

ANNUAL REPORT

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**STABILITA**

doplňková dôchodková spoločnosť

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

December 31, 2023



# Deloitte.

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of the Municipal Court Bratislava III  
Section Sro, Insertion number 4444/B  
Company ID: 31 343 414  
VAT: SK2020325516

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

## THE ADDENDUM TO THE INDEPENDENT AUDITOR'S REPORT on the Report section of the information given in the annual report

To the shareholders, the Supervisory Board and the Management Board of STABILITA, d.d.s., a.s.:

We have audited the accompanying financial statements of STABILITA, d.d.s., a.s. (the "Company") as of December 31, 2023, which are included in the accompanying annual report of the Company, and have issued our report thereon dated March 26, 2024, which is included in the accompanying annual report of the Company. We have prepared this addendum in accordance with Section 27(6) of Act No. 423/2015 Coll. on Statutory Audit and on Amendments and Additions to Act No. 431/2002 Coll. on Accounting, as amended (hereinafter referred to as the "Act on Statutory Audit").

In our opinion, based on the work performed, which is described in the "Report on the information given in the annual report" section of the independent auditor's report referred to above:

the information set out in the Company's Annual Report for 2023 is consistent with its financial statements for that year;

the annual report contains information in accordance with Act No 431/2002 Coll. on Accounting, as amended.

In addition, based on our knowledge of the Company and its situation obtained in the course of our audit of the financial statements, we are required to state whether we have identified any material misstatements in the annual report, there are no findings in this regard that we are required to state.

Bratislava 22<sup>nd</sup> April 2024

In the name of the Company



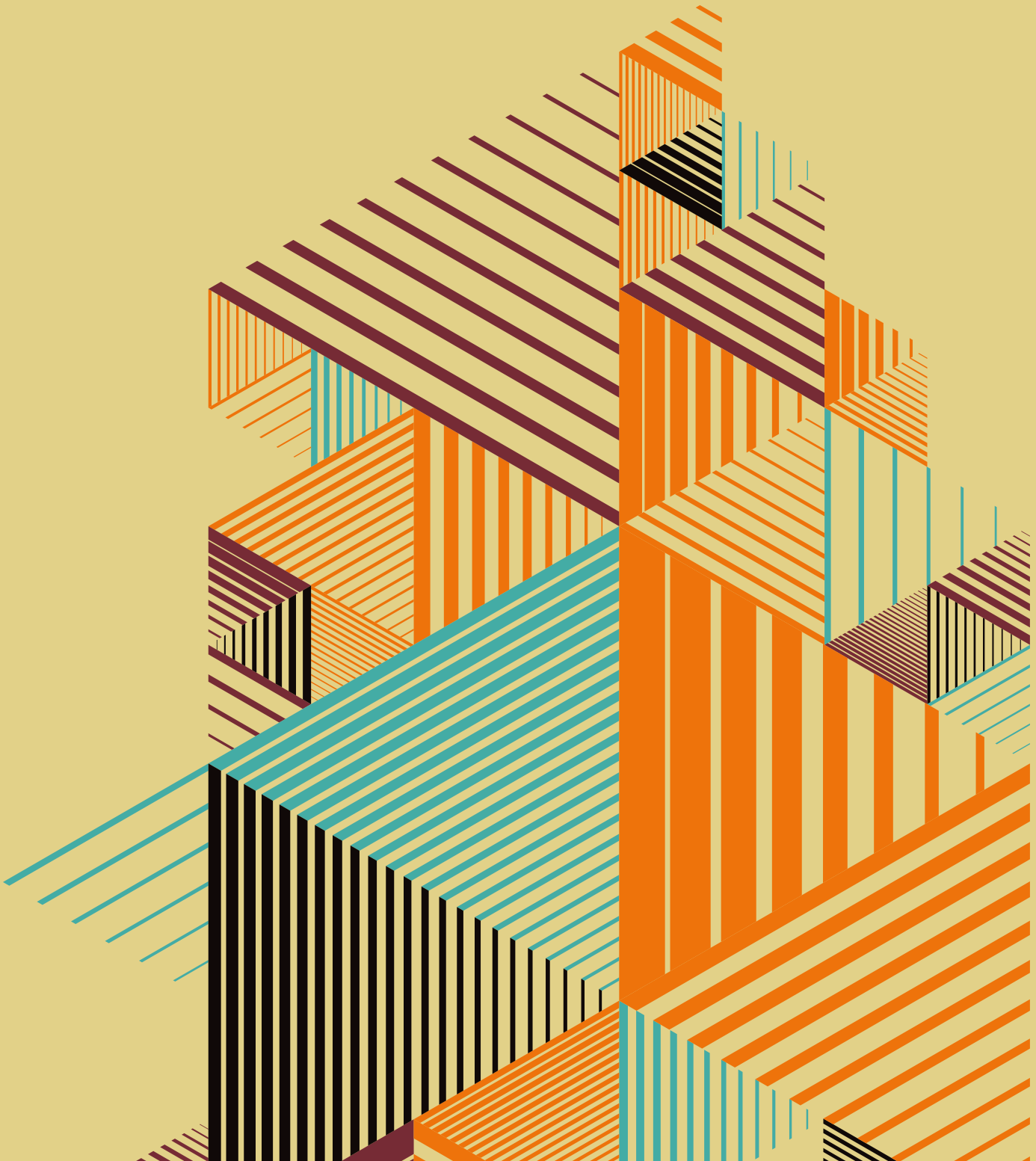
Mr. Peter Longauer, FCCA  
zodpovedný auditor  
Licence UDVA n. 1136

Deloitte Audit s.r.o.  
Licence SKA number 014

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## General information about the company

### Commercial name

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

### Registered office

Bačíkova 5, 040 01 Košice (relocated to Žriedlova 13, Košice on Jan 01, 2024)

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 Pivarčí, deputy chairman of the Board  
(assumed office on July 01, 2022)

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

### Registered capital

1 660 000 € as of 31. 12. 2023

### Net business assets

11 663 406 € as of 31. 12. 2023

### 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 31.12.2023	as of 31.12.2022
Železnice SR	31364501	Slovak Republic	55,26	55,26
ISC Group Funding, j.s.a.	54985951	Slovak Republic	0,05	
IAD Investments, správ.spol.,a.s.,	17330254	Slovak Republic	44,69	5,17
Marek Szabo	7303076407	Slovak Republic		0,05

Shareholder's rights (shareholder Marek Szabó), corresponding to 0.05 % of complete stock, were transferred on June 29, 2023. Company ISC Group Funding, j.s.a. became a new shareholder.

## a) Information on the company current situation

Following the demanding year 2022 affected by the war conflict and proliferating inflation, the market was entering the New Year with traps from the previous year and significant dose of caution. The news from China about termination of the strict Covid policy and promises of revitalization of domestic market as well as global economy that started slowing down or sinking in recession encouraged the investment world.

In sake of curbing high inflation, central banks increased the interest rates. Especially ECB set high pace, however they started tightening the belt of currency policy later than Fed. It was the effect of sharp interest rate increase that initiated the concerns of economy attenuation and its "soft landing", which had begun to come true mainly in European economies. Increasing rates caused consumer expenses to drop and expensive funding cooled down corporate investments, mortgage and mainly real-estate market. Real-estate sector was mostly affected by expensive funding, which was expressed by reduced real-estate prices and concerns of the sector soundness. Bankruptcy of medium size US banks and subsequent outbreak of bank crisis that expanded to Europe and caused bankruptcy of the Swiss bank Credit Suisse represented another adverse consequence of making stricter rates and underestimation of the interest risk management.

Thanks to intervention by CB and strong capital positions of commercial banks, the "infection" was successfully suppressed. Dying away energy crisis that was managed by Europe also thanks to relatively mild winter resulted in the improvement in service sector and revitalization in transport sector; contrary to the industry sector where ever worse reports came from because of the increasing skepticism caused by incoming economic recession, weak global demands, geopolitical tension at the Near East, and slowing down of China facing structural issues and real-estate crisis, falling more and more down to the deflation spiral.

Strong labor market was a positive macroeconomic factor that managed to keep the unemployment rate on low level, and generated consumer expenses on acceptable level that was able to support the service sector. Moreover, concerns of energy crisis weren't fulfilled and inflation was getting under control, which was in turn supported by the optimism and risk appetite of investors. Central bank weren't so pleased of the labor market development because of the development of wage inflation.

Economy has been silly facing multiple risks in the form of continued war in Ukraine, tension between USA and China in the area of geopolitics and technologies, increasing war tension at the Near East that is endangering the global trade, and weak consumer demand. Following the double-digit growth during the first half 2023, stock exchange started going beyond the depth in the 3.Q. 2023 because of continued application of restrictive currency policy of Fed and ECB. Dying away inflation pressure supported the exceptional growth on the financial markets at the end of the year that at first resulted in termination by CB of the cycle of making currency policy strict, and subsequently in expected incoming reduction of the interest rate in Fed in the near future.

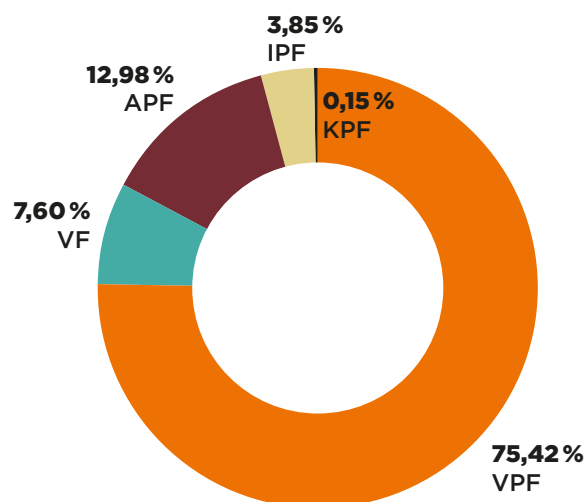
Total volume of assets controlled by the Supplemental Retirement Company STABILITA, d.d.s., a.s. increased on year-to-year basis by 16.15% to € 469.8 mil. at the end of 2023.

The highest volume of assets was in Stabilita Balanced d.d.f., STABILITA, d.d.s., a. s. (hereinafter „Balanced d.d.f.“), namely 75.42% of total volume of assets; Stabilita Share Balanced d.d.f., STABILITA, d.d.s., a. s. (hereinafter „Share d.d.f.“) comprised 12.98 % of total volume of assets; Stabilita Index Balanced d.d.f., STABILITA, d.d.s., a. s. (hereinafter „Index d.d.f.“) comprised 3.85 % of total volume of assets; Stabilita Conservative Balanced d.d.f., STABILITA, d.d.s., a. s. (hereinafter „Conservative d.d.f.“) comprised 0.15 % of total volume of assets and Stabilita Payout d.d.f., STABILITA, d.d.s., a. s. (hereinafter „Payout d.d.f.“) comprised 7.6 of total volume of assets.

