TMR

Annual Report 2022/23

Tatry mountain resorts, a. s.

and its Subsidiaries

as of October 31, 2023

Content

Commentary from Chairman of the Board of Directors

Igor Rattaj

Chairman of the Board of Directors
and CEO of the TMR Group

Dear shareholders,

we have completed a successful and challenging year. We faced not only economic challenges in the form of rising consumer prices for goods and services, labor cost increases, and increase in interest rate, but also the impact of unpredictable weather that affected the winter season in locations outside of Slovakia. Despite these mentioned negative external influences, we achieved record numbers that reflect not only our resilience to challenges but also our ability to react quickly and effectively to changing circumstances. We effectively utilized our long-term expertise in price management through dynamic pricing, introducing new products, leveraging synergies within our resorts, and utilizing the Gopass program. As a result, consolidated revenues increased by 43% to EUR 188.4 million, and the Group's operating profit before depreciation, interest, and taxes (EBITDA) reached EUR 59.4 million, a 76% increase compared to the previous fiscal year. After accounting for higher operating costs, interest expenses, depreciation, impairment of fixed assets, and tax expenses, we reported a net consolidated loss of EUR 0.5 million. Despite this loss, we managed to maintain the group's cash flow at a stable level, with timely fulfillment of all obligations to our creditors and partners.

The winter season was successful in our mountain resorts in Slovakia, with higher altitude and a quality artificial snow system being a key factor. We have introduced a new cable car, Biela Púť-Priehyba, which significantly improved transportation connectivity in Jasna and enhanced the product quality for both skiers and pedestrians. Despite challenging years affected by the pandemic, we experienced increase in number of visitors, especially from foreign clients from Poland, Hungary, Romania, and Baltic countries in Jasna and High Tatras. The use of dynamic pricing tools, actively managed, enabled us to achieve growth in average customer spending in all our resorts and main segments. Our resorts in Poland, Czech Republic, and Austria in the winter season did not reach the overall expected revenue and visit rate, mainly due to unfavorable weather during the main part of the winter season.

Our water parks in Bešeňová and Tatralandia experienced a successful not only winter but also summer season, setting a record attendance of over 1.3 million visitors, representing an increase of over 47% compared to the previous fiscal year. Although the Legendia amusement park saw 13% fewer guests compared to the previous year, the overall attendance in the amusement park segment, including water parks, increased by almost 26%.

Hotels in the TMR portfolio had a significant impact on results with a 48.4% growth in revenues. A novelty of the past season was stays in TMR hotels with ski passes and aquaparks included in the room rates, resulting in an increase in the average room rate and higher hotel occupancy. This innovation represents a product innovation welcomed by our customers, providing them with additional benefits and a better customer experience.

Throughout the year, we traditionally organized our popular events. The most visited Tatra attraction was again the Tatra Ice Dome in Hrebienok, resembling a unique sacred building – the Basilica of the Holy Sepulcher in Jerusalem. In addition to various events, we prepared many novelties and advantageous offers for our customers, delivered through our Gopass customer program and updated Gopass mobile application, which brought new functionalities and an improved customer experience.

Last year, we invested EUR 22.7 million, primarily directed towards Slovak resorts, including the construction project of the Jasná Central Resort Hotel. Other significant investments included the completion and operation of the Biela Púť-Priehyba cable car, the reconstruction of wellness facilities in Grandhotel Starý Smokovec, and the refurbishment of apartments in Bešeňová. Investments also went into our foreign resorts in Poland, Czech Republic, and Austria.

We are aware of our position and role in sustainable business practices. We are developing and implementing processes in the ESG (Environmental, Social, Governance) initiatives and regulations. The goal is to create a management system, set goals, and implement investments with an emphasis on achieving sustainability.

In the coming period, we aim to continue improving the quality of services provided at our resorts and strengthen their competitiveness with product innovations. We will also focus on strategic investments to maintain an adequate length of the winter season, the quality of the main skiing product, and mitigate the impacts of changing weather conditions. We want to continue digitizing and innovating a significant part of our business. A significant upcoming project is the Gopass Property Fund, aiming to enable investments in premium properties managed and utilized by the TMR Group, which is a prerequisite for an attractive portfolio investment and interesting yield.

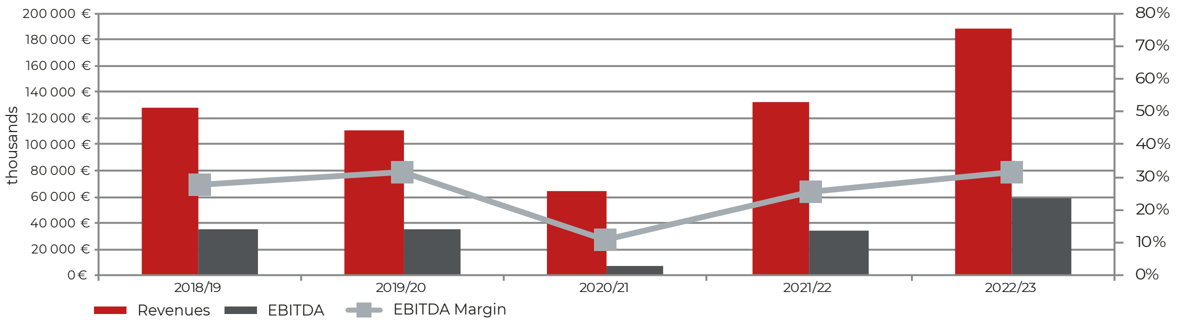
Igor Rattaj

OPERATIONS REVIEW

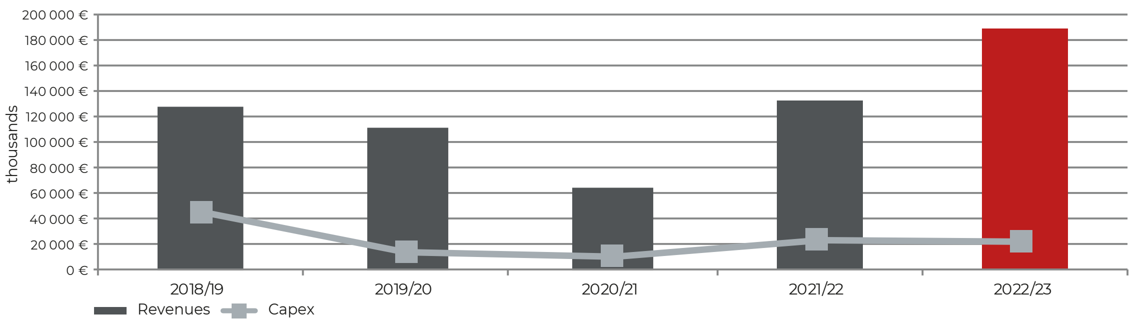
Consolidated Financial Highlights

in €'000 unless specified otherwise	2022/23	2021/22	2020/21	2019/20	2018/19
Revenues	188 379	132 119	64 697	111 197	127 592
EBITDA	59 366	33 696	7 000	35 137	35 496
EBIT	23 357	11 630	-23 831	7 387	12 723
Net Income / loss	-548	-11 947	-45 876	-20 513	-2 288
CAPEX	22 655	23 616	10 555	14 452	45 254
No. of employees	1 456	1 359	1 193	1 332	1 456
Earnings per share (EUR)	-0,074	-1,694	-6,816	-3,013	-0,341
Hotel Occupancy (%)	59,4	54,5	37,4	49,4	66,3
Avg. Daily Rate per Room (EUR)	112,2	107,1	84,7	99,7	88,0
Visit Rate Mountain Resorts ('000)	2 928	2 660	1 163	2 425	2 840
Visit Rate Leisure Parks ('000)	1 780	1 416	483	655	808
EBITDA (%)	31,5	25,5	10,8	31,6	27,8
EBIT (%)	12,4	8,7	-36,8	6,6	10,0
Equity	31 896	33 007	45 123	91 886	110 173
Debt/Equity (%)	1 188,7	1 178,6	816,5	366,8	315,3
Debt/Capital (%)	92,2	92,2	89,1	78,6	75,9
Debt/EBITDA	6,4	11,5	52,6	9,6	9,8
Total Assets	579 634	574 667	556 761	561 927	533 858

Key Operating Results



Revenues vs. CAPEX



TMR IN NUMBERS

12 resorts*

4.7 mil. guests +15,5%

7 mountain resorts

3 leisure parks

2 golf resorts

2.9 mil. skier days +10,1%

1.8 mil. guests +25,7%

20 own / managed hotels

59.4 % occupancy +4.9 p.p.

112.17 € ADR +4.7%

Group Revenues
188.4 mil. € +42.6%

Group EBITDA
59.4 mil. € +76.2%

Group Net Loss
-0.5 mil. €

FTE
1 456

CAPEX
22.655 mil. €

* as of 31/10/2023

Our History

1992

- Establishment of SKI Jasná, a.s., the legal predecessor of TMR, by the National Property Fund of the Slovak Republic in March 1992

2003

- Change of name to Jasná Nízke Tatry, a. s. in March 2003

2009

- In June 2009 Shareholders of Jasná Nízke Tatry, a.s. agreed on raising of the capital to EUR 250 million and on renaming the Company Tatry mountain resorts, a.s. Consequently, a new equity issue was listed on the Bratislava Stock Exchange.
- In October 2009 TMR purchased Tatras Cableways (TLD), which dissolved without liquidation and merged with TMR on May 1, 2010. At the same time TMR, as its successor, continues to conduct TLD's business activity, especially operation of mountain resorts in the High Tatras - Tatranská Lomnica and Starý Smokovec.
- In December 2009 TMR acquired 100% of Grandhotel Praha, a.s. (Grandhotel Praha) and 50% of Interhouse Tatry, s.r.o., which was the owner of Grandhotel Starý Smokovec at that time.

2010

- In October 2010 TMR purchased all shares of Tatry mountain resorts services and thus became its 100% owner.
- TMR initiated cooperation with the resort of Štrbské Pleso in December 2010.

2011

- In April 2011 TMR acquired Tatralandia Holiday Resort. This trademark comprises Aquapark Tatralandia, a lodging facility Holiday Village Tatralandia, an entertainment park Fun Park, and Tropical Paradise. The acquisition of Tatralandia was an important step for TMR in pursuing the strategy to create an all-year tourist destination.

2012

- Dual listing of TMR shares on exchanges in Warsaw and Prague took place in October 2012
- In November 2012 TMR through an associated company Melida, a.s. signed a lease contract with the Czech union of physical education for operating SKIAREÁL Špindlerův Mlýn.
- In November 2012 TMR founded Korona Ziemi with a Polish town of Gmin Zawoja, with the purpose of creating an entertainment-educational park.

2013

- On February 16, 2013 TMR acquired the other 50% in Interhouse, s.r.o. (Grandhotel Starý Smokovec).
- As of May 1, 2013 subsidiaries of TMR - Tatry mountain resorts services, a.s., Grandhotel Praha, a.s. and Interhouse s.r.o. - merged and seized without liquidation.
- Share capital of TMR was decreased from EUR 221.3 million to EUR 47.0 million on October 22, 2013 based on the approval by the Extraordinary General Meeting held on August 22, 2013.

2014

- In March 2014 TMR acquired a 97% share in a Polish ski resort Szczyrkowski Ośrodek Narciarski S.A. (SON).

2015

- In April 2015 TMR agreed to acquire a 75% share in a Polish entity that owns and since May 2015 is operating Silesian Amusement Park (Śląskie Wesołe Miasteczko).

