



## REPORT OF THE SUPERVISORY BOARD of the Tatry mountain resorts, a.s. company regarding the financial year ending on 31<sup>st</sup> October 2022

Pursuant to Art. XII of Company's Articles of Association, the Supervisory Board of the Company (hereinafter referred to as "**Supervisory Board**") hereby submits the following report of the Supervisory Board of the Tatry mountain resorts, a.s. company to the Annual General Meeting. The report covers the financial year ending on 31<sup>st</sup> October 2022.

The Supervisory Board had the following members in the period under review, i.e. from 01/11/2021 to 31/10/2022 (hereinafter referred to as "**Period under review**"): Ing. Bohuš Hlavatý, Chairman of the Supervisory Board, Ing. František Hodorovský, Vice-Chairman of the Supervisory Board, Ing. Pavol Mikušiak, member of the Supervisory Board, Roman Kudláček, member of the Supervisory Board, Adam Tomis, member of the Supervisory Board, Ing. Andrej Devečka, member of the Supervisory Board, Miroslav Roth, member of the Supervisory Board elected by the employees of the Company, Mgr. Marek Schwarz, member of the Supervisory Board elected by the employees of the Company and Ivan Oško, member of the Supervisory Board elected by the employees of the Company.

There were six (6) meetings of the Supervisory Board in the period under review. Every time, the Supervisory Board invited members of the Board of Directors and top managers of the Company, who presented the proposal for approval of the financial plan regarding the respective financial year, proposals for approval of the investment plan and other important financial and business transactions, as well as details of current activities of the Company. Invited members of the top management of the Company presented details of activities and plans regarding individual resorts they are responsible for. Representatives of the employees who are members of the Supervisory Board were present at every meeting of the Supervisory Board. At the same time, the Board of Directors have always informed the members of the Supervisory Board at the meetings of the Supervisory Board about situation of the Company, including financing of the Company's activities (CAPEX, cash flow, debt service).

While performing its duties in the period under review, the Supervisory Board was focusing mainly on the following issues:

- fulfilling duties assigned to the Board of Directors by the Annual General Meeting;
- monitoring activities that the Board of Directors performs regarding effectiveness in the management of the Company, strategic targets in given conditions and implementing with development plans of the Company;
- business and financial activities of the Company, its portfolio assets, payables and receivables;
- regular accounting;
- fulfilling the business plan, financial budget and investment plan;
- compliance with Company's Articles of Association and applicable laws.

In order to monitor everything as mentioned above, the Supervisory Board has electronic access to production systems to collect details about the financial situation of the Company on a daily basis.

The Supervisory Board hereby declares that there were no failings noticed in the performance of the Board of Directors in the period under review, the Board of Directors was focusing on enforcing strategic targets, management effectiveness and implementing development plans in a consistent and professional way.

While performing activities of the Audit Committee, the Supervisory Board was cooperating with an external auditor, i.e. the KPMG Slovensko spol. s r.o. company, discussing the overall audit procedure regarding the Company as well as the TMR group (in order to complete the consolidated financial statements of the Company as of 31/10/2021) based on a submitted plan and strategy regarding the audit of the consolidated financial statements of the Company as of 31/10/2021 made by the KPMG Slovensko spol. s r.o. audit company.

The Supervisory Board hereby declares that the audit of the Company and the TMR group was



performed by licensed auditors and in accordance with agreements concluded between the auditor and the Company.

The audit was performed based on the plan of the auditor and had 3 phases. During the 1<sup>st</sup> phase, the audit and all related procedures were planned. In the 2<sup>nd</sup> phase, the annual individual and consolidated financial statements were verified. The 3<sup>rd</sup> phase focused on completing the report regarding the annual individual and consolidated financial statements of the Company.

The Supervisory Board of the Company examined the following documents at its meeting held on 25/04/2023: the annual individual and consolidated financial statements of the Company as of 31/10/2022, the report of the auditor – KMPG Slovensko spol. s r.o. regarding the annual individual financial statements of the Company as of 31/10/2022, the report regarding the annual report as of 31/10/2022, the annual individual and consolidated financial report regarding the financial year ending on 31<sup>st</sup> October 2022 and the proposal of the Board of Directors to distribute the profit made in the financial year beginning on 01/11/2021 and ending on 31/10/2022; and suggests authorising the KPMG Slovensko spol. s r.o., i.e. the auditor to complete the statutory audit of the year ending on 31<sup>st</sup> October 2023 for the Company.

### **Conclusions of the Supervisory Board**

Having examined all the above mentioned and related documents, the Supervisory Board concluded that it **had no objections**

- to the annual individual financial statements of the Company as of 31/10/2022, which provide a true picture about the non-consolidated financial position of the Company as of 31/10/2022 and the non-consolidated economic results and non-consolidated cash flows regarding the financial year ending on 31/10/2022 in accordance international financial reporting standards as adopted by the European Union;
- to the annual consolidated financial statements of the Company as of 31/10/2022, which provide a true picture about the consolidated financial position of the group, i.e. the Company and its subsidiaries as of 31/10/2022 and the economic results and financial flows regarding the financial year ending on 31/10/2022 in accordance with international financial reporting standards as adopted by the European Union;
- to the annual report of the Company as of 31/10/2022, which complies with the annual individual financial statements as of 31/10/2022 in all significant points and contains all details required in accordance with the Act on Accounting.

Based on the above mentioned facts, the **Supervisory Board hereby recommends that the Annual General Meeting should approve the following:**

- the annual individual financial statements of the Company as of 31/10/2022;
- the proposal of the Board of Directors to distribute the profit in the amount of EUR =3.287.469,82 EUR (in words: three million two hundred eighty seven thousand four hundred sixty nine Euro and eighty two cents) made in the financial year beginning on 01/11/2021 and ending on 31/10/2022 (hereinafter referred to as the “**Profit**”) as follows: part of the Profit in the amount of =328.746,98 EUR shall be used to fund the Reserve Fund of the Company, part of the Profit in the amount of = 16.437,35 EUR shall be used to fund the Social Fund of the Company and part of the profit in the amount of =2.942.285,49 EUR shall be allocated to the account of Retained earnings of previous periods;
- the KMPG Slovensko spol. s r. o. company, with registered office at Dvořákovo nábrežie 10, 820 04 Bratislava, as the statutory auditor who should verify the annual individual and consolidated financial statements of the Company regarding the financial year ending on 31<sup>st</sup> October 2023.

In Demänovská Dolina on 25/04/2023

Ing. Bohuš Hlavatý, m.p.,  
Chairman of the Supervisory Board  
Tatry mountain resorts, a.s.