### Net assets value in funds as of Dec 31, 2023:

<b>Balanced d.d.f.</b>	354 316 557
<b>Payoff d.d.f.</b>	35 709 262
<b>Share d.d.f.</b>	60 957 448
<b>Index d.d.f.</b>	18 102 758
<b>Conservative d.d.f.</b>	702 178
<b>Total assets in funds:</b>	<b>469 788 203</b>

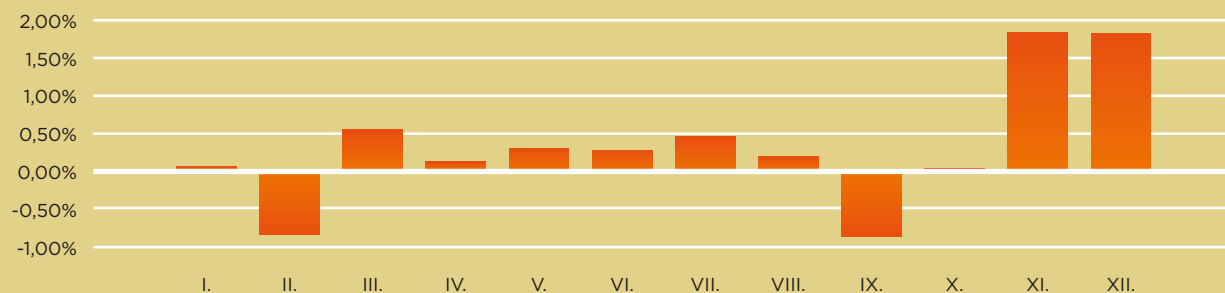
### Share of particular funds on net assets value controlled by the company Stabilita, d.d.s. a. s. as of 31.12.2023



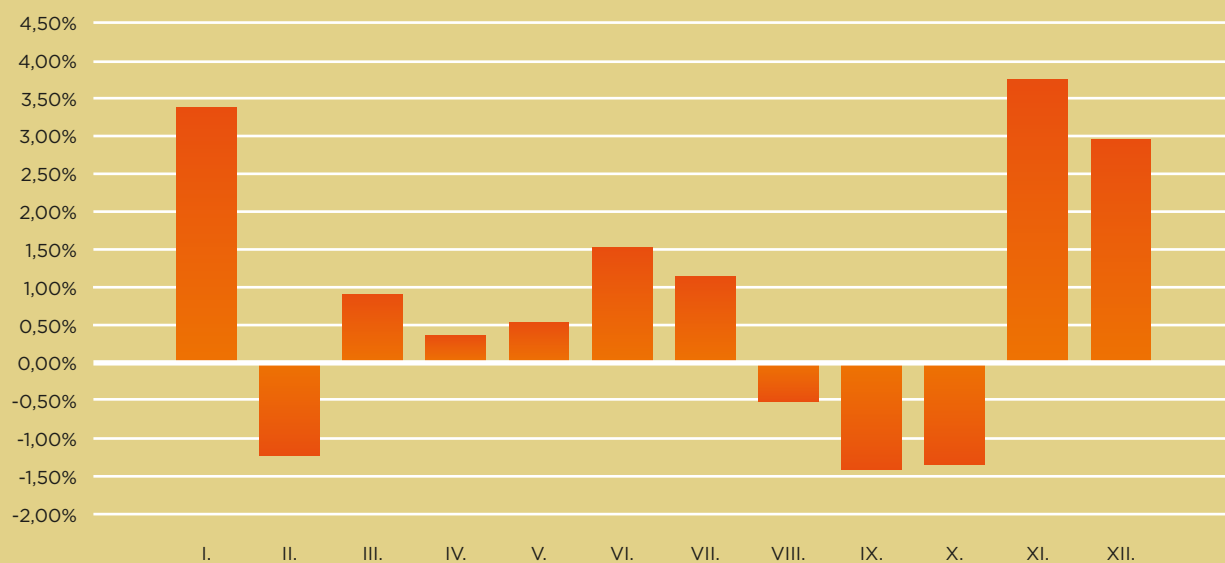
Development in the area of new participants' contracts acquisition was favorable. During the year, the company concluded total 6,925 participant contracts /including recurring contracts/. Newly- contracted employer subjects represented a significant basis for new participant contracts.

Total 427 new employer contracts were concluded in 2023 and total number of contracts reached 7,871 as of Dec 31, 2023. Total 990 537 clients were registered in the 3rd pillar within four companies offering supplemental retirement savings in Slovakia as of Dec 31, 2023 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).

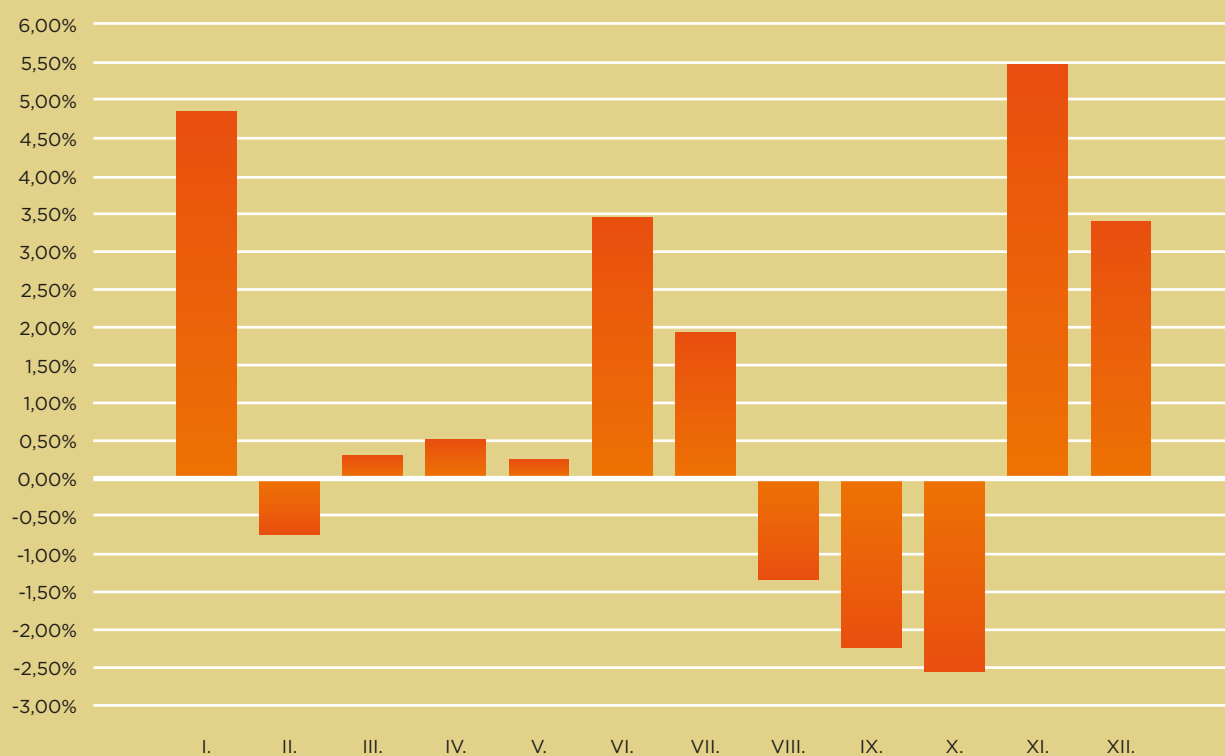
### Development of monthly KPF revenues (conservative ddf)



