Chairman of the Board of Directors



Ing. Agáta Bachledová
Head of Accounting and Controlling Department



www.stabilita.sk