2017

- On November 30, 2017 TMR made an agreement with the Czech town of Liberec to rent the sports center Ještěd for 10 years with the option of another 10 years. TMR officially took over the sports and ski resort Ještěd in December 2017, when it also launched its first winter season there.

2018

- In November 2018 TMR enters the golf segment and in the Czech Republic enters a contract to lease and operate Golf & Ski Resort Ostravice with a 20-year term.

2019

- In January 2019 The Group enters a lease contract of Golf Resort Kaskáda near the Czech town of Brno for a 20-year term. TMR controls the management of the hotel with a conference center and a restaurant.
- In June 2019 TMR acquired a 100% share in an Austrian company that owns and operates the glacier ski resort Mölltaler Gletscher and its sister resort Ankogel - Mallnitz in Austria.

2021

- In May 2021, the Group expanded its portfolio to include Muttereralm Innsbruck resort in the Tyrolean Alps.

2022

- In April 2022, the Group expanded its portfolio to include a new water park Bešeňová.

Company Profile

BASIC OVERVIEW OF TMR

Tatry mountain resorts, a.s. with its registered seat in Liptovský Mikuláš, SK together with its subsidiaries (TMR, the Group) is the biggest provider of tourism in Slovakia with emerging activities in neighboring countries. TMR's revenues come from operation of mountain resorts, an aquapark, and an amusement park, golf resorts, from provision of hotel and dining services, from sports stores and ancillary services in the resorts, and from real estate projects. In terms of revenue breakdown, the largest share comes from sale of ski passes and cableway tickets in the mountain resorts (39.2%) and from accommodation services in the hotels that TMR owns and/or runs (28.4%). Additional revenues come from ticket sale in the leisure parks (12.4%), and from ancillary services provided by the dining facilities on the slopes, in the golf resorts, and in the leisure parks (14.7%) and sports and souvenir stores, rentals, and ski schools (4%). In addition to the mentioned business activities TMR conducts its business activities in real estate, revenues of which are generated mainly from lease of accommodation facilities and sale of apartments (0.8%). A part of revenues also comes from the operation of leased golf resorts (0.6%). TMR runs all its operations in regions of the High and Low Tatras in Slovakia, in the Polish Beskids and Silesia, and in the Czech Krkonoše Mountains, Beskids, and Moravia, and in the Austrian Alps.

Since December 2017 TMR rents and operates a Czech ski center Ještěd. As of the end of FY 2020/21 TMR also owns a 25% share in Melida a.s., which since the winter 2012/13 leases and operates the resort Špindlerův Mlýn in the Czech Republic. TMR also rents and operates Czech golf resorts – Golf & Ski Resort Ostravice and Golf Resort Kaskáda.

In Poland TMR owns 97.6% in the mountain resort Szczyrk Mountain Resort (Szczyrk); and a 100% share in Legendia - Silesian Amusement Park (Śląskie Wesołe Miasteczko).

Since June 2019 the Group also owns the Austrian Alpine resorts of Mölltaler Gletscher and Ankogel – Mallnitz.

On May 1, 2021, theGroup expanded its portfolio for another Austrian resort, Muttereralm Innsbruck, in which it owns a 100% stake through Muttereralm Bergbahnen Errichtungs GmbH.

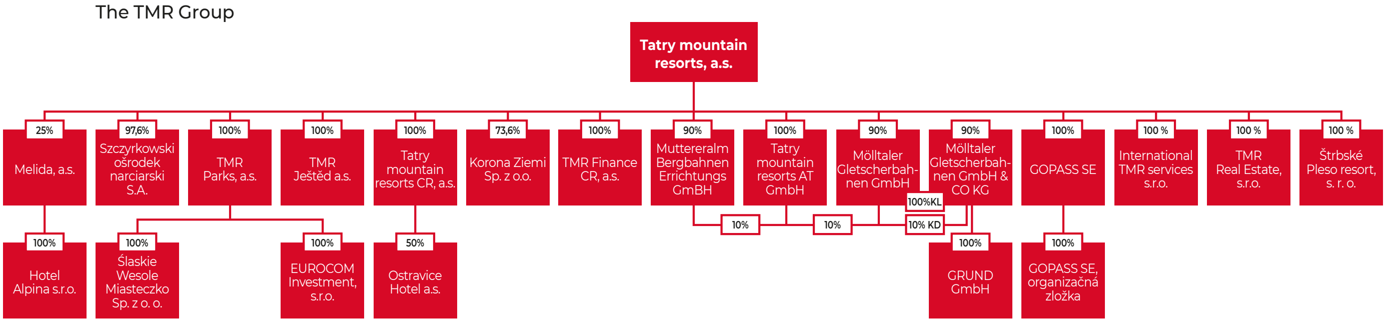
As part of the acquisition, the Group expanded its portfolio from April 2022, with the new water park Bešeňová, with which TMR had a long-term business and marketing cooperation.

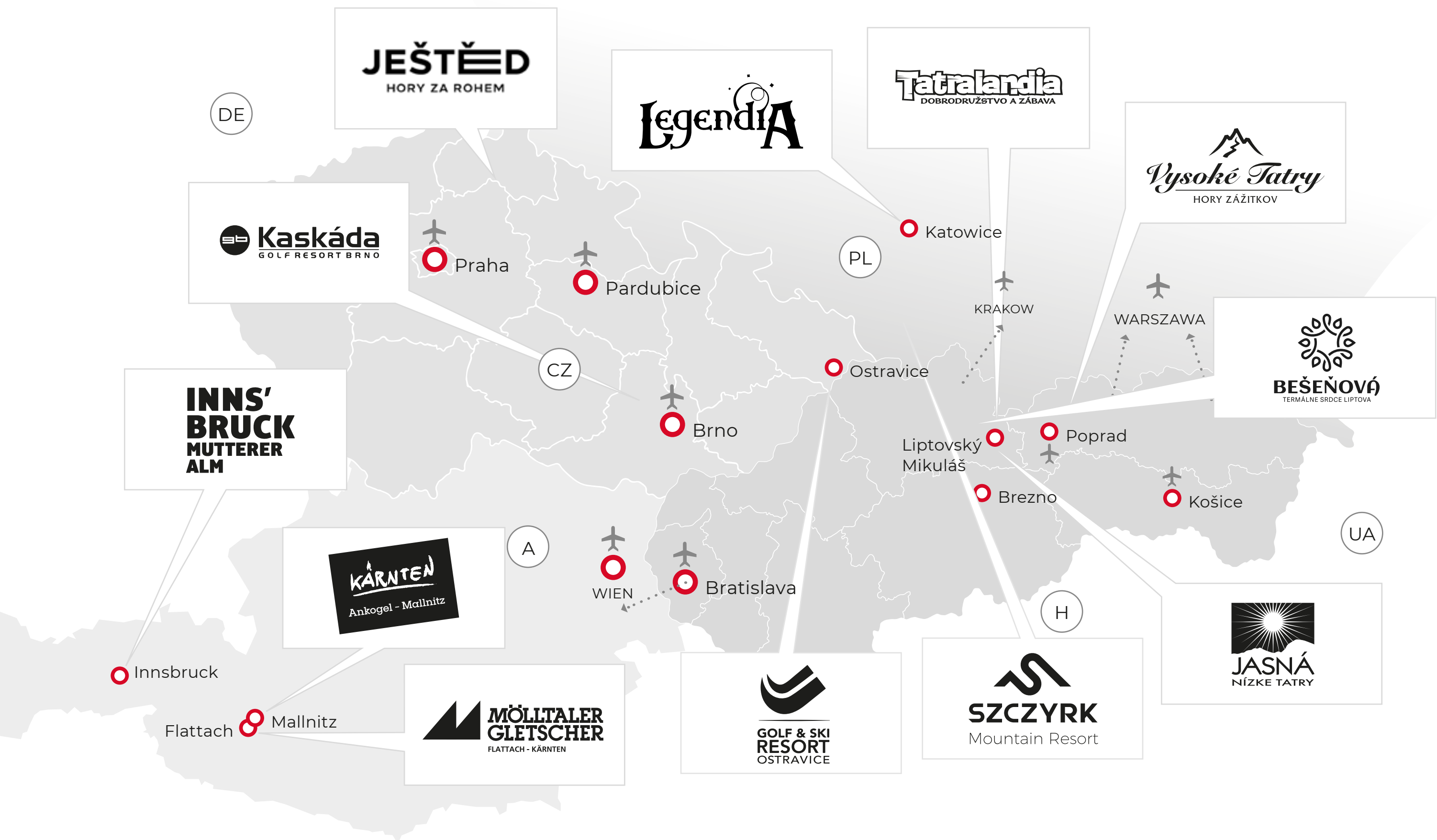
On November 1, 2021, TMR sold part of the GOPASS and on July 1, the Group acquired a 100% stake in the European company GOPASS SE, which will serve for the purpose of expanding on the European market. The Group founded a new company International TMR Services s.r.o., which will provide consulting services within TMR.

On November 1, 2022, a merger took place between EUROCOM Investment s.r.o. and WORLD EXCO s.r.o., with EUROCOM Investment s.r.o. becoming the legal successor. Simultaneously, there was a cross-border merger involving GOPASS, a.s., and GOPASS SE, resulting in GOPASS SE becoming the successor company, along with a change in the country's registered office.

On June 28, 2023, TMR Real Estate, s.r.o. was established. This company will focus on implementing real estate projects aimed at constructing investment properties in the High and Low Tatras and amusement parks.

The TMR Group





Mountain Resort VYSOKÉ TATRY (The High Tatras)

- All-season resort offering complex services for all the types of clients in the summer and winter season
- Three ski areas– Tatranská Lomnica, Štrbské Pleso and Starý Smokovec
- Situated in the oldest national park in Slovak republic TANAP
- 5 months of snow guaranteed
- 24 km of ski trails, 17 km of snowmaking
- 20 cableways and lifts
- Max. transportation capacity 23,000 persons/hour
- **Hotels** - Grandhotel Praha**** Tatranská Lomnica, Grandhotel**** Starý Smokovec, Hotel FIS*** Štrbské Pleso, A Night at Lomnický Peak, Horec suites

Mountain Resort JASNÁ NÍZKE TATRY (Jasná Low Tatras)

- he biggest winter sports resort in Central Europe
- Ski areas – Chopok North and Chopok South
- Host of World Cup Jasná
- 51 km of ski trails, 42 km of snowmaking
- 20 cableways and lifts
- Max. transportation capacity 31,959 persons/hour
- Hotels – Hotel Tri Studničky****, Hotel Grand Jasná****, Chalets Jasná de Luxe**** and Hotel Srdiečko**, A night on Mt. Chopok, Hotel Pošta****, Hotel SKI, Hotel Liptov
- Real Estate – Kosodrevina Lodge, sale of Chalets Jasná Collection

Mountain Resort SZCZYRK MOUNTAIN RESORT (Szczyrk)

- 40 km of ski trails, 22 km with snowmaking, 5km of lit-up trails
- 13 cableways and lifts
- Max. transportation capacity: 22,000 persons/ hour
- **Hotels** – Hotel Gronie Ski&Bike
- Location – Silesia Voivodship, the Beskids, Poland

Mountain Resort MÖLLTALER GLETSCHER

- An Alpine resort located on a glacier with 17.4 km of ski trails and almost 7 km of freeride terrain
- 9 cableways and ski lifts
- Max. transportation capacity of 15,610 persons/hour
- 90% of ski trails covered with snow made by 45 snow guns
- Glacier Snow Park on the Schareck trail – with terrain waves, banked curves and jumps
- Location – Carinthia, Austria