### Development of monthly PF revenues (contributory ddf)

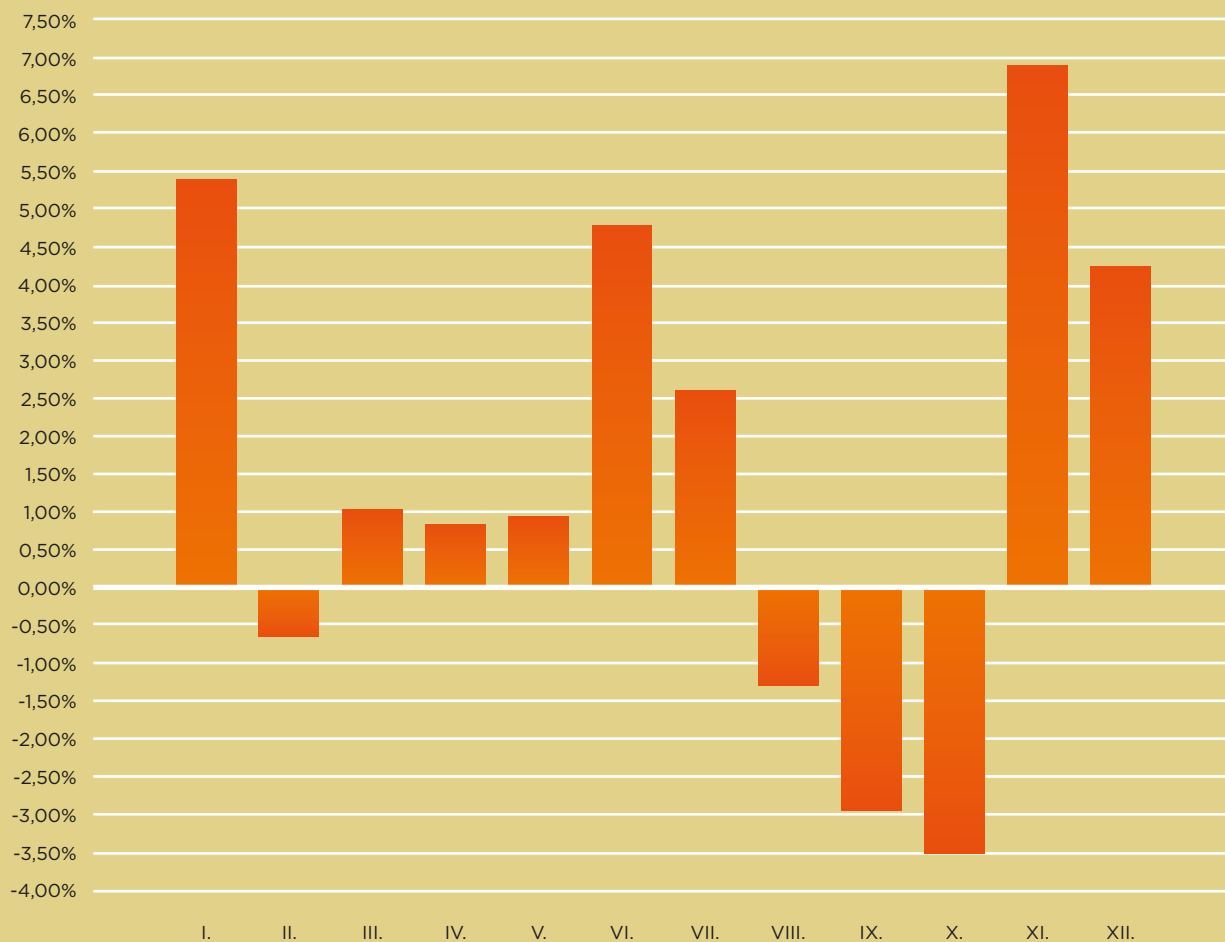


### Development of monthly AF revenues (share contributory ddf)

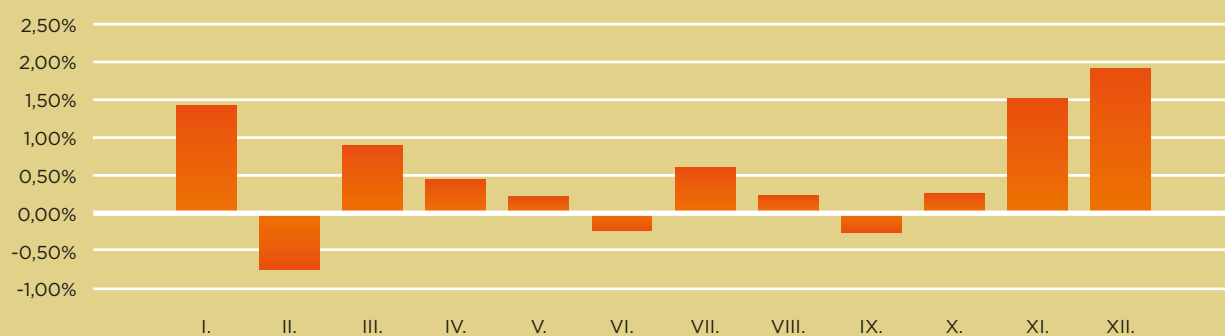




## Development of monthly IPF revenues (Index ddf)



## Development of monthly VF revenues (payoff ddf)

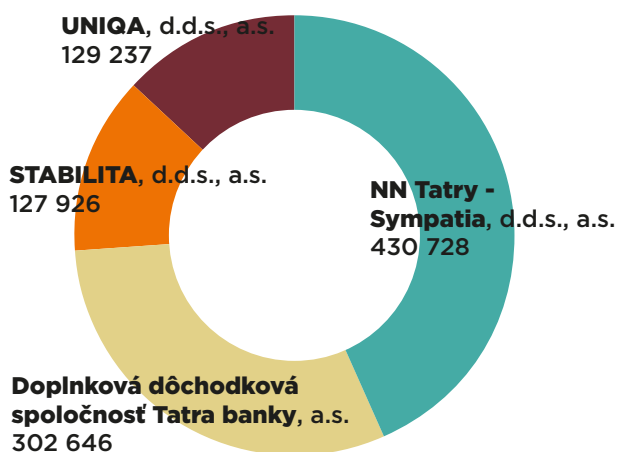


## Comparison of supplemental retirement funds' performance

Major contributory d.d.f.

Fund foundation date	Performance in particular period					Annualized performance
	2019	2020	2021	2022	2023	From fund creation until Dec 31, 2023
Balanced contributory d.d.f. NN Tatry - Sympatia, d.d.s., a.s.						
01.02.2006	12,20%	1,87%	5,47%	-16,13%	11,16%	1,20%
Contributory supplemental retirement fund UNIQA d.d.s., a.s. contributory d.d.f.						
15.02.2006	4,07%	1,53%	3,08%	-10,55%	6,41%	1,33%
Supplemental retirement company of Tatra banka, a.s., Comfort life 2030 contributory d.d.f.						
10.04.2006	6,02%	4,07%	5,22%	-8,47%	6,23%	1,34%
STABILITA balanced contributory d.d.f., STABILITA, d.d.s., a.s.						
02.04.2007	7,45%	2,08%	2,46%	-11,09%	10,33%	1,53%

### Number of clients in particular DDS



### Key indicators of the company pursuant to International Accounting Standards:

Year 2023	Year 2022	Year 2021
<b>Total reached revenues</b>		
5 172 601	4 779 750	6 036 949
<b>Post-tax profit</b>		
703 088	492 523	1 422 099
<b>Own capital cost effectiveness</b>		
6,03%	4,49%	14,23%
<b>Cost effectiveness of assets</b>		
5,08%	3,78%	11,70%

### 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 balanced funds controlled by the Supplemental Retirement Company to 1.05% of the average annual net value of funds assets for year 2024. Despite of this fact, the company has maintained the charge for administration of the conservative balanced d.d.f. as 0.9% of the average annual net value of the fund.

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, 2023.

### 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 draw attention in 2024 to the communication to the company presentation as of the strong, time proved and stable part of the retirement system with 25 years of tradition. In 2024 the company has been introducing a web application for participant contracts recording that should significantly strengthen the area of business focused on acquisition of new clients. 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 revitalization 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.

## Other information

### d) Information on the costs of research and development

During 2023, the company didn't spend any cost to research and development.

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

In 2023, 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 2023

<b>Profit/ loss 2023</b>	703 088,99
Distribution:	
Retained profit of previous years	703 088,99

### 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 39 employees as of December 31, 2023.

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

As a subject of public interest, the company recorded 39 employees as of December 31, 2023 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.

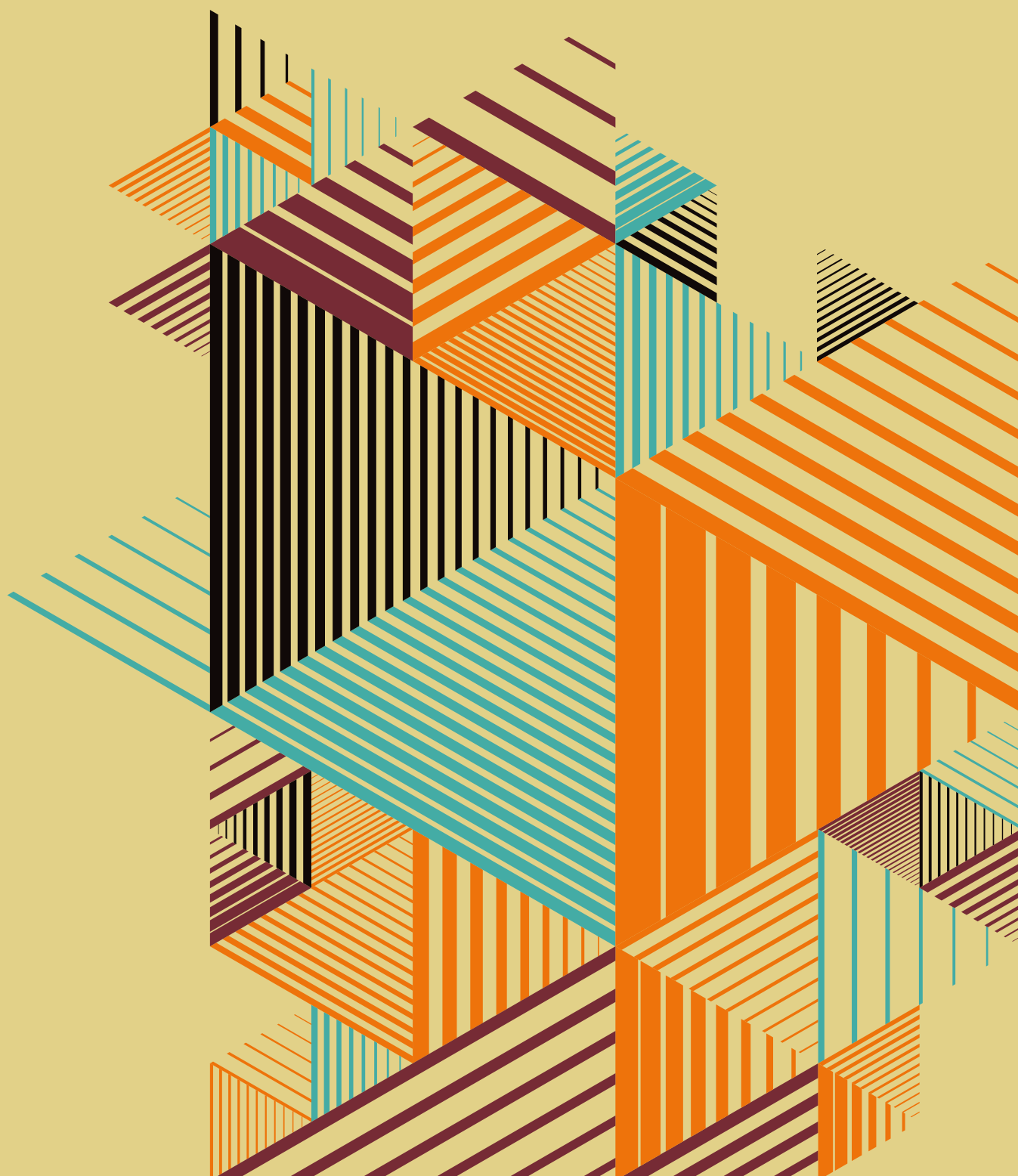
### Information pursuant to § 20 clause 17 Act No. 431/2002 Coll.

#### Overview of cost according to particular company activity types

Item	as of 31. 12. 2023	as of 31. 12. 2022
Material cost	192 854	177 558
Cost of rewards and commission	334 367	270 237
Services	1 109 964	1 151 637
Personnel cost	2 216 937	2 198 740
Depreciations	303 830	267 656
Cost of income tax	191 916	160 503
Other operating cost	119 644	123 113
<b>Total:</b>	<b>4 469 512</b>	<b>4 349 444</b>

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# Independent Auditor's Report and Individual Final Accounts

for fiscal period starting on January 01, 2023  
and ending on December, 2023

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

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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.

## 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 31/12/2023, Statement of comprehensive profits 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, 2023 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
<b>Loyalty program reserve for participants</b> <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' balanced 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 31/12/2023 refers to EUR 474 thsd.

We have verified the accuracy and completeness of the calculated points for the year 2023 as well as the amount of revenues related to dissolution of reserve during the year on selected sample of transactions.

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, 2023, the book value of the above stated assets reached € 4,534 thsd. Related cost for 2023 reached € 334 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 expected duration of 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 2023.

#### **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 become 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 2023 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 April 28, 2023. 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 eight 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 21, 2024.

**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 26, 2024

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. 2023 (data in the table in EUR)**

Item	Remark	31.12.2023	31.12.2022 (adjusted)	1.1.2022 (adjusted)
<b>ASSETS</b>				
<b>Long- term assets</b>		<b>6 016 603</b>	<b>5 519 292</b>	<b>10 874 638</b>
Long-term intangible assets	(1)	551 270	635 103	543 918
Long-term tangible assets	(2)	723 022	567 103	715 414
Time accrued cost of contracts procurement	(3)	4 533 917	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)	208 394	222 010	192 048
<b>Short-term assets</b>		<b>7 825 497</b>	<b>7 503 394</b>	<b>2 181 438</b>
Money and money equivalents	(6)	1 281 773	675 893	1 660 576
Receivables from banks	(7)	5 965 349	6 207 811	
Receivables from controlled d.d. funds	(8)	476 034	394 264	418 476
Tax receivables	(9)	38 387	158 324	
Other short-term assets	(10)	63 954	67 102	102 386
<b>Total assets</b>		<b>13 842 100</b>	<b>13 022 686</b>	<b>13 056 076</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Long-term liabilities</b>		<b>1 097 164</b>	<b>1 178 470</b>	<b>1 376 526</b>
Long-term liabilities from leasing	(11)	346 481	401 968	496 208
Reserves to loyalty program	(12)	487 036	482 408	630 147
Reserves to employee loans	(13)	263 647	294 094	250 171
<b>Short-term liabilities</b>		<b>1 081 530</b>	<b>883 900</b>	<b>1 177 057</b>
Short-term liabilities from leasing	(11a)	88 281	96 265	114 717
Trade liabilities	(14)	101 045	96 263	70 593
Other short-term liabilities	(14a)	892 204	691 372	812 493
Liabilities from due income tax	(15)		-	179 254
<b>Total equity:</b>		<b>11 663 406</b>	<b>10 960 316</b>	<b>10 502 493</b>
Subscribed registered capital	(16)	1 660 000	1 660 000	1 660 000
Funds created from profit	(16a)	332 000	332 000	832 000
Other capital funds		36 513	36 513	36 513
Retained profit	(17)	9 634 893	8 931 803	7 973 980
hereof: deferred ON for active contracts		3 581 794	3 235 110	3 031 747
<b>Total liabilities and equity</b>		<b>13 842 100</b>	<b>13 022 686</b>	<b>13 056 076</b>

**Statement of comprehensive income and loss for the year ending Dec 31, 2023 (data in the table in EUR)**

Item	Remark	Year ending on Dec 31, 2023	Year ending on Dec 31, 2022 (adjusted)
Revenues from rewards and commission	(18)	4 963 833	4 779 750
Cost of rewards and commission	(19)	(334 367)	(270 237)
<b>Net profit/ loss from rewards and commission</b>		<b>4 629 466</b>	<b>4 509 513</b>
Personnel cost	(21)	(2 216 937)	(2 198 740)
Depreciations of tangible and intangible assets	(22)	(303 830)	(267 656)
Other operating income	(23)	27 730	4 707
Other operating cost	(24)	(1 406 866)	(1 288 648)
Financial income	(25)	181 038	22 811
Financial cost	(26)	(15 596)	(17 733)
Net profit/ loss from financial assets revaluation	(27)	-	(145 927)
<b>Complex pre-tax profit/ loss</b>		<b>895 004</b>	<b>618 327</b>
Income tax	(28)	(191 916)	(160 503)
<b>Complex post-tax profit/ loss</b>		<b>703 088</b>	<b>457 824</b>
<b>Net profit per a share</b>	(29)	<b>14,06</b>	<b>9,16</b>

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, 2023 (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. 2022 (adjusted)	1 660 000	332 000	36 513	8 473 979	457 824	<b>10 960 316</b>
<b>Profit distribution 2022:</b>				457 824	(457 824)	
Payment of dividends to shareholders						
Profit as of 31.12.2023					703 088	703 088
<b>Balance as of 31.12.2023</b>	<b>1 660 000</b>	<b>332 000</b>	<b>36 513</b>	<b>8 931 805</b>	<b>703 088</b>	<b>11 663 406</b>

**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. 2022 (before adjustment)	1 660 000	832 000	36 513	6 749 516	1 422 099	<b>10 700 128</b>
Adjustment related to accounting policy change (page 17)				(197 635)		<b>(197 635)</b>
Balance as of 1.1.2022 (after adjustment)	1 660 000	832 000	36 513	6 551 881	1 422 099	<b>10 502 493</b>
<b>Profit distribution 2021:</b>				1 422 099	(1 422 099)	-
Other		(500 000)		500 000		-
Profit as of 31.12.2022 (adjusted)					457 824	<b>457 824</b>
<b>Balance as of 31.12.2022 (adjusted)</b>	<b>1 660 000</b>	<b>332 000</b>	<b>36 513</b>	<b>8 473 980</b>	<b>457 824</b>	<b>10 960 317</b>

**Statement of cash flows for 12 months of the year ending Dec 31, 2023 (data in EUR)**

Item denomination	Year ending 31.12.2023	Year ending 31.12.2022 (adjusted)
<b>Pre-tax profit</b>	<b>895 005</b>	<b>618 327</b>
<b>Adjustments</b>	<b>(378 715)</b>	<b>41 004</b>
Depreciations of long- term assets	303 830	267 656
Change at status of time accrued cost for contracts acquisition	(438 841)	(257 422)
Revenues and cost of interests and impact of changes at currency exchange rates (+/-)	(174 448)	(13 066)
Revaluation of non-trade financial assets	-	145 927
Changes at status of long- term reserves	(25 819)	(103 816)
Other items of non-monetary nature	(43 437)	1 725
<b>Changes at working capital</b>	<b>126 992</b>	<b>(35 955)</b>
Changes at status of receivables	(78 622)	59 496
Changes at status of liabilities	205 614	(95 451)
Income tax expenses	32 140	(528 043)
<b>Net cash flow from operating activities</b>	<b>675 422</b>	<b>95 333</b>
Income from non-trade financial assets sale (+/-)	-	5 439 677
Expenses of long- term assets acquisition	(395 923)	(210 530)
Income or expenses from bank receivables (+/-)	423 500	(6 185 000)
Income from long-term assets sale	23 000	-
<b>Net cash flow from investment activities</b>	<b>50 577</b>	<b>(955 853)</b>
Leasing payments - principal	(120 119)	(124 163)
<b>Net cash flow from financial activities</b>	<b>(120 119)</b>	<b>(124 163)</b>
Net increase or decrease of cash flow and cash equivalents (+/-)	605 880	(984 683)
<b>Status of of cash flow and cash equivalents at the beginning of fiscal period (Remark No. 5)</b>	<b>675 893</b>	<b>1 660 576</b>
<b>Balance of cash flow and cash equivalents at the end of fiscal period (Remark No. 5)</b>	<b>1 281 773</b>	<b>675 893</b>

The cash flow statement is prepared using the indirect method.

Year ending Dec 31, 2023 was adjusted according to the accounting policy changes described in detail in the remarks No. 24.

## Remarks to the Final Accounts for period from January 01 to December 31, 2023

### 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 Bačíkova 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 SRC"), 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 founded on April 01, 2007 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).

### Information on supplemental retirement funds

As of December 31, 2023, the company has controlled 5 supplemental retirement funds: balanced contributory supplemental retirement

#### Statutory, supervisory and managing bodies as of 31.12.2023

Members of the Board as of Dec 31, 2023	Office	Assumed	Terminated
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	

#### Shareholder structure and their share in the company registered capital as of Dec 31, 2023 and Dec 31, 2022

Shareholders	Shareholder's ID	Registered in country	% share on registered capital	
			as of 31.12.2023	as of 31.12.2022
Železnice SR	31364501	SR	55,26	55,26
IAD Investments, správ.spol., a.s.,	17330254	SR	44,69	44,69
Marek Szabo	7303076407	SR	-	0,05
ISC Grop Funding, j.s.a.	54985951	SR	0,05	-

#### Employee headcount information

Employee structure	31.12.2023	31.12.2022
Director General, CEO, Director Investments	3	3
Managers	12	13
Other employees	24	29
Average employee headcount	42	45
<b>Employee headcount as of 31. 12. 2022</b>	<b>39</b>	<b>45</b>

#### Approval of Final Accounts for the previous accounting period

At its meeting on May 30, 2023, the General Meeting approved the Final Accounts of the company for the year ended 31. December 2022 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 Individual Final Accounts as of December 31, 2022 were filed in the register of Final Accounts on March 24, 2023.

Item	Net value of assets as of 31.12.2023	Net value of assets as of 31.12.2022	Auditor
Stabilita balanced contributory d.d.f.	354 316 557	317 470 250	Deloitte Audit s.r.o.
Stabilita payout d.d.f.	35 709 262	29 817 470	Deloitte Audit s.r.o.
Stabilita share contributory d.d.f.	60 957 448	47 065 125	Deloitte Audit s.r.o.
Stabilita index contributory d.d.f.	18 102 758	10 103 393	Deloitte Audit s.r.o.
Stabilita conservative contributory d.d.f.	702 178	83 345	Deloitte Audit s.r.o.
<b>Totala ssets of all funds:</b>	<b>469 788 203</b>	<b>404 539 583</b>	

fund, share contributory supplemental retirement fund, conservative contributory supplemental retirement fund, index contributory supplemental retirement fund that was established upon subscription of the first contribution on the Supplemental Retirement Fund account on Dec 20, 2022, and 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.

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 Balanced d.d.f., STABILITA, d.d.s., a.s. (hereinafter "Balanced 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 Balanced 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 Balanced d.d.f. was approved by the Extraordinary General Assembly on Nov 03, 2022, it entered into force on that date and the text is published on the web site of supplemental retirement company. Current Statutes of the balanced contributory d.d. fund, approved by the General Meeting held on Nov 07, 2023, was given a precedent condition and related to the company registered office change from Jan 01, 2024, amendment of the company registered office in the Company Register kept at the City Court Košice, section Sa, file No. 1470/V. Updated Statutes wording is published on the company website [www.stabilita.sk](http://www.stabilita.sk).

The company began to build Balanced 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 Balanced d.d.f. are listed in the fund statute.