Mountain Resort ANKOGEL MALLNITZ (Ankogel)

- A mountain resort with 12.8 km of ski trails and 5 km of freeride terrain
- 5 cableways and ski lifts
- Max. transportation capacity of 4,880 persons/hour
- 50% of ski trails covered with snow made by 40 snow guns
- A big complex for skiing beginners at the lower cableway station
- Location – Hohe Tauern, Austria

Mountain Resort MUTTERERALM (Innsbruck)

- A mountain resort with 15 km of ski trails and 8 km of toboggan trails
- 5 cableways and ski lifts
- Max. transportation capacity of 2,100 persons/hour
- A popular complex for skiing families with smaller kids
- Location – Innsbruck, Austria

Mountain Resort SKIAREAL JEŠTED

- A ski resort in a close proximity of the city of Liberec, within a short driving distance from Prague
- More than 10 km of slopes
- 10 ski lifts and cableways

Water park TATRALANDIA

- The biggest aquapark with accommodation in Central Europe
- Unique indoor complex Tropical Paradise also with seawater and authentic corals
- A Hawaii complex with four artificial surf wave lanes
- 14 swimming pools (10 year-around) with thermal, sea and pure water
- 21 steam, water, jet spas, saunas and procedures, a wellness center
- 28 toboggans and waterslides (6 year-round) and 300 different attractions
- Liptov Arena – a multipurpose cultural- entertainment sports arena in Tatralandia
- Housing – Holiday Village Tatralandia
- 502 beds in 99 stylish bungalows and apartments in 11 theme villages
- Congress center, 5D cinema, Hurricane Factory wind tunnel, ZOOKONTAKT Tatralandia
- Real Estate – sale of apartments in Holiday Village Tatralandia
- Location – Liptov Region, Slovakia

Water park Bešeňová

- The extensive complex has a rich history thanks to the rich resources of geothermal springs
- 23 pools and whirlpools (13 during winter) with geothermal and clear water
- Harmony wellness center
- 30-meter-high toboggan tower with 6 waterslides that are more than 1km long
- Hotels – Hotel Bešeňová***, Galéria Thermal Bešeňová****, Hotel Akvamarín Bešeňová****
- Location – Liptov Region, Slovakia

LEGENDIA - SILESIAN AMUSEMENT PARK (Legendia, ŚLĄSKIE WESOŁE MIASTECZKO)

- The largest and oldest leisure park in Poland
- The 40-meter high roller coaster - Lech Coaster – with 4 inversion curves
- Area: 26 ha
- 50 attractions
- Location – Park Śląski (Silesian Park) near Chorzów, Poland

GOLF & SKI RESORT OSTRAVICE

- An 18-hole par 72 master golf course designed by Chris Johnson
- A lit cross-country skiing resort
- Green Inn Hotel – 36 rooms
- A restaurant, wellness center, congress center
- Location – the Beskids, Czechia

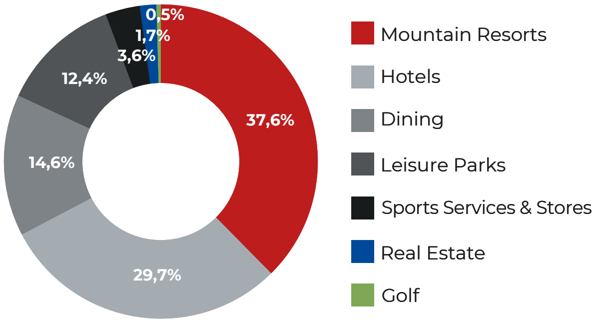
GOLF RESORT KASKÁDA

- A 27-hole master golf course designed by a British architect, Jonathan Gaunt
- A 6-hole academy, a 300 m lit driving range
- A 4* hotel - 50 rooms, 100 beds
- A restaurant with a deck and a view of the golf course, a congress center, a wellness center
- Location – Moravia, Czechia

BUSINESS SEGMENTS OF TMR

TMR's business activities are concentrated into in seven key segments – Mountains Resorts; Leisure Parks; Golf; Dining; Sports Services and Stores; Hotels; and Real Estate.

Revenue Breakdown



MOUNTAIN RESORTS

The Mountain Resorts segment includes the operation of six mountain resorts in Slovakia: Jasná Nízke Tatry – Chopok North and South, Vysoké Tatry – Tatranská Lomnica, Starý Smokovec and Štrbské Pleso, the Polish Szczyrk Mountain Resort, the Austrian Alpine resorts of Muttereralm, Mölltaler Gletscher and Ankogel Mallnitz, and the leased Ještěd Ski Resort in Czechia. The resorts currently offer over 150 km of trails with transport capacity approximately 105 thousand persons per hour. Since the winter season 2012/13 TMR also co-manages the ski resort Špindlerův Mlýn in the Czech Republic, which has been leased by Melida, a.s., in which currently TMR owns 25%.

VYSOKÉ TATRY (THE HIGH TATRAS)

The High Tatras as the greatest mountain range in Slovakia are also the oldest national park in our country (Tatra National Park – TANAP). Therefore, all the tourist activities are performed considering the nature conservation and rare biotopes. In the resort of the High Tatras the Company owns and operates cableways in Tatranská Lomnica and Starý Smokovec and Štrbské Pleso.

Tatranská Lomnica

The longest trail in Slovakia also with the highest altitude difference is located in Tatranská Lomnica. This ski trail has the highest altitude difference with possibility to ski down from 2,196 m a.s.l. on a 5,5 km long trail from Lomnické sedlo to Tatranská Lomnica. Ski trails in Tatranská Lomnica are attractive for both experts and intermediate skiers, and beginners can use blue tracks in the bottom part of the resort. Altogether there is one difficult, five intermediate, and six beginner trails available for skiers. In September 2015 the ski portal Skiresort.info ranked the ski resort Tatranská Lomnica among the world's top 14 resorts with up to 20 km of trails; and in the category "Beginners" it was ranked among the world's top resorts with infrastructure and services suitable for ski beginners. The resort in Tatranská Lomnica offers up to 45.9 hectare of ski trails with total length of 12 km, while almost 32 ha of ski trails have technical snowmaking coverage thanks to 250 snow guns. Tatranská Lomnica together with Starý Smokovec also offers fun and entertainment after skiing. Every day there is an interesting après ski program available for skiers. Parking has been also improved to the satisfaction of skiers with a new terraced ski in – ski out parking lot for 350 cars and 10 buses. In the summer Tatranská Lomnica turns into a sought-after tourist destination for relaxation and fun for the whole family. Besides cableway trips up to the top of Lomnicky peak, attractions such as cart rides from Štart, there is the original children's project – Tatra's Wilderness. It presents educational - entertainment trails in Tatranská Lomnica, Lomnické sedlo and around Skalnaté pleso, accompanied by games and a mini ecopark Marmot Land at Skalnaté pleso for children under 12.

Starý Smokovec

Starý Smokovec resort is unlike Tatranská Lomnica more about alternative leisure activities, such as snowtubing, sledging on a 2.5 km long sledging track, and funtools – skifox, snowbike, snowcoot. In the winter season, every year Hrebienok is home to the Tatra Ice Dome – an ice sculpture hidden in a dome, which is carved out in a different form every year. In the summer season there are attractions like summer tubing. Hrebienok, the finish station of a comfortable panorama funicular from Starý Smokovec is the favorite start point for hikes throughout the year. In winter months there are ski trails available for skiers with name Jakubkova lúka I and II.

Štrbské Pleso

The Štrbské Pleso resort is sought after by fans of quality wide red trails with best views. The best experience at this picturesque location comes on a cableway ride to Solisko at 1,840 m when one can view beautiful peaks of the High Tatras and the whole mountain ridge of the Low Tatras from Kráľova hoľa to Mt. Chopok. In the resort of Štrbské Pleso we offer our visitors up to 26 kilometers of cross-country tracks and more than 9 kilometers of trails with beginner or medium difficulty. There is also a wide range of ski and snowboard rentals, ski service, and ski school for kids and beginners. In the summer for instance you can take a cableway ride to Solisko, where you get panoramic views of the valley, of the romantic Štrbské pleso, Kriváň, or the Low Tatras. Passionate bikers can rent a mountain bike at Tatry Motion – a sports store underneath ski jump boards – with an option of its return in Starý Smokovec or Tatranská Lomnica. Via mountain trails you can easily get to Popradské pleso or you can take a ride to Sliezsky dom, Smokovec, Hrebienok or to Poprad via the 'Freedom Route'. Boating on the lake has a more than 130-year old tradition.

JASNÁ NÍZKE TATRY (JASNÁ LOW TATRAS)

The Jasná Nízke Tatry (Jasná Low Tatras) resort is located in the mountain range of the Low Tatras, which stretches across the heart of Slovakia. The second highest peak and also one of the most visited places in the Low Tatras is Mt. Chopok, the north and south side of which is interconnected with cableways.

Jasná Nízke Tatry is currently the biggest ski resort in Slovakia. Skiers have an option to try all types of trails from blue to black, suitable for beginners, families with children, as well as for advanced skiers. The modern snowmaking system with 617 snow points covers almost 37 km of trails and provides snow guarantee for at least five months a year. Fans of wild rides can enjoy 12 free ride zones, a great snow park, and Fun Zone. You get to the top of Mt. Chopok by ultra-modern cableways – the 24-person Funitel or 15-person gondolas. At night you can enjoy night skiing on a 990 - meters long lit up trail in Jasná. There are 2830 cableways and lifts at Mt. Chopok with the transportation capacity of 32,000 persons per hour. The winter season typically lasts from the beginning of December to the end of April.

In the resort of Jasná Nízke Tatry TMR also operates several dining facilities. Happy End Disco & Restaurant is well known by its great disco parties and live concerts at night. Furthermore, one can try Bernardino burger restaurant beneath Mt. Chopok, the stylish Restaurant Von Roll Luková, Snack Bar Rovná Hoľa, a panoramic A la Carte restaurant Rotunda at 2,004 m above sea level with a large sundeck and multiple après-ski bars at the start cableway stations. The highest located ski in-ski out Night at mount Chopok on the top of Mt. Chopok also serves as a boarding and disembarking station of cable cars that connect the southern and northern slope of the second highest peak of the Low Tatras.

In addition to the dining facilities we also offer our visitors multiple sport services – individual or group lessons with licensed instructors at the ski school and kindergarten Maxiland. The stores offering sports wear and accessories and sports equipment rentals are run under the Tatry Motion brand. The modern ski service offers ski and snowboard service with a technologically perfect machine on the spot.

Thanks to the all-year cableway operation the Jasná resort offers also in the summer a wide spectrum of sports activities – rides on mountain carts, scooters, Nordic walking, a bungee trampoline, or lake boat rides. On the north and south side of Mt. Chopok there is a family outdoor game prepared with new tasks and attractions of the Dragon Demian at Drakopark Chopok.

SZCZYRK MOUNTAIN RESORT (SZCZYRK)

Szczyrk Mountain Resort is located in the Polish Beskid Mountains near the town of Szczyrk. The resort offers skiing on 65 hectares of perfectly laid-out and long trails. The longest trail is 5.3 km long. Thanks to cooperation with neighboring ski areas clients can use a joint ski pass on 40 km of ski trails. The resort consists of a new10-person gondola and three 6-person chair lifts. The slopes and trails have been widened and profiled, with modern snowmaking system and water tank and a new multifunctional building – SZCZYRK-GONDOLA – has been added, providing full service for visitors. At the beginning of 2020, the center was at an altitude of 1000 m above sea level. put into operation a new restaurant Kuflonka with a capacity of 450 people.