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

sets. The investment policy of the Balanced 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 Balanced 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 Balanced 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 Balanced d.d.f. respects except for the rules for limiting and spreading mentioned in particular in the provisions in § 53b through 53f of the Act on SRC, 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 SRC 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 status of the share contributory d.d.f. was approved by the Extraordinary General Assembly on Nov 03, 2022, it entered into force on that date and the text is published on the web site of supplemental retirement company. Current Statutes of the share contributory d.d. fund, approved by the General Meeting held on Nov 07, 2023, was given a precedent condition and related to the company registered office change from Jan 01, 2024, amendment of the company registered office in the Company Register kept at the City Court Košice, section Sa, file No. 1470/V. Updated Statutes wording is published on the company website [www.stabilita.sk](http://www.stabilita.sk).

Share d.d.f. is established for unlimited period and it does not represent a legal entity. Investing of financial resources of the Share 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 Share 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 Share 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 through 53f of the Act on SRC, 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. NBS1-000-046-349, 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 current status of the index contributory d.d.f. was approved by the Extraordinary General Assembly on Nov 03, 2022, it entered into force on that date and the text is published on the web site of supplemental retirement company. Current Statutes of the index contributory d.d. fund, approved by the General Meeting held on Nov 07, 2023, was given a precedent condition and related to the company registered office change from Jan 01, 2024, amendment of the company registered office in the Company Register kept at the City Court Košice, section Sa, file No. 1470/V. Updated Statutes wording is published on the company website [www.stabilita.sk](http://www.stabilita.sk).

Pursuant to the Act of Supplemental Retirement Saving Companies, the Company Board of Directors declares that the facts contained in the Statutes are up-to-date, complete and true. Legal relations between the participants to the Supplemental Retirement Saving and the Company not expressly regulated in the Statutes shall follow the Participation Contract, Allowance Plan, and applicable provisions of the generally mandatory 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 estab-

lished for unlimited 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 Conservative 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 19, 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](http://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. Current Statutes of the conservative d.d. fund, approved by the General Meeting held on Nov 07, 2023, was given a precedent condition and related to the company registered office change from Jan 01, 2024, amendment of the company registered office in the Company Register kept at the City Court Košice, section Sa, file No. 1470/V. Updated Statutes wording is published on the company website [www.stabilita.sk](http://www.stabilita.sk). 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 sterility, 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 Statutes of the payout d.d. fund, approved by the General Meeting held on Nov 03, 2022 became effective on that day and its wording is published on the company website. Current Statutes of the payout d.d. fund, approved by the General Meeting held on Nov 07, 2023, was given a precedent condition and related to the company registered office change from Jan 01, 2024, amendment of the company registered office in the Company Register kept at the City Court Košice, section Sa, file No. 1470/V. Updated Statutes wording is published on the company website [www.stabilita.sk](http://www.stabilita.sk).

The Payout d.d.f. is established for unlimited period and it does not represent a legal entity. Investing of financial resources of the Payout 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. 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 SRC, 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 2023 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).

#### Background and objective of the preparation of the Final Accounts

Independent Final Accounts of the Company for the period of 2023 with a comparable period of 2022, 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 2023 taking into consideration the comparable data of the year 2022. In the course of the year 2023 the company adopted all new and revised standards issued by the Board for International Accounting Standards with effect from 1 January 2023 to 31 December 2023. All figures in the tables are stated in whole Euros, negative values in parentheses.

#### Change of accounting policy

The company had the accounting policy of employee benefits reviewed and revised the method of recording the reserves for trade and anniversary benefits. The company has applied the IAS19 standard requirements and presents the adjusted values for the preceding fiscal periods in the records and remarks. Changes resulting from the accounting policy changes are summarized in the following tables:

Item	Jan 01, 2022 presented originally	accounting policy adjustment	Jan 01, 2022 (adjusted)
<b>Long-term assets</b>	<b>10 822 102</b>	<b>52 536</b>	<b>10 874 638</b>
Receivables from deferred income tax	139 512	52 536	192 048
<b>Total assets</b>	<b>13 003 540</b>	<b>52 536</b>	<b>13 056 076</b>
<b>Long-term liabilities</b>	<b>1 126 355</b>	<b>250 171</b>	<b>1 376 526</b>
Reserves for employee loans	-	250 171	250 171
<b>Total equity:</b>	<b>10 700 128</b>	<b>(197 635)</b>	<b>10 502 493</b>
Retained profit	8 171 615	(197 635)	7 973 980
<b>Total liabilities and equity:</b>	<b>13 003 540</b>	<b>52 536</b>	<b>13 056 076</b>

Item	Dec 31, 2022 presented originally	accounting policy adjustment	Dec 31, 2022 (adjusted)
<b>Long-term assets</b>	<b>5 457 532</b>	<b>61 760</b>	<b>5 519 292</b>
Receivables from deferred income tax	160 250	61 760	222 010
<b>Total assets</b>	<b>12 960 926</b>	<b>61 760</b>	<b>13 022 686</b>
<b>Long-term liabilities</b>	<b>884 376</b>	<b>294 094</b>	<b>1 178 470</b>
Reserves for employee loans	-	294 094	294 094
<b>Total equity:</b>	<b>11 192 650</b>	<b>(232 334)</b>	<b>10 960 316</b>
Retained profit	9 164 137	(232 334)	8 931 803
<b>Total liabilities and equity:</b>	<b>12 960 926</b>	<b>61 760</b>	<b>13 022 686</b>

Item	Year ending 31.12.2022 (adjusted)	accounting policy adjustment	Year ending 31.12.2022 (adjusted)
Personnel cost	(2 163 823)	(34 917)	(2 198 740)
Other operating cost	(1 294 383)	5 735	(1 288 648)
Financial cost	(2 292)	(14 741)	(17 733)
<b>Complex pre-tax profit/ loss</b>	<b>662 250</b>	<b>(43 923)</b>	<b>618 327</b>
Income tax	(169 727)	9 224	(160 503)
<b>Complex post-tax profit/ loss</b>	<b>492 523</b>	<b>(34 699)</b>	<b>457 824</b>



## 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 balanced 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 31/12/2023, 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 currently recorded in current value through insurance-mathematical estimations, represents also a significant accounting es-

timation. Insurance-mathematical estimation includes various presumptions that can differ from actual development in the future; among others also discount rate determination, amount and timing of the reserve drawing, method of points' application, retirement time and expected likelihood of loyalty points expiration.

Cost of long-term employee benefits is determined at current value through insurance-mathematical estimations, represents also a significant accounting estimation. Insurance-mathematical estimation includes various presumptions that can differ from actual development in the future; among others also discount rate determination, future wage increase, employee fluctuation and estimated retirement time. Considering the complicated nature of the evaluation and its long-term character, the value of liabilities from employee benefits is very sensitive to the changes of such presumptions. All presumptions are reviewed as of every recording date.

Discount rate represents the most changeable parameter. Determining a suitable discount rate, the management takes in account interest rates of corporate debentures in the currencies corresponding to the currencies of the liabilities from employee benefits. Discount rates correspond to expected period of settlement of the liabilities from employee benefits.

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

- **Addenda to IAS 1 'Presentation of Final Accounts'** – Publishing of accounting policies issued by IASB on February 12, 2021. The addenda require from the accounting units to publish important information about their accounting policies instead of policies in whole, and to provide instructions and examples that will help the Final Accounts' authors decide which accounting policies will be published in the Final Accounts.
- **Addenda to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'** – Definition of accounting estimates issued by IASB on February 12, 2021. The addenda are focused on accounting estimations and provide for guideline on how to distinguish between the accounting policies and accounting estimations.
- **Addenda to IAS 12 „Income tax“** – deferred tax related to liabilities and assets resulting from a single transaction issued by IASB on May 06, 2021. According to these addenda, exemption from the initial recording doesn't apply to transactions where deductible and taxable temporary differences are created during initial recording, resulting in recording of the same deferred tax liabilities and receivables.

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

## New standards and addenda to existing standards 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 16 „Leasing“** – Leasing liability from the transaction of sale and reverse leasing issued by

IASB on September 22, 2022. Addenda to IFRS 16 require from the seller – lessee to subsequently evaluate the leasing liabilities resulting from the reverse leasing so as the lessee doesn't record any profit or loss related to the right of use retained by him. These new requirements don't restrict the seller – lessee to record profit or loss from partial / full leasing termination in the Profit and Loss Statement.

- **Addenda to IAS 1 „Presentation of Final Accounts“** – classification of liabilities to long- term or short- term issued by IASB on January 23, 2020 and Addenda to IAS 1 'Presentation of Final Accounts' – Long-term liabilities with covenants, issued by IASB on October 31, 2022. The addenda issued in January 2020 provide more general access to the classification of liabilities according to IAS 1 based on contract agreements in effect as of the Final Accounts preparation date. The addenda issued in October 2022 explain the way how the requirements to be fulfilled by an accounting unit during 12 months from the fiscal period termination affect the liability classification, and determine the effective date of both addenda for fiscal periods starting on January 01, 2024 or later.

### **New standards and addenda to existing standards issued by IASB not 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 adopted by EU as of the Final Accounts approval date:

- **Addenda to IAS 7 „Cash Flow Statement“ and IFRS 7 „Financial Tools: Publishing“** – Agreements on Payments to Suppliers, issued by IASB on May 25, 2023. The addenda complete the publishing requirements and guidelines within the existing requirements laid on publishing of quality and quantity information on the Agreements on Payments to Suppliers.
- **Addenda to IAS 21 „Effects of Foreign Currency Exchange Rate Changes“** – Missing convertibility, issued by IASB on August 15, 2023. The addenda contain guidelines explaining when a currency is convertible and the method of exchange rate determination in case of not convertible currency.
- **IFRS 14 „Accounts of time accruals and deferrals at regulation“** issued by IASB on January 30, 2014. The standard should allow the accounting units applying IFRS for the first time and currently recording accounts of time accruals and deferrals during regulation in compliance with their preceding accounting standards so as they continue applying them also after transition to IFRS.

The Company expects that adoption of the standard and the addenda to the existing standards will not significantly affect the Company Final Accounts / in the future periods.

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

Section B1/ Changes at Accounting Policy describes the effects of changes at accounting policy.

### **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 and the liabilities are evaluated in current value of the liability from the leasing payments as of the date of the Final Accounts preparation. 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. Leasing payments are discounted using the implicit interest rate of leasing or, if the implicit interest rate cannot be determined in a simple way, incremental loan rate shall be used. Leasing payments contained in the evaluation of leasing liabilities include fixed leasing payments (installments).

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 methods of assets and liabilities evaluation, 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.

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.*

## 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 Com-

pany 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. The company created in 2023 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 2023, 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. Cre-



ation of reserve for the loyalty program and creation of other reserves represents a part of the "Profit and Loss Statement" (line 24). 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.

### B9) Employee benefits – IAS 19

Employee benefits represent all forms of counter values provided by the company in exchange for services provided by the employees. The standard is aimed at prescribing the method of accounting and publishing all employee benefits applied by the employer. Accordingly, applying the standard IAS 19, the company records:

- a) long-term reserves as liabilities to be paid in the future pursuant to legal regulations and internal directives, and pursuant to informal customs resulting in non-contract duty.
- b) short-term employee benefits if it is presumed that they will be settled within 12 months following the annual recording period.

The company started applying the changed employee benefits accounting policy during year 2023. Modification described on page 17 was adopted.

The company records all forms of counter values provided by the Group through exchange for services provided by the employees or for labor contract termination as liabilities from employee benefits. These liabilities are recorded during period in which the Group accepted the services provided by the employees.

Liabilities recorded in relation to other long-term employee benefits are evaluated in current value of estimated future cash flow expected in the company in relation to services provided by the employees until the Final Accounts preparation date.

Estimated liabilities from employee benefits are included in the line "Reserves for Employee Benefits" in the Financial Standing Record.

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. Liabilities recorded in relation to short-term employee benefits are evaluated in non-discounted amount of benefits to be paid in exchange for related service.

### B10) Accounting for cost and revenues

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. The company capitalizes incremental (additional) expenses spent for client contracts acquisition, namely:

- Variable expenses whose amount directly relates to acquisition of client contract,
- Lump-sum expenses paid to agents whose exclusive role within company refers to acquisition of client contracts.

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:

- 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.
- 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“).

### Financial assets – subsequent evaluation through real value

The company records cash, term deposits and receivables in amortized value. Evaluating between the amortized value and initial evaluation, the difference is recorded in the Profit and Loss Statement.

### 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 2023, 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 2023, the Company recorded revenues mainly from the administration of the contribution 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.

### B14) Additional information

#### Information on the amount of rewards to supplemental retirement company

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

- management of the funds
- valorization of assets capitalization in Share d.d.f., Index d.d.f., Conservative d.d.f. and Contribution 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 SRC

Reward for managing Share d.d.f., Balanced d.d.f. and Index d.d.f. in the year 2023 accounted for 1.15 % of the average annual net value of fund assets. (for year 2022: 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 20210: 0.60%) and reward for management of Conservative d.d.f. in the year 2023 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 SRC 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 2023, the company was meeting all the above limits and restrictions in accordance with the Act on Supplemental Retirement Savings.

## C) Remarks to items in particular company records

### 1) Long-term intangible assets – summary of transactions as of Dec 31, 2023

Assets (gross)	No.	as of 1.1.2023	Increments	Decrements	as of 31.12.2023
<b>B.I. Long- term intangible assets total</b>	1	<b>2 640 411</b>	<b>72 492</b>	37 205	<b>2 675 698</b>
1. Software	2	2 584 885	72 492	15 463	2 641 914
2. Trade mark	3	3 926	-	-	3 926
4. Small intangible assets (€ 332 - 2 400)	4	51 600	-	21 742	29 858
<b>B.II. Adjustments to long- term intangible assets total</b>	5	<b>(2 005 308)</b>	<b>(156 325)</b>	(37 205)	<b>(2 124 428)</b>
1. Adjustments to software	6	(1 957 207)	(154 013)	(15 463)	(2 095 757)
2. Adjustments to trade mark	7	(3 324)	(393)	-	(3 717)
3. Adjustments to long- term int. assets (l. 6)	8	(44 777)	(1 919)	(21 742)	(24 954)
<b>Long- term intangible assets book value (I.I+I.5)</b>	9	<b>635 103</b>	<b>(83 833)</b>	-	<b>551 270</b>

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>B.I. Long- term intangible assets total</b>	1	<b>2 438 353</b>	<b>202 058</b>	-	<b>2 640 411</b>
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>B.II. Adjustments to long- term intangible assets total</b>	5	<b>(1 894 435)</b>	<b>(110 873)</b>	-	<b>(2 005 308)</b>
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)
<b>Long- term intangible assets book value (I.I+I.5)</b>	9	<b>543 918</b>	<b>91 185</b>	-	<b>635 103</b>

### 2) Long- term tangible assets – summary of transactions as of Dec 31, 2023

Assets (gross)	Line No.	as of 1.1.2023	Increments	Decrements	as of 31.12.2023
<b>B.I. Long- term tangible assets total (I.02 - 07)</b>	1	<b>1 595 491</b>	<b>719 535</b>	<b>1 040 011</b>	<b>1 275 015</b>
1. Right for assets use	2	931 979	472 580	803 415	601 144
2. Indep. and group HV -machines, instr.	3	229 106	7 678	27 771	209 013
3. Indep. and group HV - transport means	4	244 962	169 263	69 250	344 975
4. Indep.HV - inventory	5	68 849	60 946	60 603	69 192
5. Indep. HV (€ 166 -1700)	6	66 678	9 068	25 327	50 419
6. Other long-term tangible assets	7	53 917	-	53 645	272
<b>B.II. Adjustments to long- term tangible assets total (I. 09 - 14)</b>	8	<b>(1 028 388)</b>	<b>(563 616)</b>	<b>(1 040 011)</b>	<b>(551 993)</b>
1. Adjustments to rights for assets use	9	(441 350)	(517 655)	(803 415)	(155 590)
2. Adjustments to machines, instruments	10	(196 341)	(23 644)	(27 771)	(192 214)
3. Adjustments to transport means	11	(208 504)	(14 232)	(69 250)	(153 486)
4. Adjustments to inventory	12	(66 699)	(2 412)	(60 603)	(8 508)
5. Adjustments to SHV (€ 166 - 1700)	13	(61 577)	(5 673)	(25 327)	(41 923)
6. Adjustments to other long-term t. assets	14	(53 917)	-	(53 645)	(272)
<b>B.III. Long-term t.assets book value</b>	15	<b>567 103</b>	<b>155 919</b>	-	<b>723 022</b>

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

Assets (gross)	Line No.	as of 1.1.2022	Increments	Decrements	as of 31.12.2021
<b>B.I. Long- term tangible assets total (I.02 - 07)</b>	1	<b>1 611 187</b>	<b>8 473</b>	<b>24 169</b>	<b>1 595 491</b>
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>B.II. Adjustments to long- term tangible assets total (I. 09 - 14)</b>	8	<b>(895 773)</b>	<b>(156 784)</b>	<b>(24 169)</b>	<b>(1 028 388)</b>
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>B.III. Long-term t.assets book value</b>	15	<b>715 414</b>	<b>(148 311)</b>	<b>-</b>	<b>567 103</b>

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/ 2023 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	31.12.2023	31.12.2022
Status at the beginning of year	4 095 076	3 837 654
Contract procurement cost paid during the year	773 208	527 658
Clearing in cost account during the year	(334 367)	(270 236)
<b>Status at the end of year</b>	<b>4 533 917</b>	<b>4 095 076</b>

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

Item	status as of 31.12.2023	status as of 31.12.2022
PL BNP Paribas LU0325598752	-	-
PL revaluation	-	-
<b>Total:</b>	<b>-</b>	<b>-</b>

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, 2023.

### 5) Receivables resulting from deferred income tax

Item	status as of 31.12.2023	status as of 31.12.2022
Deferred tax - tax receivables	208 394	222 010
<b>Total</b>	<b>208 394</b>	<b>222 010</b>

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 2023 was adjusted by € 61 760.00 because of accounting policy change and it refers to € 208 394.

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

Položka	31.12.2023	31.12.2022
Temporary differences between assets book value and tax base, thereof:	(80 823)	(143 881)
deductible		
taxable	(80 823)	(143 881)
Temporary differences between liabilities book value and tax base, thereof:	1 073 174	1 201 070
deductible	992 351	1 201 070
taxable		
Subtotal:	992 351	1 057 189
Income tax rate (in %)	21	21
<b>Deferred tax receivable</b>	<b>208 394</b>	<b>222 010</b>
Tax receivable for previous period	222 010	139 512
Deferred tax income/ cost)	(13 616)	82 498



## 6) Cash and cash equivalent

Item	status as of 31.12.2023	status as of 31.12.2022
Domestic/ foreign cash register	5 623	3 937
Valuables	60 619	27 476
Operating accounts	696 590	458 712
Wage account	255 891	37 870
Non-allocated payments account	263 051	147 898
<b>Total:</b>	<b>1 281 773</b>	<b>675 893</b>

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, 2023.

## 7) Receivables from the banks

Item	status as of 31.12.2023	status as of 31.12.2022
KTV at SLSP 10_07_2024	1 122 625	1 103 592
KTV at SLSP 13_09_2024	1 014 301	1 803 162
KTV at SLSP 13_09_2024	811 441	3 000 591
KTV at SLSP 11_11_2024	1 508 798	300 466
KTV at Tatra banka 14_05_2024	1 508 184	
<b>Total:</b>	<b>5 965 349</b>	<b>6 207 811</b>

As of Dec 31, 2023, the Company recorded funds - assets on depository account in the form of term deposits and on Tatra banka account with particular deposits maturity stated in the table. Interest rate applied to term deposits refers to from 4.14% till 4.28%. The table shows the volume together with aliquot interest revenues related to particular period.

## 8) Receivables from controlled supplemental retirement funds

Item	status as of 31.12.2023	status as of 31.12.2022
Receivable from Contributory Fund administration	335 252	321 422
Receivable from Payout Fund administration	17 802	14 946
Receivable from Share Contributory Fund administration and capitalization	104 550	47 620
Receivable from Index Fund administration	16 790	10 255
Receivable from Conservative Fund administration	1 640	21
<b>Total:</b>	<b>476 034</b>	<b>394 264</b>

Receivables apply to rewards for the funds administration and capitalization as of December 31, 2023.

## 9) Tax receivables

Tax receivables represent the difference between the paid tax advances of legal entity income tax and the due tax for year 2023. Tax advances refer to € 190 465,- and the due tax refers to € 152 078,-. The amount of € 38 387,- is included in the Balance Sheet as a tax receivable under item 9).

## 10) Structure of other short- term assets

Item	status as of 31.12.2023	status as of 31.12.2022
Provided domestic advances	18 543	13 278
Cost of future periods	43 154	41 328
Material on stock	2 257	2 075
Other receivables	-	10 421
<b>Total:</b>	<b>63 954</b>	<b>67 102</b>

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 - February 2024. The cost also includes the maintenance and upgrade of the server for 2024 and leasing payment for 1.Q. 2024 at contact points in Bratislava and Nitra. The material in stock represents the balance of small office supplies and forms for conclusion of supplemental retirement savings contracts.