MÖLLTALER GLETSCHER

The Mölltaler Gletscher ski resort located in the only glacial area in Carinthia offers ski trails of all difficulty levels, including the most popular almost 7 km long FIS downhill course where professional skiers love to train. The season begins in mid June and ends in mid May of the following year. The snow cover reaches as high as 450 cm in high season. There are trails for beginners but also terrain for experienced freeriders. Resort attractions include the Mölltaler Gletscher Express funicular, which transports 220 passengers to the altitude of 2,234 m within 8 minutes and surmounts a vertical drop of 1,012 m on a more than 4.7 km long route. Non-skiers can enjoy the panoramic Ice Palace restaurant at the altitude of 2,800 m and feast their eyes on beautiful scenery of 28 peaks. The resort features restaurants, car parks, ski rentals, a snow park and much more. The interchange station (upper funicular station) will offer a ski service, a ski depot, a big complex for skiing beginners in the winter. Ski lessons for kids from the age of 4 years including lunch care will be at disposal in the kid´s club.

ANKOGEL MALLNITZ

The Ankogel Mallnitz ski resort (20 km from the Mölltaler Gletscher resort) is located in the Hohe Tauern National Park between Carinthia and Salzburg and is ideal for enjoying some extra skiing adventures in the region on perfect terrain above the tree line. Ankogel Mallnitz offers medium-difficult ski trails. A kid´s club for small skiers from the age of 3 can be found at the lower cableway station. The club has its own ski area with a magic carpet (conveyor belt) and provides kids with lunch, and there is a final race after lessons. Clients can use a combined ski pass in both resorts – Ankogel and Mölltaler Gletscher.

MUTTERERALM (INNSBRUCK)

Muttereralm in the Tyrolean Alps is the latest acquisition in TMR's portfolio. The resort's offer includes hiking, cycling and mountain biking trails during summer and skiing or sledding in winter. Modern infrastructure and adventure restaurants throughout the ski area make Muttereralm a popular destination for the whole family. Snow is guaranteed by the snowmaking system, which snows all 15 km of slopes.

SKIAREAL JEŠTĚD (JEŠTĚD)

The Ještěd mountain resort has a long history of sports and has been traditionally an urban resort with a unique client target area. Its all-year operation is even more popular for its easy access from the northern Czech region. The sole resort has 10 km of ski trails interconnected with the new trail of Nová Skalka, which is the key project for the future of the resort. In the summer season, a popular attraction was the bike park as well as the summer operation of the Skalka cable car for hiking as well as cyclists. TMR has been renting the resort and operating it since

December 22, 2017. TMR signed a lease agreement of Ještěd for 10 years with an option of another 10 years.

LEISURE PARKS

WATER PARK TATRALANDIA

Water park Tatralandia with lodging facility Holiday Village Tatralandia is one of the largest all-year aquapark in Central Europe. It offers its customers 14 pools and 28 waterslides, out of which ten are all-year and four are summer ones, as well as Celtic sauna world and Wellness Paradise. Fun Park Tatralandia is also located within the aquapark. The year-round indoor shell-shaped facility Tropical Paradise with a sea water pool, a unique roof deck allows sunbathing and provides a snorkeling pool with authentic coral reefs and marine life. The indoor simulator, Surf Waves Tatralandia, utilizes the technology of an artificial river creating waves like in ocean. The unique Hawaii complex includes four lanes of 68 square meters. This attraction guided by experienced instructors is suitable for age groups 6 and over. In 2017 Tatrapolis – a park with metal miniatures of world-famous structures, was added in Tatralandia and it's also possible to get to know the life of animals from a close distance in ZOOKONTAKT Tatralandia.

WATER PARK BEŠEŇOVÁ

Water park Bešeňová is a water park with year-round operation. The thermal swimming pool is built based on hot springs of healing waters that spring from a depth of 1,987 meters. Geothermal water has a beneficial effect on the respiratory and locomotor systems. There are 23 pools and hot tubs with geothermal and clear water (13 during the winter) in the area, which makes the water park the 1st place in Slovakia. It offers visitors 13 toboggans, slides, and a wave pool in the entertainment tent. One of the biggest jewels is the unique wellness & spa. Holistically focused wellness with an emphasis on body, soul and mind care is a source of new energy for everyone. The new wellness & spa offers a connection of 4 elements of life and Liptov nature through birch trees, the Bešeňová cave with endless waterfalls and a magnificent Sauna dome and a new quiet zone.

LEGENDIA – SILESIAN AMUSEMENT PARK (LEGENDIA, ŚLĄSKIE WESOŁE MIASTECZKO)

Legendia near the Polish town of Chorzów is the largest and oldest theme park in Poland. It was launched in 1959. It spreads on the area of 26 ha. It is located in the upper Silesian industrial district with its unique 'green oasis' of Silesian Park (Park Śląski). The guests will find over 40 popular attractions, such as the Ferris wheel (Legendia Flower), large aircrafts (Dream Flight Airlines) and Tea Cups, as well as new rides, including Diamond River - a water slide from the height of 8 and 12 meters, or Lech Coaster - awarded the Best Coaster 2017 in the prestigious industry competition for the best European rollercoaster 2017. The hit of the 2018 season is Bazyliszek – the only Interactive Dark Ride family attraction in Poland and at the same time one of the most modern in the world. TMR owns a 100% share of the park and has been operating it since May 2015.

GOLF

The golf segment is TMR's newest segment, in line with our strategy to expand our Group's business operations.

GOLF & SKI RESORT OSTRAVICE

Golf & Ski Resort Ostravice launched its operations in 2008. In Golf Digest's survey in 2009, 2010, and 2011 the resort was awarded The Best Czech Golf Course. Along with the golf course, a lit cross-country skiing resort was created for professional and recreational cross-country skiers. The 18-hole golf course is located between two highest peaks of the Beskid Mountains – Lysá Mountain and Smrk at the foot of Mt. Žár in the village of Ostravice at the altitude of 400 meters a. s. l. GREEN INN Hotel located at the heart of the resort features 36 spacious rooms with high standard amenities, a restaurant with high-quality regional cuisine, wellness services and variable conference rooms. TMR has been leasing and operating the resort since November 2018 and the lease and management contract has been signed for 20 years

GOLF RESORT KASKÁDA

The luxury resort, situated 9 km outside the city of Brno, provides a 27-hole master golf course, a 6-hole academy, and a 300-meter lit driving range with a covered tee. The full-service resort is complemented by a 4* hotel with 50 rooms and apartments and 100 beds, a restaurant with a deck and a view of the golf course, a congress center, and a wellness center. TMR has been managing the resort since January 2019, whilst it rents the hotel and the restaurant. The lease contract has been signed for 20 years.

DINING

The dining facilities include tens of restaurants, bars, après ski bars, and fast-food joints on and off the slopes of the mountain resorts, in the leisure parks, and in the golf resorts of TMR's portfolio.

SPORTS SERVICES AND STORES

Sport Services and Stores under the Tatry Motion, Szczyrk Motion, and Ještěd Motion brands include specialized stores with top brand ski and snowboard goods, ski schools, and sports equipment rentals. Tatry Motion, Szczyrk Motion and Ještěd Motion stores are located at TMR the resorts' base levels. In the leisure parks stores sell souvenirs and specialized summer and sports merchandise.

HOTELS

TMR in its hotel segment currently owns or rents and operates a portfolio of renowned hotels and lodging facilities in the High and Low Tatras and in the leased golf resorts, in categories ranging up to four stars. All hotels operated by TMR offer together more than 3,000 beds. The hotels can please a wide spectrum of clients from individuals and families to corporate clientele. Hotel facilities offer a suitable place for conferences and business meeting effectively covering the off-peak season.

THE HIGH TATRAS

Grandhotel Praha**, Tatranská Lomnica**
123 rooms, 239 beds

It is situated in the center of Tatranská Lomnica, at the foot of Lomnický štít, in the heart of the High Tatras. Its history dates back more than 110 years since the grand opening in 1905. The wellness center Grand Mountain Spa combines local spa tradition with healing effects of the Tatra's nature. During FY 2016/17 the hotel's rooms underwent a renovation in the 'Classic' style.

Grandhotel**, Starý Smokovec**
84 rooms, 161 beds
From the point of view of history, location, or architecture this Grandhotel is justly considered one of the most prestigious hotels not only in the High Tatras, but also in Slovakia. Its unique vintage ambiance is attractive for its traditional Austrian-Hungarian cuisine and views from its spacious Art nouveau rooms.

Hotel FIS*, Štrbské Pleso**
78 rooms, 157 beds
Mountain ski in - ski out Hotel FIS is located right below the FIS slope, in the center of a sport area at Štrbské pleso. The location is its main competitive advantage. The hotel is in the elevation of 1,346 m and offers newly renovated rooms. The hotel with its own sports arena and a pro fitness center also offers a natural wellness & spa designed in a mountain-meadow style.

Horec suites, Tatranská Lomnica
33 rooms, 66 beds
Apartment house Horec is situated right in the center of Tatranská Lomnica and is built in an atypical style, which looks luxurious in the exterior and interior and at the same time fits perfectly into the Tatra environment. Thanks to the combination of modern interiors with quality traditional materials, the Horec apartments have a unique mountain atmosphere and at the same time offer guests maximum comfort.

A night on Mt. Lomnický štít
2 rooms, 4 beds
Just to hear is not enough. A night on top of Mt Lomnický štít is something that you need to experience. Discover the most beautiful place in Slovakia where the summits of the Tatras are touching the sky. Enjoy countless breathtaking views of every piece of the Slovak high mountains, captivating silence, and a magical atmosphere in the highest located hotel room in Central Europe.

THE LOW TATRAS

Hotel Tri Studničky **, Demänovská Dolina**
42 rooms, 98 beds
The first adult friendly hotel in Jasná at the foot of the Low Tatras, has been known for years as an oasis of peace and relaxation. Wellness with a mountain beach, experiential gastronomy, harmony and relaxation in the hotel can stop the hurried time. At a time when we do not have time to stop for a while, to perceive our surroundings, or even to perceive ourselves and the people around us, we in Tri Studničky decided to focus exclusively on the adult client.

Hotel Grand**, Jasná**
155 rooms, 311 beds
This mountain hotel is situated in the center of Jasná, at 1,100 m a.s.l., right near the start station of the 8-seat cabin cableway Grand Jet. Its ski in-ski out location is exceptional, as well as the renovated interior and exterior wellness center or a multipurpose conference hall with a 350-person capacity. This kids-friendly hotel is well-suited for families with children.

Hotel Pošta****
32 rooms, 72 beds
The first boutique hotel in Jasná with its imaginative architecture underlined by the panorama of the mountains brings a perfect harmony with the surrounding nature. The unusual interior with a breath of avant-garde and the variety of materials used is a feast for those who are close to „otherness". A new bar in the hotel was created with the aim of creating a place in the center of Jasná where people with the same hobbies will meet - mountain lovers, active people with attention to detail who seek and know how to appreciate quality.

Chalets Jasná Collection****
68 rooms, 264 beds
Two locations, one collection of unique chalets. The chalets have been added to the portfolio of TMR hotels to bring the client a diverse range of accommodation with customized services in the private environment of the chalet. Chalets Jasná Collection are an ideal choice for groups of 4 or more people. The privacy of the mountain chalet and the great location right next to the best slopes in Slovakia in two locations - Jasná Záhradky and Jasná Centrum will take care of an experiential holiday for the whole family. A novelty of 2020 is the introduction of a new online delivery system, where the guests can have their food brought from the restaurant of Hotel Pošta directly to the chalet.

Hotel Srdiečko***
43 rooms, 84 beds
The hotel with a unique mountain atmosphere with an open heart has been welcoming its guests since 1958. The hotel is located directly at the cable car station in the heart of the Low Tatras, thanks to which you can get straight from the hotel to the top of the Mount Chopok. The great ski-in / ski-out location of the hotel allows you to walk from the room directly to the ski slope or hiking trail. The hotel with the atmosphere of a chalet, excellent gastronomy and a cozy wellness world is perfect for a family holiday or stay for two.

A night on Mt. Chopok
3 rooms, 12 beds
Unique location right on the top of the Mount Chopok. If you are a mountain lover and you are looking for adventure or longing for romance as a couple, you will find your little paradise in this hotel. Hotel Rotunda is synonymous with a mountain atmosphere and beautiful experiences. Maximum comfort in an exclusive location and a view of the panorama of the High Tatras or the basin of Slovakia directly from the rooms of the Rotunda hotel will enchant every guest. Each of the hotel's rooms will surprise you with its cozy and tasteful furnishings. The hotel has only a few rooms, thanks to which the Rotunda offers guests an intimate environment and a feeling of uniqueness.

Hotel SKI
40 rooms, 78 beds
Hotel SKI stands out with its unique retro design, enhancing the atmosphere of the mountain environment in which is located. Thanks to its location directly on the slope in the Záhradky area and the popular SKI Bar in a traditional spirit, it is ideal for enthusiasts of both winter and summer sports. The ski slope and the starting cable car are only 50 meters away from the hotel.

Hotel Liptov
53 rooms, 191 beds
Since the summer of 2023, the hotel has been a part

of TMR. Its location in close proximity to Vrbické pleso with the picturesque scenery of Chopok and the highest peaks of the Low Tatras provides an ideal starting position for all winter sports enthusiasts as well as summer sports and hiking.

Holiday Village Tatralandia
101 rooms, 391 beds
Just a few steps from the Aquapark Tatralandia is the unique lodging resort Holiday Village Tatralandia with a wide range of private accommodation in cottages with entrances to the aquapark included in the price. Accommodation in themed, private cottages is ideal for exploring Liptov and offers many activities and accompanying services.

Hotel Bešeňová***
123 rooms, 246 beds
TMR owns the hotel directly in the complex in the Bešeňová water park. The hotel offers a total of 123 rooms and suites, while guests have all-day access to the Bešeňová water park.

Galéria Thermal Bešeňová****
52 rooms, 104 beds
Hotel Galeria Thermal brings to Bešeňová a unique combination of beneficial geothermal water and quality services of a 4* hotel. At the Hotel Galeria Thermal Bešeňová, visitors can enjoy maximum relaxation during the event, but also a gallery of the most beautiful views of Chopok, Choč mountains or the water park area. As hotel guests, they have private access to pools with beneficial thermal water directly from some rooms.

Hotel Akvamarín Bešeňová****
143 rooms, 286 beds
TMR rents and operates Hotel Akvamarín Bešeňová, which brings a new, modern accommodation complex right in the water park and it is possible to get there comfortably through covered areas. A private outdoor pool is available for guests staying and for greater comfort a balcony or terrace, a kitchenette and air conditioning in each room, which are suitable for large families due to their spaciousness.

THE CZECH REPUBLIC

Green Inn Hotel, Golf & Ski Resort Ostravice
36 rooms, 72 beds
TMR rents and operates Green Inn Hotel situated at the heart of Golf & Ski Resort Ostravice in the Czech Beskid Mountains. It offers fascinating views of Challenge Golf Course Ostravice and of Beskid peaks and valleys. A luxury resort that meets requirements of low-energy buildings consists of the main building – the club house with a reception desk, a restaurant, congress space and a luxury wellness center, and seven separate hotel houses.

Hotel Kaskáda**, Golf Resort Kaskáda**
50 rooms, 100 beds
TMR rents and manages the golf hotel Kaskáda, situated in Golf Resort Kaskáda near the city of Brno. The hotel with a restaurant, wellness center, bowling, and congress space offers ideal comfort and privacy in cozy barrier free apartments with a view of the golf course.

POLAND

Hotel Gronie Ski & Bike, Szczyrk Mountain Resort
36 rooms, 86 beds
A recently renovated ski-in and ski-out hotel in the vicinity of Szczyrk Mountain Resort. The hotel provides accommodation in 2 – 4-bed rooms and family apartments. There is a wellness spa, a fitness center, and a conference room.

REAL ESTATE

The goal of this segment is to build infrastructure and buildings in the mountain regions and the summer resorts. In its realization the Company plans to capitalize on the unique location in the High and Low Tatras region (including Tatralandia). TMR's strategy in this segment is mostly development, construction, and sale of apartments which serve as short and long-term londings. In the past financial year, the chalets at Záhradky and bungalows in the Tatralandia complex were sold. Currently, TMR is preparing a new real estate project, Jasná Resort Central Hotel. Alongside these projects the Real Estate team works on projects ensuring the necessary infrastructure is being built for the natural development of tourism in the following areas – cableways, infrastructure, trails, information signs, etc. TMR plans its real estate projects mostly on traditional, urban areas, where sport and tourism have been part of history for decades.
The Company within the Real Estate segment owns and leases out Kosodrevina Lodge. Revenues from the Real Estate segment come mainly from the hotel leases, from sale of bungalows Holiday Village Tatralandia and sale of apartments Chalets Jasná Collection.

Strategy

VISION

Due to the unique position of the Tatras and strategic acquisitions in the region, we aim to become a premier, internationally renowned tourism services provider striving to revive mountain resorts, aquaparks, theme and amusement parks in the region of Central and Eastern Europe from the investment, sports, cultural, and social point of view.

MISSION STATEMENT

TMR's mission is to provide services in tourism at a constantly increasing level, through business activities divided into seven key segments – Mountains Resorts; Leisure Parks; Golf; Dining; Sports Services and Stores; Hotels; and Real Estate. The Group plans to fulfil its mission through synergies leading to a complex satisfaction of both, its clients, and shareholders.

COMPETITIVE ADVANTAGE

As opposed to other operators of mountain resorts and tourist services in the region of Central Eastern Europe, TMR holds a position of natural monopoly due to the unique geographical location of TMR's key mountain resorts in the highest mountain range in the region – the Tatras and due to a long history and significant local brands of the resorts in Poland and Czech. This advantage predetermines them to be premier tourist destinations in Central and Eastern Europe. Besides the attractive mountain environment and the resorts' history, the following facts form the competitive advantage for TMR:

- Through its loyalty program GOPASS the Group can build and sustain a wide client base in Slovakia, Poland, Czechia, and Austria during both the winter and summer season.
- There are 64 million people living in TMR's key target countries within the CEE region, and their economic power and leisure spending has been increasing from year to year. The Poprad Airport ensures easy access by air from key European cities outside the mountainous area, e.g., London, Warsaw, Riga, Tel Aviv.
- To the east of the Tatras there are ski resorts with only limited comparable services.
- The high altitude and investments in infrastructure provides a competitive advantage for TMR, comparing to other resorts in the region, since it significantly mitigates the risk of unfavorable weather because of global warming.
- The Group can capitalize on intra-segmental and inter-company synergies in sales, purchase, operations, and support areas of the Group.
- TMR has years of experiences and know-how in operation of mountain resorts, leisure parks, and ancillary tourist services, as well as in building capital-intense infrastructure.
- TMR's business model is well diversified with revenue generation from mountain resorts, leisure parks, hotels, and complementary services.
- The size of the Group and its years of experiences and success enables an easier access to capital
- TMR mitigates the risk of seasonality with its summer season comparably strong to its winter season thanks to its summer cableway operations and summer activities, popularity of hotels in the mountain resorts, the summer operation of Silesian Amusement Park, and the all-year operation of water parks Tatralandia, Bešeňová.

BUSINESS STRATEGY

The long-term strategic goal of the Group is to maintain its leading role in winter and summer tourism in the region of Central and Eastern Europe and use this position to gradually enter new European markets. Leadership in the area of tourism provides TMR with the ability to set trends and standards in this industry. At the same time, it leads the Group to differentiation. As a result, TMR works on offering premium services for reasonable prices in comparison with other similar resorts in Europe. A wide spectrum of services and their quality are the key for the Group's direction. This goal is based on three pillars, which are highly interconnected:

PILLAR 1: INCREASING QUALITY WITH INVESTMENTS

By the end of 2023, for the last 17 years TMR had invested in its resorts and hotels over EUR 466 million. As a result of these investments, the services provided by TMR in the High and Low Tatras, in Polish Szczyrk, Legendia and in Czech resorts improved significantly. TMR's resorts thus reached the level of alpine resorts and increased their leading position in the region.

CAPEX of approximately EUR 23 million in 2022/23 includes among other things investments in the construction of the Biela Púť cableway in Jasná and continuation of construction works at Centrum Jasná development project. The investments also include the reconstruction of the wellness facility at Grandhotel Starý Smokovec, the refurbishment of apartments in the water park Bešeňová, improvements to the IT infrastructure, as well as the reconstruction of the water slide tower at Tatralandia. Int the Szczyrk mountain resort, investments were made in the development of the bike park, the improvement of slope grooming machinery, the reconstruction of the cable car facility, and operational investments were carried out in Legendia. In Ještěd, the Group invested in the „Nová Skalka" project, while at the Kaskáda and Ostravice golf resorts, the Group focused on various operational investments. In Austrian resorts Mölltaler and Ankogel, investments were made in cable cars and ski slope expansions, and in Muttereralm, a new access system was implemented.

In the coming periods, the Group plans to grow organically in its resorts and capitalize on completed investments. Future capital investments in the resorts will mainly cover maintenance and infrastructure, improvements in the hotel segment, and the automation of customer service processes. The Group also intends to continue with planned real estate projects in Slovak resorts.

Investments will also be required for the recently acquired Austrian resorts, which the Group plans for in the coming years. New ski slopes, cable cars, and strengthening of accommodation infrastructure are in the preparation process for almost every resort, although many of them face lengthy processes in terms of permits and exemptions.

The Group is also focusing on investments in the digitization and automation of customer processes through its GOPASS program. The goal is to develop and enhance the GOPASS program, which is based on customer. Through investments in digital processes such as e-commerce, online marketing and communication, a digital customer application, and the automation of customer service processes, the Group aims to improve the quality and service for its customers and create a loyalty system.

The Group focuses on customer engagement and monetization by achieving a high-quality product and dynamic pricing. The Group has developed expertise in managing the prices of its key products (ski passes, hotel stays) and has thereby established a system of dynamic pricing that responds to demand and creditworthiness based on seasonality. This competence creates opportunities to increase efficiency and profitability by leveraging the potential in price determination.