## 11) Long-term liabilities from leasing

Item	status as of 31.12.2023	status as of 31.12.2022
Liabilities from leasing	346 481	401 968
<b>Total:</b>	<b>346 481</b>	<b>401 968</b>

The item „liabilities from leasing“ represents the value of the liability - payment of leasing pursuant to IFRS 16 Leasing in contact points Košice and Bratislava. Total value of long-term leasing liabilities with maturity period exceeding one year after applied discount refers to € 346 481,- as of Dec 31, 2023.

## 11a) Short-term liabilities from leasing

Item	status as of 31.12.2023	status as of 31.12.2022
Liabilities from leasing	88 281	96 265
<b>Total:</b>	<b>88 281</b>	<b>96 265</b>

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

## 12) Reserve for loyalty program

Item	status as of 31.12.2023	status as of 31.12.2022
Reserve for loyalty program	473 988	466 632
hereof - reserve for the 15th year - free of charge	13 048	15 776
<b>Total:</b>	<b>500 084</b>	<b>482 408</b>

Overview of movements in reserves for loyalty program in 2023

Status as of 1.1.2022	Drawing in 2023	Reserve creation for 2023	Other effects	Status as of 31.12.2023
<b>Reserve for loyalty program</b>				
466 632	(54 266)	57 358	4 093	473 817
<b>Reserve for the 15th year free</b>				
15 776	(3 331)	603	-	13 048
<b>As of December 31, 2023</b>				
<b>482 408</b>	<b>(50 935)</b>	<b>57 961</b>	<b>4 093</b>	<b>486 865</b>



## 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
<b>Reserve for loyalty program</b>				
613 168	(66 691)	56 028	(135 874)	466 632
<b>Reserve for the 15th year free</b>				
16 979	-	1 203	-	15 776
<b>As of December 31, 2022</b>				
<b>630 147</b>	<b>(66 691)</b>	<b>57 231</b>	<b>(135 874)</b>	<b>482 408</b>

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 2023, 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. Applied discount rate change refers to 0.05% and it changed from 3.75% in 2022 to 3.80% in 2023.

**13) Reserves for employee benefits**

Item	status as of 31.12.2023	status as of 31.12.2022
Reserves for employee benefits	263 647	294 094
<b>Total:</b>	<b>263 647</b>	<b>294 094</b>

Reserves for employee benefits represent the balance of reserve pursuant to IAS 19. The reserve covers liability for severance pay when an employee when retiring for the first time receives multiplication of the average wage determined in the company internal directive and anniversary benefits that the employee is entitled to in the form of reward for worked out specified period of time in the company pursuant to the company internal directive. These benefits are increased proportionally to total worked out years by the employee in the company. Year-to-year decrease as of Dec 31, 2023 resulted from the company jobs restructuring during the 1.H.2023.

Insurance -mathematical preconditions of the reserve calculation are summarized in the following table:

Item	2023	2022
Average fluctuation rate	4,00%	4,00%
Average wage increase	4,00%	4,00%
Average discount rate	3,60%	3,60%

The following table summarizes movements during years 2022 and 2023:

Benefits after employment termination	2023	2022
<b>Liabilities as of January 01</b>	<b>294 094</b>	<b>250 171</b>
Cost of current services	(41 034)	34 917
Cost interests	10 587	9 006
Paid up benefits	16 100	26 116
<b>Values recorded in the Profit and Loss Statement</b>	<b>(30 447)</b>	<b>43 923</b>
Values recorded in other sections of complex statement	-	-
<b>Liabilities as of December 31</b>	<b>263 647</b>	<b>294 094</b>

**14a) Other short-term liabilities**

Item	status as of 31.12.2023	status as of 31.12.2022
Trade liabilities, item 14)	101 045	96 263
<b>Total:</b>	<b>101 045</b>	<b>96 263</b>
Liabilities towards funds	263 051	157 891
Social fund	29 168	16 708
Liabilities towards employees	121 223	343 269
Liabilities towards insurance companies	112 258	115 845
Other short-term liabilities	334 027	20 725
Tax liabilities	32 478	36 934
<b>Other short-term liabilities</b>	<b>892 204</b>	<b>691 372</b>

The item "Trade Liabilities" includes the liabilities towards suppliers with 14 days maturity. Total liabilities as of Dec 31, 2023 referred to € 101 045,- and represent the outstanding invoices from the mediators, invoices for telecommunication services and SW updates, invoiced on monthly basis. As of Dec 31, 2023, 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 2023 and 2022:

Item	2023	2022
Social Fund status at the beginning of year:	16 708	12 366
Creation of Social Fund	46 817	34 066
Use - catering	(34 220)	(29 598)
Use - other	(137)	(125)
<b>Social Fund status at the end of year:</b>	<b>29 168</b>	<b>16 709</b>

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.

**15) 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 € 895 005,-

in 12 months of 2023. Tax liability occurs by means of mutual setting off the advances paid in the amount of € 190 465,- and the due tax in the amount of € 152 078,-, resulting in the tax receivables in the amount of € 38 387,- described in the point 9) of the Remarks.

## 16) Registered capital

Registered capital of the company as of 31/12/2023 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 31.12.2023	"% share on registered capital as of k 31.12.2023"	Share on registered capital as of 31.12.2022	"Share on registered capital as of % k 31.12.2022"
<b>Železnice SR</b>			
917 316	55,26	917 316	55,26
<b>IAD Investments, správ.spol.a.s.,</b>			
741 854	44,69	741 854	44,69
<b>Szabo Marek</b>			
-	-	830	0,05
<b>ISC Group Funding, j.s.a.</b>			
830	0,05	-	-
<b>Total:</b>			
<b>1 660 000</b>	<b>100</b>	<b>1 660 000</b>	<b>100</b>

Shareholder's rights of the shareholder - Marek Szabo corresponding to 0.05 % of the whole stock, were transferred on June 29, 2023; and company ISC Group Funding, j.s.a. became a new shareholder.

## 16a) Funds created from profit

Total value of the reserve fund as of 31 December 2023 amounted to EUR 332,000 (€ 332,000 as of Dec 31, 2022), 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.

## Payment of dividends during 2023

General Meeting approved the Individual Final Accounts, Annual Report and profit distribution for year 2022 on May 30, 2023. Dividends weren't paid up to the shareholders.

## 17) Retained profit

High value of retained profit of the company has been affected also by the company accounting policy to which DAC (the balance as of Dec 31, 2023) is not accounted during payment but amortized within the average duration of participant contract.

Retained profit of previous periods was adjusted because of changed company accounting policy described on page 24.

## Items description in Profit and Loss Statement

## 18) Revenues from rewards and commissions

Item	31.12.2023	31.12.2022
Reward for SR funds administration	4 814 268	4 676 567
Reward for funds assets capitalization	49 093	19 695
Reward for severance pay and transfers	100 472	83 488
<b>Net revenues from interests</b>	<b>4 963 833</b>	<b>4 779 759</b>

The Company recorded revenues in 2023 mainly from the administration and management of the supplemental retirement funds. Revenues from the assets management in the contributory supplemental retirement funds reached € 4 620 731,- and revenues from the assets management in the payout supplemental retirement funds reached € 193 537,-.

## 19) Cost of rewards and commission

Item	31.12.2023	31.12.2022
Rewards for mediation	(334 367)	(270 237)
<b>Total</b>	<b>(334 367)</b>	<b>(270 237)</b>

Item „cost of reward and commissions“ includes also cost of mediation for which the company accounts for accruals and deferrals since January 01, 2018.

## 21) Personnel cost

Item	31.12.2023	31.12.2022 (adjusted)
Wage cost and agreements	(1 272 918)	(1 217 220)
Rewards for Top Management members (monthly, annual)	(225 390)	(184 984)
Rewards for Supervisory Board members	(43 440)	(84 295)
Social security cost	(483 052)	(513 361)
Employee trainings	(7 209)	(3 698)
Contribution to plant catering	(41 837)	(34 851)
Contribution to supplemental retirement savings	(73 668)	(69 104)
Compensation of income in case of long- term sick leave	(2 860)	(4 728)
Obligatory and optional creation of Social Fund	(46 816)	(34 065)
Severance pay	(19 747)	(52 433)
<b>Total:</b>	<b>(2 216 937)</b>	<b>(2 198 740)</b>

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

## 22) Depreciations of tangible and intangible assets

Item	31.12.2023	31.12.2022
Depreciations of long-term tangible assets	(45 963)	(46 179)
Depreciations of long-term intangible assets	(156 325)	(110 872)
Depreciations of assets - leasing	(101 542)	(110 604)
<b>Total:</b>	<b>(303 830)</b>	<b>(267 655)</b>

**23) Other operating income**

Item	31.12.2023	31.12.2022
Other operating income	27 730	4 707

The item "Other operating income" in 2023 represents the revenues from the motor vehicle sale and other operating revenues.

**24) Other operating cost**

Item	31.12.2023	31.12.2022
Material consumption	(192 854)	(177 558)
Services (purchased outputs), thereof:	(1 109 964)	(1 151 637)
x cost of technical provision	(357 177)	(338 451)
x rental	(102 429)	(78 167)
x Final Accounts audit	(29 880)	(31 104)
x other ascertaining auditor services	-	-
x tax consultations	(6 000)	(6 000)
x other non-auditor services	-	-
x legal services and consultations	(17 559)	(44 334)
x advertisement cost	(164 532)	(299 330)
x other provided services	(432 387)	(354 251)
Other taxes and charges	(16 453)	(13 859)
Insurance of assets	(8 409)	(8 075)
Creation of long-term reserves for loyalty program	(58 916)	101 103
Other operating cost	(20 270)	(38 622)
<b>Total:</b>	<b>(1 406 866)</b>	<b>(1 288 648)</b>

Cost of auditor services refers to cost of Individual Final Accounts and Annual Report audit as of December 31, 2023. Company Deloitte Audit s.r.o. provided the following services to our company during year 2023:

Item	Year ending 31.12.2023	Year ending 31.12.2022
Audit of Final Accounts	(29 980)	(31 104)
Reassuring audit services except the audit of Final Accounts	-	-
related audit services	-	-
Tax advisory services	-	-
other non-audit services	-	-

**25) Financial income**

Item	31.12.2023	31.12.2022
Interest of term deposits	181 038	22 811
Interest of current accounts	-	-
<b>Total:</b>	<b>181 038</b>	<b>22 811</b>

**26) Financial cost**

Item	31.12.2023	31.12.2022 (adjusted)
Interest on cost	(15 596)	(17 733)
<b>Total</b>	<b>(15 596)</b>	<b>(17 733)</b>

Interests on cost in 2023 consist of interest bearing on reserves for employee benefits and on interest on leasing. Interests on cost in 2022 were adjusted by the effect of changes at accounting policy described on page 24.