PILLAR 2: STRATEGIC ACQUISITIONS AND EXPANSION

Following the acquisition of three Austrian resorts in the last couple of years, in the medium term, TMR will focus primarily on completing and strengthening existing resorts, where it will have ample opportunities to grow, improve services and improve TMR's results. Strategic expansion of the operations on the neighboring Czech market includes a direct minority interest in Melida a.s., the operator of the Špindlerův Mlýn resort, which is included in the GOPASS loyalty program. In November of 2017 TMR made an agreement with the Czech town of Liberec for TMR to rent and operate the ski resort Ještěd. TMR plans to develop the potential of this unique city ski resort via future investments. TMR also expanded its business activities in Czech by entering a new segment – golf. Since November 2018 TMR has been renting Golf & Ski Resort Ostravice and in January 2018 it started managing Kaskáda Golf Resort Brno. The Ostravice contract has been signed for 20 years and the Kaskáda contract, based on which TMR is managing the resort's hotel, restaurant, and a congress center, has been signed for 20 years. TMR also plans to further expand its business activities in utilization of accommodation capacities for third parties, namely of new hotel in Bešeňová and Centrum Jasná.

PILLAR 3: CONSTANT OPERATIONS & SERVICES ENHANCEMENT

The intensive growth in the number of visitors in the years before the outbreak of the COVID-19 pandemic, had been the result of an intensive customer orientation. Even in the years to come, management wants to achieve intensive growth of the number of visitors primarily by intensive pro-customer approach. Strategic steps to achieve this goal in the recent years included increasing the variety and quality of the services provided. TMR expanded the scale of attractions offered and improved the quality of ski schools, ski equipment rentals, and dining facilities on slopes.

Moreover, it continuously improves the offer of après ski possibilities. The Group also tries to optimize transport possibilities to its resorts and cooperates with local business entities on the level of regional clusters. TMR prefers to cooperate rather than compete with them; it wants to build on their success and provide their customers easy access to its nearby mountain resorts and leisure parks and a variety of attractions for children, adrenalin sports for the young (e.g. bike parks), and relaxation zones.

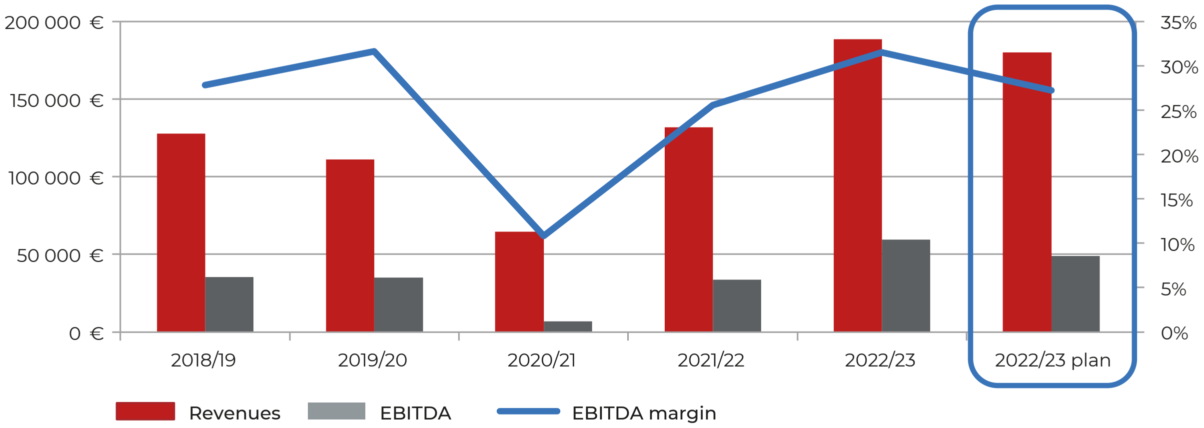
Regarding accommodation possibilities, TMR focuses primarily on four-star hotels and improvement of their wellness and dining services. Other strategic steps include focus on affluent clientele, essential quality of management and staff, and a sophisticated marketing strategy. A novelty is the creation of a resort "All Inclusive" package for accommodated guests. It's including ski passes and aqua passes in the accommodation price for every single day of stay. This offer creates a comprehensive product for the customer, increasing the synergy effect between the hotel and the resort, not only within mountain resorts but also between mountain resorts and water parks. This offer establishes a unique position with customers and simultaneously serves as a competitive advantage in the market. It also increases the complexity of pricing for hotels and ski passes/water park passes, presenting an opportunity to improve profitability. The Group gained experience in dynamic price management through the Gopass program in this area. By implementing this new business strategy, the Group achieved an increase in average prices, improved hotel occupancy, and enhanced the perceived value of its products from a customer perspective.

Another key to TMR's growth is innovation. In this regard, TMR acts as the trendsetter in tourism. The loyalty program GOPASS enables its customers to shop online or via a mobile app and to collect points in its facilities by using its services and pay bargain prices, and at the same time, GOPASS serves as TMR's Customer Relationship Management and Direct Marketing tool. This loyalty program was awarded in 2015 at The Loyalty Awards in London, where it won in categories: the Best loyalty program of the year in the travel sector (airlines, hotels, destinations); the Best loyalty program of the year in Central and Eastern Europe; and the Best Customer Relationship Management (CRM) in a loyalty program for Direct Marketing. Dynamic price management is also a fundamental part of the GOPASS program, contributing to revenue growth in combination with other features and the creation of new products.

Within this pillar, TMR fully utilizes synergic effects among its segments, thus it can constantly optimize services it provides, as well as to keep expanding its variety of products and services, e.g., an option to use services of several mountain resorts and the aquapark with purchase of just one ticket. The quality management in the resorts is also supported by the revolutionary price policy of flexi ski pass prices, which allows the resorts to regulate attendance and plan capacity. In times of lesser demand TMR offers skiing at much more attractive prices than in the past and at times of congestion, with higher prices it can generate better sales and keep visitors at a level that can offer quality skiing. Linking this strategy with hotels has contributed to the creation of the „All-Inclusive„ offer for hotels.

CAPEX	ACQUISITIONS	QUALITY
■ Over EUR 466 million over 17 years ■ New modern cableways and infrastructure ■ Renovated hotels ■ Larger, mondernized resorts ■ Investment apartments	■ Aquapark Tatralandia ■ Špindlerův Mlýn, CR (25%) ■ Szczyrk Mountain resort, PL ■ Legendia - Silesian Amusement Park Legendia ,PL ■ Mölltaler Gletscher, AT ■ Ankogel Mallnitz, AT ■ Muttereralm, Innsbruck, AT ■ Lease of the Ještěd Ski Resort, CR ■ Water park Bešeňová ■ Commercial and marketing cooperations ■ Management of resorts for third parties	■ Better expereinces for visitors as a result of synergies ■ Trendsetter in tourism in the region ■ GOPASS loyalty program ■ Innovations ■ Flexi prices

Plan vs. Actual Operating Results



FINANCIAL GOALS

For the past fiscal year, the Group set the goals of a stable growth in operating revenues and operating income after the COVID19 pandemic.

The short-term goal for 2022/23 included a revenue plan in value of EUR 180 mil. and EBITDA of EUR 49.0 mil. This financial plan was presented at the General meeting held on May 31, 2023. TMR did meet the revenue and EBITDA plan and even exceeded the plan in revenues by 5% and in EBITDA by 21%.

MARKETING STRATEGY

MARKET SEGMENTATION

The TMR Group's client base is based on domestic visitors in Slovakia, Poland, Czechia, and Austria, as well as on visitors from neighboring and close by countries, such as Hungary, Lithuania, Latvia, Estonia or Romania. The natural market of the Group is in the regions within 200 km radius inhabited by 7.5 million people. This radius includes cities, such as Krakow and Katowice in Poland, as well as Czech cities Ostrava, Olomouc, and Brno. From the geographical point of view there are other, further markets with limited access to mountains, such as Great Britain, Ireland, and Baltic countries. While domestic clients and the clients from the neighboring countries use road transportation (car, bus), clients from more distant locations travel by air and use regular charter connections.

The Group's market has also expanded thanks to the acquisition of the Alpine resorts of Mölltaler Gletscher and Ankogel in Austrian Carinthia, and Muttereralm close to Innsbruck, which thanks to their attractive locations are interesting not only for the GOPASS program clients, but also for visitors from Austria, Italy, Germany, and Slovenia.

The Group also divided potential target groups into the following categories:

- affluent clients
- mainstream
- low-cost clients

The main marketing goals of the Group include clear brand placement on the market by segmentation of clients and focusing of marketing strategies on these specific segments that would lead to maximum synergy of all brands covered by TMR. At the same time the Group has been observing a shift of clientele structure towards affluent clientele generating the highest revenues and focusing on products and services with the highest added value.

COMMUNICATION OF STRONG TMR BRAND

Preferred goals of the TMR Group's marketing include building of the TMR brand awareness by constant communication of image, integrated product communication with the TMR brand, setting communication of the Group and all brands that the Group covers to reach maximum synergy (cobranding); and by strengthening positive and managed PR and attractive adventure tourism – through event management. In order to create awareness and build a strong company brand, a useful fact without a doubt is that TMR is a publicly traded company listed on the stock exchange in Bratislava, Prague, and Warsaw; it is the strongest player in tourism in Slovakia, or even in Central and Eastern Europe, providing full service resorts or destinations with a high level of service in the region of the High Tatras, Low Tatras, Liptov, the Polish Beskids, Silesia, the Czech Beskids, Moravia and Krkonoše Mountains in the Czech Republic, Carinthia and Tyrol in Austria.

MARKETING ACTIVITIES IN SLOVAKIA

The Group is using a massive marketing communication in all basic types of media – Internet, television, radio and press, and outdoor advertising in several forms – bigboards, citylights, and others.

The Company focuses on modern marketing content in various forms. The Company's offer also has a very intensive presentation through a not-for-sale image magazine called TATRY MAGAZÍN, which is available in accommodation facilities and tourist facilities as the only lifestyle magazine about the life in the Tatras.

In addition to the above-mentioned advertising campaigns, TMR Marketing Department also active and participates in exhibitions and fairs, cooperates in destination management with entities operating in the region, such as the active Liptov Cluster and several district tourism organizations in the regions. Also, cooperation with single district tourism organizations, the origin of which was supported by the Tourism Act, and active subsidy policy of the state in relation to the creation and execution of marketing campaigns for regions and creation of regional products supporting tourism, are important for TMR.

USE OF INFORMATION TECHNOLOGY AND INNOVATIONS

TMR also keeps in mind the use of innovations and continually improves its communication also via information technology. TMR communicates and informs via individual resort and hotel websites that direct the purchase process to www.gopass.sk. In Poland TMR communicates via website www.szczyrkowski.pl and via www.legendia.pl. All TMR hotels communicate with their clients also via a unified website www.tmrhotels.sk. From the point of view of a securities issuer and a tourism operator, TMR communicates via its corporate website www.tmr.sk. Information about the Austrian resorts is available at www.moelltaler-gletscher.at and www.muttereralm.at.

The Group uses social networks for communicating with clients on a daily basis. In the Group's key markets (Slovakia, Poland, Czech Republic and Austria), Facebook is the number one in social networks and, therefore, TMR puts emphasis on the development of a wide fan base. At present, the following resort profiles are administered (fan groups) – JASNÁ, Vysoké Tatry – The Adventure Mountains, Aquapark Tatralandia, Water park Bešeňová, Szczyrkowski Ośrodek Narciarski, Mölltaler Gletscher, Ankogel, Innsbruck Muttereralm, Legendia, Golf Resort Kaskáda, Golf & Ski Resort Ostravice, TMR hotels a Tatry Mountain Resorts, a.s. and smaller profiles of individual projects – Tatranská divočina, Happy End Jasná, Liptov Arena, Tatry Motion ant others. For marketing purposes, the Group also utilizes social networks Instagram, LinkedIn, or a YouTube channel.

During the seasons the Group's Marketing Department is focused on production of quality live video transmissions and online information from individual resorts that are available on the Internet and thanks to which clients can get a better idea of actual conditions in the resorts. Information about changing snow conditions and operation of resorts is published online from each communication point, on both own and external web portals several times a day. Current information about the resorts is provided on LCD monitors in hotels, LCD screens in the resorts, or the dispatching center radio during the winter season.

DIRECT MARKETING AND E-COMMERCE

Through the GOPASS program, the Group uses digital tools to address and serve clients in its resorts. The program also includes active direct marketing, which connects the function of the e-shop, the loyalty program and the communication platform via emails, SMS messages and push notifications. GOPASS actively uses its web application as well as a mobile application available for both popular user platforms. The goal of GOPASS is the digitization of customer service and communication, as well as the facilitation of sales and profiling of offers directly to target groups of customers. As of the end of the fiscal year 2023, 3.651 million members in total were registered in the program GOPASS.

EVENT MANAGEMENT ACTIVITIES DURING 2022/23

The ski season in TMR's Slovak resorts kicked off in Jasna on December 3rd. At Štrbské Pleso, the season opened on December 10th, while Tatranská Lomnica started its operations on December 17th. At the beginning of the winter season, the most visited Tatra attraction, the Tatra Ice Dome, reopened at Hrebienok. The 10th edition of this successful winter attraction in the High Tatras takes the form of a unique sacred building – the Basilica of the Holy Sepulchre in Jerusalem. A new feature of the 2022/23 season was the opportunity to enter between the ice walls of the structure. Other proven winter events included the Hero Season Trophy at Štrbské Pleso, Tatranská Lomnica, and Jasna, where the winner received a special main prize, Rossignol skis, Chopok Tastes, Experience Dinner with Folk Music at Habarka, and Tatry Ice Master at Hrebienok. In our foreign resorts, traditional winter events included the popular New Year's Eve skiing in Szczyrk, the Szczyrk Avalanche event, and the highly successful Women's Alpine Skiing World Cup in Spindleruv Mlyn.

During the summer season, in addition to other events, the traditional Bear Days took place at Hrebienok at the end of July – a family festival of entertainment and education, with a new silent format that received positive feedback from guests and the community. On the 150th anniversary of the founding of the settlement Štrbské Pleso, the annual event Benátska Noc took place, which, in addition to a cultural and culinary experience, included romantic boating on Štrbské Pleso. In Tatralandia, the animation program followed the theme „Summer all year round," and the water park celebrated its 20th anniversary. The season at the Bešeňová water park opened with the musical „Na skle maľované", marking the first open-air musical in Bešeňová. In the Jasná ski resort, the most successful summer event was the „Zbojníci na salaši priehyba" with Ondrej Kandráč, featuring traditional sheep - Valachian and, in the summer, an original shepherd's cottage with a presentation of the history and life on the mountain pasture. This year's season at Legendia carried the theme „Summer like a fairy tale", featuring strengthened animation programs and the introduction of new park characters known from fairy tales: Cinderella, Pirate Jack, Thumbelina, Alice in Wonderland, and others.

NOVELTIES

Jasná Nízke Tatry (Jasná Low Tatras)

In the winter season 2022/2023, several novelties have been added to the Jasná resort. The most significant was the new gondola lift from Biela púť to Priehyba, which greatly accelerated and simplified transportation to Chopok. The operation of the lift at Zadné Dereše was restored, snowmaking was strengthened, and the Happy End and Rotunda restaurants underwent a transformation into self-service establishments. Shuttle transport was strengthened in cooperation with the municipality of Demänovská dolina and DMO Liptov Region, and the possibility to purchase a parking place through GOPASS was introduced.

Vysoké Tatry (The High Tatras)

The main novelty of the season in Tatranská Lomnica in the High Tatras, skiers could use Comfort parking - the possibility to purchase a limited number of the most favorable parking spaces through GOPASS for a fee, with the certainty of parking even at the time of peak traffic. Skiers with daily ski passes will have parking at a discount, owners of all-season ski passes Šikovná sezónka PREMIUM will park for free.

Szczyrk Mountain Resort

In the 2022/23 season, Szczyrk Mountain Resort introduced a novelty for ski touring enthusiasts – sunrise or sunset tours, evening descents with headlamps, and the addition of the K2 Skitouring Academy to the resort's offerings. For families with children, the Max Bear Academy was available on weekends, as well as 5-day childcare packages combined with an attractive program full of animations. The Ski&Bike Gronie Hotel prepared a special offer, providing accommodation with ski passes, including a fast pass for skiing without waiting.

Ještěd

The Ještěd Ski Resort has become the first with a completely unmanned cash register system. Among the novelties are snowtubing for children, a new trail, and a school for ski mountaineers. The resort introduces a unique Ski Biking experience and an expanded Après-ski bar offering. A significant pre-winter season investment was the new snowmaking system on the lower section of the Nová Skalka slope.

Špindlerův Mlýn

In January, the Women's Alpine Skiing World Cup took place in Špindlerův Mlýn. The races in slalom and giant slalom were on the schedule from January 28 to 29, 2023, and they enjoyed significant success with the audience.

Key Performance Indicators (KPIs)

The management uses operating and financial key performance indicators (KPIs) to evaluate operating performance of the Group. The Group's portfolio is divided into seven segments, and for this reason the management monitors performance of each segment.

OPERATING PERFORMANCE INDICATORS:

NUMBER OF VISITORS

As for the performance of the Mountain Resorts segment, the management monitors performance of financial indicators based on the number of visitors in terms of used skier days in the winter season, i.e. number of persons visiting a ski area for any part of day or night for the purpose of skiing, snowboarding, or other downhill slide. E.g., a 4-day ticket means four customers in the mountain resorts of TMR. The number of visitors on the cableways in the summer season and visitors in the Leisure Parks segment is measured in terms of sold and used entries.

AVERAGE REVENUE PER VISITOR

In the segments Mountain Resorts, Leisure Parks, Dining, and Sport Services & Stores, the key indicator is the average revenue per visitor / sold skier day for a given period from sale of ski passes, entries, services, and products.

OCCUPANCY

In the Hotels segment operating performance is monitored based on percentage occupancy of individual hotels of TMR's portfolio and of the weighted average of the hotel portfolio.

AVERAGE DAILY RATE

Average Daily Rate (ADR) is one the key indicators to measure hotel performance. It represents average revenue from per occupied room per given period. The calculation is based on the equation where room revenues are divided by the number of rooms sold. The management monitors ADR of each hotel and of the weighted average of the hotel portfolio.

FINANCIAL PERFORMANCE INDICATORS:

REVENUES

Operating revenues of the Group come from operating activity of the segments Mountain Resorts, Leisure Parks, Golf, Dining, and Sports Services & Stores, Hotels, and Real Estate.

EBITDA

To describe financial performance of the TMR Group, management uses EBITDA (Earnings before interests, taxes, depreciation and amortization) as the key indicator, which represents income net of interest, taxes, and write-offs. EBITDA clearly indicates the Group's financial performance based on operating activities since it eliminates impact of financing, as well as accounting decisions of a non-operating character.

EBITDA MARGIN

In order to evaluate operating profitability of the TMR Group, management utilizes EBITDA margin. It equals earnings before interests, taxes, depreciation and amortization (EBITDA) divided by operating revenues. Since EBITDA excludes depreciation and amortization, EBITDA margin is able to provide the investor a clearer picture of operating profitability.

Market Analysis and Trends

The target segment of the Group are tourists from the countries of Central and Eastern Europe, especially from Slovakia, Czech Republic, Poland, and Austria. The visit rate of the Group's resorts is, to a certain degree, determined by developments in the economic situation on the markets of the countries from which the tourists arrive and in which the Group operates.

The global economy continues to slowly recover from the aftermath of the pandemic, the Russian invasion of Ukraine, and increasing living costs. Global growth was at a level of 3.5% in 2022. The year 2023 brought a slight decline to 3%, and the forecast for the next year indicates a decrease of 0.1 percentage points. While inflation is gradually coming under control, the headline inflation continues to decelerate from 9.2% in 2022, based on a year-on-year comparison, to 5.9% this year and to 4.8% in 2024. Core inflation, which excludes food and energy prices, is also expected to decline, albeit more slowly than headline inflation, reaching 4.5% in 2024.[1]

According to the European Bank for Reconstruction and Development (hereinafter referred to as EBRD), regional growth is expected to slow down from 3.3% in 2022 to an estimated 1.7% year-on-year in the first half of 2023, as high inflation weighed on household purchasing power. Oil and gas prices have again dropped to pre-war comparable levels. In 2023, average growth in Central Europe and the Baltic states is expected to be 0.5%, and in 2024, it is anticipated to increase to 2.5%. In the southeastern part of Europe, a growth of 2% is expected in 2023, further increasing to 2.8% in 2024.[2]

THE SLOVAK REPUBLIC

GDP growth in Slovakia eased to 1.2% in 2023. The economy is being supported by the utilization of EU funds and foreign labor. However, the labor market remains tense, with demographic changes pushing the supply of labor downward. The outlook for the eurozone in 2024 is more favorable, and the economic dynamics of the eurozone will accelerate. In Slovakia, household consumption will begin to recover in the coming year as government measures fix energy prices, thereby reducing inflation to 3.2%. The utilization of EU funds will be succeeded by the Recovery Plan, boosting the Slovak GDP by 2.7%. The Recovery Plan will drive the economy in 2025, marking the peak of the economic cycle. In 2026 and 2027, economic growth will ease to levels approaching its potential.[3]

THE CZECH REPUBLIC

According to the Czech National Bank,), the GDP growth of the Czech Republic slightly decreased in 2023, and in 2024, the economy is projected to grow by 1.2%, with its recovery being tempered by a fiscal consolidation package. In 2025, GDP is anticipated to accelerate to 2.8%. Monetary conditions in the Czech economy continue to exert a significant restrictive influence. Interest rates are at a level that slows down the growth of crown-denominated bank loans for households and businesses, hindering the expansion of money supply in the economy. Since the fall of 2022, there has been a significant decline in inflation. Overall inflation dropped from 18% to 6.9% in September 2023, and core inflation decreased from 14.7% to 5%.[4]

POLAND

According to the EBRD, economic activity remained strong in 2022, supported by a growth of 5.1%. However, in the first half of 2023, it sharply declined by 0.8%. Limited foreign demand negatively affected exports, while recently stabilized prices brought some relief. Inflation peaked in February 2023 at 17.2% and in June at 10.3%, representing one of the highest in the European Union. However, in June 2023, the development of real wages turned positive for the entire economy for the first time since the end of 2021. Given the overall limited economic activity in 2023, GDP is expected to grow by only 0.6%. The return to positive real wage growth, low unemployment, and an improvement in consumer sentiment are expected to contribute to GDP growth of 2.7% in 2024.[5]

AUSTRIA

According to the Organization for Economic Co-operation and Development (the OECD), the GDP growth of Austria has significantly slowed, reaching a level of 0.4% in 2023. The OECD predicts economic growth in Austria to be 0.6% in 2024 and 1.5% in 2025. Higher real household wages will support consumption in 2024. Investments will be subdued due to higher interest and personal costs, and export demand will be limited by the global macroeconomic downturn. Higher interest costs and high public debt will require public finance consolidation through expenditure reduction.[6]

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1 International Monetary Fund (IMF): World Economic Outlook, October 2023: Navigating global divergences, published in October 2023, available at the hyperlink: https://www.imf.org/en/Publications/WEO/Issues/2023/10/10/world-economic-outlook-october-2023.
2 European Bank for Reconstruction and Development (EBRD) Regional Economic Prospects in EBRD Countries of Operations: September 2023, published in September 2023, available at the hyperlink: https://www.ebrd.com/what-we-do/economic-research-and-data/rep.html.
3 Financial Policy Institute of the Slovak Ministry of Finance: Macroeconomic prognosis IFP. 66th meeting of the Committee for Macroeconomic Forecasts, December 2023, available at the hyperlink: https://www.mfsr.sk/sk/financie/institut-financnej-politiky/ekonomicke-prognozy/makroekonomicke-prognozy/66-zasadnutie-vyboru-makroekonomicke-prognozy-december-2023.html.
4 Czech National Bank: Monetary Policy report – Fall 2023, published in October 2023, available at the hyperlink: https://www.cnb.cz/export/sites/cnb/cs/menova-politika/.galleries/zpravy_o_menove_politice/2023/podzim_2023/download/zomp_2023_podzim.pdf.
5 European Bank for Reconstruction and Development (EBRD): Regional Economic Prospects in EBRD Countries of Operations: September 2023, published in November 2023, available at the hyperlink: https://www.ebrd.com/what-we-do/economic-research-and-data/rep.html.
6 European Commission: OECD Economic Outlook: Economic Outlook Note - Austria: November 2023 Published in November 2023, available at the hyperlink: https://www.oecd.org/economy/austria-economic-snapshot/.