**27) Net profit/ loss from financial assets revaluation**

Item	31.12.2023	31.12.2022
Profit from revaluation BNP Paribas	-	-
Realization of securities BPN Paribas	-	(145 927)
<b>Net profit/ loss from revaluation BNP Paribas</b>	<b>-</b>	<b>(145 927)</b>

**28) Income tax**

Item	31.12.2023	31.12.2022 (adjusted)
Income tax - due-	(152 078)	(190 465)
Income tax - deferred	(39 837)	29 962
<b>Total:</b>	<b>(191 916)</b>	<b>(160 503)</b>

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. Deferred legal entity income tax for 2022 was adjusted by € 9 224 because of changes at accounting policy described on page 24.

Item	31.12.2023		31.12.2022 (adjusted)	
	Tax basis in EUR	Tax in EUR	Tax basis in EUR	Tax in EUR
Pre - tax profit/ loss	895 004		618 327	
<b>thereof theoretical tax</b>	21%	187 951	21%	129 849
Permanent differences increasing tax basis	84 444	17 733	19 588	4 113
Permanent differences decreasing tax basis	-	-	-	-
Effect of change at tax basis	-	-	-	-
Temporary differences	(65 562)	(13 768)	126 386	26 541
Loss redemption	-	-	-	-
<b>Total:</b>	<b>913 886</b>	<b>191 916</b>	<b>764 301</b>	<b>160 503</b>
Due tax:	-	178 300	-	190 465
Deferred tax:	-	(13 616)	-	(29 962)
<b>Total recorded tax:</b>	<b>-</b>	<b>191 916</b>	<b>-</b>	<b>160 503</b>

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.

## 29) 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	31.12.2023	31.12.2022 (adjusted)
Post- tax profit/ loss	703 088	457 824
Number of shares	50 000	50 000
<b>Basic profit per a share</b>	<b>14,06</b>	<b>9,16</b>

## E) Overview of conditional assets and liabilities

Receivables from future credits, loans, and guaranties:

- as of 31/ 12/ 2023 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/ 2023 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, 2023 and Dec 31, 2022 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 contract points with the length of notice up to 6 months. These contracts weren't classified as "simplified short-term lease".. 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/ 2023 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 jointly-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	31.12.2023	31.12.2022
Wages and rewards for statutory reps.	225 390	184 984
Wages and rewards for Superv.Board	43 440	84 295
<b>Total</b>	<b>268 830</b>	<b>269 279</b>

Transactions with allied persons include also transactions with controlled funds. These are described in detail in particular remarks.

## 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 SRC 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 SRC. The company adheres to the legal requirements of SRC referring to minimum capital.

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



Item	31.12.2023	31.12.2022 (adjusted)
Own company sources	x	x
Basic own sources	11 663 406	10 960 316
Additional own sources	0	0
Deductible items	551 270	635 103
<b>Total own sources:</b>	<b>11 112 136</b>	<b>10 325 213</b>

Indicators of own sources reasonability:

Limit of own sources pursuant to: § 33 clause 3 item a) of the DDS Act	1 802 778	1 770 410
Limit of own sources pursuant to: § 33 clause 3 item b) of the DDS Act	1 047 235	1 053 993
<b>Own sources are reasonable</b>	<b>yes</b>	<b>yes</b>

## H) Risk management

As of 31 December 2023, the Company had all the funds deposited on the current account with the depositary and in the form of term deposits with various periods of sterility within one day and one year. At current terms on the monetary market, term deposits represent a significant source of revenues and the company has been using them according to its financial needs and liabilities in the given time. Attractive interest rates on the monetary market allowed the company to capitalize its funds in a very conservative way that doesn't encompass major market risks. Risks that the company assets faced could face that would affect the capitalization rate:

**Credit risk** – is mainly the risk of loss resulting from the changes at interest rates and their effect on the supplemental retirement funds assets value. In case of increasing interest rates, debenture prices drop and vice versa, i.e. in case of decreasing interest rates, debenture prices increase. Since less than 1 year term deposits are not market-revalued, limited adverse effect of the interest risk refers only to possibility of meanwhile decreased interest rates (which is highly probable in year 2024) and the funds are again deposited at lower interest percentage at the time of particular term deposit maturity.

**Currency risk** i.e. risk of financial tool value change in relation to the change at foreign currency exchange rate. The company has allocated its funds in Euro currency on current accounts. The risk rate and related eventual loss is negligible for the company in this case.

**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.

Nominal value of trade receivables and liabilities, following the deduction of estimated adjustments, approximates the book value of the trade receivables and liabilities. Real value of financial liabilities in the financial

records is estimated using the method of discounting future cash flow at the discount rate derived from the extent of revenues till the state debenture bonds maturity with the maturity period similar to that of liabilities.

## Market situation

Following the very complicated year 2022 affected by the war conflict and exuberating inflation, the market entered the New Year with the preceding year's traps and significant portion of caution. The news from China about termination of strict Covid policy and promises of domestic demand revitalization, as well as revitalization of global economy that started slowing down or even falling into recession, were the factors that uplifted the financial world.

In sake of pushing high inflation down, the central banks had increased the interest rates. Especially ECB set up high pace, since they started applying stricter currency policy later than Fed. It was the effect of sharp interest rates' increase that brought up the concerns of economic loss and its "soft landing", which started taking place especially in the European economies. Increasing interest rates resulted in reduction of consumer expenses and expensive funding froze corporate investments, hypothecary and mainly real-estate market. Real-estate market was most affected by expensive funding, which was expressed in the decreasing real estate prices and concurrently in the concerns of the sector soundness.

Bankruptcy of medium size American banks and subsequent outbreak of the bank crisis that had spread also to Europe and caused bankruptcy of the Swiss bank Credit Suisse represented another adverse effect of stricter interest rates and underestimation of the interest risk management. Thanks to CB intervention and strong capital positions of commercial banks, the infection was successfully "eradicated". Dying away energy crisis that Europe managed also thanks to relatively moderate winter resulted in the improvements in the service sector and revitalization of transport sector. On the contrary, worse and worse news came from the industrial sector because of increasing skepticism caused by incoming economic recession, weak global demands, geopolitical tension in the Near East and slowing down China, facing structural issues, real-estate crisis and continued falling down the deflation spiral. Strong labor market that managed to maintain unemployment rate on low level and generated consumer expenses on the level that was able to support the service sector represented a positive factor.

Moreover, concerns of energy crisis didn't come true and inflation was getting under control, which was supported by optimism and risk appetite of the investors. However, central banks were less pleased of the labor market development because of wage inflation development. Economy had been still exposed to numerous risks in the form of continued war in Ukraine, tension between USA and China in the area of geopolitics and technologies, increasing war tension in the Near East, and endangered global trade and weak consumer demand. Stock exchanges started going beyond their depth in 3.Q. 2023 following the double-digit increase in the 1. H. 2023, because of continued application of restrictive policy by Fed and ECB and the signs of cooling down global economy.

Dying away inflation pressure supported an exceptional growth on the financial markets that had made CB to end the strict currency policy at first, followed by the expectations of incoming reduction of interest rates by Fed in the near future.

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

#### Liquidity position of financial and non-financial assets as of Dec 31, 2023

Assets	0-1 mo.	1-3 mo.	3m-1 year	1-5 years	above 5 y.	N/A	Total:
Cash and cash equivalents	1 281 773	-	-	-	-	-	1 281 773
Receivables from banks	-	-	5 965 349	-	-	-	5 965 349
Receivables from suppl. ret. funds	476 034	-	-	-	-	-	476 034
Tax receivables	-	-	38 387	-	-	-	38 387
<b>Total:</b>	<b>1 757 807</b>	<b>-</b>	<b>6 003 736</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7 761 543</b>

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

Assets	0-1 mo.	1-3 mo.	3m-1 year	1-5 years	above 5 y.	N/A	Total:
Cash and cash equivalents	675 893	-	-	-	-	-	675 893
Receivables from banks	-	-	6 207 811	-	-	-	6 207 811
Receivables from suppl. ret. funds	394 264	-	-	-	-	-	394 264
Tax receivables	-	-	158 324	-	-	-	158 324
<b>Total:</b>	<b>1 070 157</b>	<b>-</b>	<b>6 366 135</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7 436 292</b>

#### Liquidity position of financial and non-financial assets as of Dec 31, 2023 according to time till payment deadline

Liabilities	0-1 mo.	1-3 mo.	3m-1 year	1-5 years	above 5 y.	N/A	Total:
Leasing liabilities	-	-	88 281	346 481	-	-	434 762
Other short-term liabilities	101 045	892 204	-	-	-	-	993 249
Income tax	-	-	-	-	-	-	-
<b>Total:</b>	<b>101 045</b>	<b>892 204</b>	<b>88 281</b>	<b>346 481</b>	<b>-</b>	<b>-</b>	<b>1 428 011</b>

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

Liabilities	0-1 mo.	1-3 mo.	3m-1 year	1-5 years	above 5 y.	N/A	Total:
Leasing liabilities	-	-	7 556	453 717	36 960	197 829	696 062
Other short-term liabilities	269 767	597 425	-	-	-	16 708	883 900
Income tax	-	-	-	-	-	-	0
<b>Total:</b>	<b>269 767</b>	<b>597 425</b>	<b>7 556</b>	<b>453 717</b>	<b>36 960</b>	<b>214 537</b>	<b>1 579 962</b>

## I) Leasing – IFRS 16

The company has leased the office premises for limited period of five years at the contact point in Bratislava. Leasing contract was also concluded at the headquarters in Košice in the BC Cassovar building for five year period starting from December 01, 2023. Total lease value refers to € 323,400.00. Accordingly, the company terminated the lease of premises at Bačíkova str. 5 as of November 17, 2023. 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. Original Lease Contract for the contact point in Bratislava was concluded for seven years. 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 2023	year 2022
Less than one year	88 281	96 265
one to five years	346 481	313 259
more than five years	-	88 709
<b>Total:</b>	<b>434 762</b>	<b>498 233</b>

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

Liability from leasing	year 2023	year 2022
Cost interest	3 987	5 736
Variable cost not included in the liability from leasing	59 610	48 693
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“.

Short-term leasing expenses during year 2023 reached € 69,836.00 (vs 2022 with expenses totaling in € 69,836.00).

## J) Information on the following events

No events of a special importance had occurred from the Final Accounts preparation date that would require additional recording or adjustments of the Final Accounts as of December 31, 2023.

In Košice, dated March 26, 2024



**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 Department

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ANNUAL REPORT