REGIONAL TOURISM INDUSTRY

The number of international tourist arrivals measured by the methodology of the World Tourism Organization (the UNWTO) reach 87% of pre-pandemic levels by the end of 2023. An estimated 975 million tourists travelled internationally between January and September, more than double the number recorded in the same period of 2022 , though 13% fewer than in 2019. International tourism receipts could reach USD 1.4 trillion in 2023. These results reflect the strong recovery of demand in 2023. Europe, the world's largest destination region, reached 94% of pre-pandemic levels, supported by robust intra-regional demand. International arrivals are expected to reach 1.3 billion overall in 2023, up 33% over 2022 and almost 90% of pre-pandemic levels, in line with UNWTO scenarios published in January. Against this backdrop, international tourism is well on track to fully recover pre-pandemic levels in 2024 despite economic challenges and uncertainty derived from certain geopolitical tensions and conflicts.[7]

SLOVAK TOURISM INDUSTRY

Besides the majority of domestic tourists, Slovakia has historically been mostly visited by the population of the neighboring countries; with the most tourists in 2022 coming yet again from the Czech Republic (2022: 35% or 563 thousand) and Poland (2022: 12% or 190 thousand). In 2022, the number of foreign tourists increased by 177% to 1.6 million. The number of domestic tourists for the year 2022 also increased by 51% to 3.2 million. However, compared to 2019, a quarter of visitors were still missing. The ratio of domestic tourists to foreign tourists is currently 70/30.[8] In summary, from January to November 2023, 5.4 million visitors stayed in accommodation facilities in Slovakia. In year-on-year comparison, this represents an almost 20% increase, with approximately a tenth missing from the overall visitation levels of 2019. The number of foreign guests in Slovakia increased by 32% over the past 11 months compared to the previous year, and the numbers of domestic tourists grew by 13%.[9]

EUROPEAN MOUNTAIN INDUSTRY

Europe is the relevant market for TMR's ski business, especially the CEE region. In Europe the biggest skiing destinations are alpine countries – Austria, France, Switzerland, Germany, and Italy. Worldwide, the Alps capture the greatest market share, accounting for 40% of skier visits (skier days).[10] The second most significant is North America with 23%. Central and Eastern Europe attracts only 10% of skiers, although this region produces 12% of skiers globally. Since the start of the new millennium global skier destinations have been experiencing a downward trend in the number of skier visits, especially the Western European traditional skier destinations, despite the overall growing global population and a growing number of skier days globally. One of the reasons is aging population and struggle to promote skiing

7 UNWTO World Tourism Barometer and Statistical Annex, November 2023, available at the hyperlink: https://www.e-unwto.org/doi/abs/10.18111/wtobarometereng.2023.21.1.4
8 Ministry of transport and construction of the Slovak Rep. The accommodation statistics of tourism in Slovakia in 2022, available at the hyperlink: https://www.mindop.sk/ministerstvo-1/cestovny-ruch-7/statistika/ubytovacia-statistika/ubytovacia-statistika-cr-na-slovensku-za-rok-2022.
9 Statistical Office of the Slovak Republic. Development of tourism in accommodation establishments in the SR in November 2023, available at the hyperlink: https://bit.ly/4bmfTdb
10 The number of skier visits is measured in terms of skier days; which means one person visiting a ski area for any part of day or night for purpose of skiing, snowboarding, or other downhill slide; e.g. a four-day ticket means four skier visits.

among the young. This introduces an opportunity for the CEE region to grow in provision of ski resorts at least to match the regional demand and even to attract a higher number of foreign skier visits. Among alpine countries, France and Austria have the most major resorts (with over 1 million skier visits) – 13 and 15, respectively each, and Austria with the highest number of skier visits per year[11] - over 43 million whereas Switzerland produces the highest rate of domestic skiers- 35%, with Germany having the highest total number of domestic skiers- 14.6 million.[12] Mountain industry in general is very capital intensive because of essential investments into cableways and other resort facilities, which represent great barriers of entry. Another essential entry criterion is e.g. location since skiing requires a mountainous area with a milder/ colder climate.

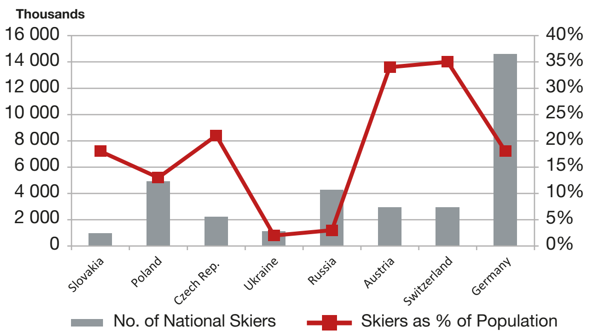
As for characteristics of ski resorts, they vary in size, ownership, and infrastructure. In some alpine countries, they are usually run by many small private operators who join forces also with local municipalities and market the resort or the ski region, like in Italy, Switzerland, or Austria. In France, on the contrary, operation of large ski resorts especially is concentrated with a major operator. German resorts are also fragmented but considerably smaller than in other alpine countries.[13] Large alpine resorts usually offer state of the art infrastructure, have over 100 km of ski trails, transport capacity of over 50,000 persons/ hour, and more than 30 ski lifts. They also keep reinvesting large amounts into resorts enhancement. The TMR resorts can be compared to medium-sized alpine ski resorts.

REGIONAL MOUNTAIN INDUSTRY

In the CEE region Russia has the most ski areas - 354, although only around 67 have more than five lifts and majority have limited infrastructure. Russia is followed by Poland with 264, the Czech Republic with 191 and Slovakia with around 107. Poland's ski areas are mostly small, suitable for beginners, and Czech ski areas are located up to 1300 m above sea level. Russia had on average for the past five years the highest number of skier visits in the winter season- 9.5 million, followed by the Poland with 5.5 million, Czech Republic with 5 million and Slovakia with 3.7 million. As for domestic skiers, winter sports in Poland are growing in popularity, as Poland produces the highest absolute number of skiers in the region – 5 million, who make up 13% of population. This proportion grew by more than double since 2013, which presents a great growth potential on this market. Slovakia and the Czech Republic produce a much higher percentage of skiers – 18% and 21%, although there are much more Czech skiers in the absolute number – 2.2 million. Slovakia has a competitive advantage on the supply side in the region since 80% of the geographical area is situated above 750m above sea level; and the area includes the highest mountain range in the region- the Tatras, with the highest peak of 2,655 m- Gerlachovský štít.[14]

The regional mountain industry exhibits room to grow, in comparing to mature alpine resorts. Observable trends besides investing in resort infrastructure and equipment include extending the variety of services in mountain resorts, such as ski schools, ski service, and shops, as well as non-skiing activities, such as après ski bars, nightlife, restaurants, wellness, family activities and events. As for summer activities, the focus is on adrenaline sports, summer family events, and cycling, evidenced by an increase in development of resorts, cycling tours, and by increased marketing. Mountain resorts tend to keep expanding technical snowmaking. Also, mountain resort tourists tend to be attracted to package deals on lodging and lift tickets, thus this trend is expected to continue. Another trend in mountain resorts is observed in consolidating marketing activities of a mountain destination or a region and mutual cooperation of mountain resort operators. District tourism organizations in Slovakia for example join together in destination management. One can observe these trends in all the locations operated by TMR. TMR is also cooperating with other mountain resort operators in marketing efforts.

Skiers by Country



11 Laurent Vanat: 2022 International Report on Snow & Mountain Tourism. 14th edition published in April 2022, available at the hyperlink: https://www.vanat.ch/RM-world-report-2022.pdf.
12 Ibidem
13 Ibidem
14 Laurent Vanat: 2022 International Report on Snow & Mountain Tourism. 14th edition published in April 2022, available at the hyperlink: https://www.vanat.ch/RM-world-report-2022.pdf.

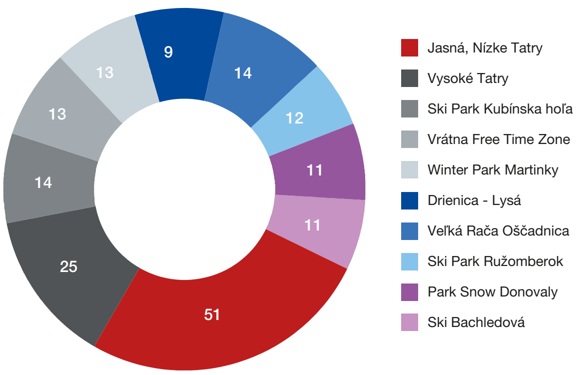
Mountain Tourism - Country Comparison[15]

Country	No. of Ski areas	Number of major resorts (>1 mil Skier Visits)	Skier visits	Proportion of domestic skiers (in % population)	Number of domestic skiers	% foreign skiers
Alpine countries			**135 543 000**			
Austria	253	15	43 580 000	34,0%	2 960 000	66%
France	317	13	40 656 000	13,0%	8 574 000	27%
Italy	349	7	22 320 000	12,0%	7 266 000	35%
Switzerland	181	6	21 967 000	35,0%	2 959 000	35%
Germany	498	0	7 020 000	18,0%	14 607 000	10%
United States	470	6	55 492 000	8,0%	25 017 000	6%
Eastern Europe			**26 244 000**			
Czech Republic	191	0	4 960 000	21,0%	2 236 000	30%
Slovenia	44	0	1 190 000	14,0%	299 000	17%
Ukraine	54	0	1 400 000	2,0%	1 114 000	5%
Poland	264	0	5 531 000	13,0%	4 937 000	15%
Russia	354	0	9 467 000	3,0%	4 275 000	5%
Slovakia	107	0	3 696 000	18,0%	979 000	25%

SLOVAK MOUNTAIN TOURISM

On the Slovak mountain tourism market TMR is the clear leader in terms of the number of resorts, ski lifts, transportation capacity, km of ski trails, and lifts elevation. Mountain resorts in Slovakia are mostly operated by small private operators in cooperation with local municipalities and national parks. There are around 100 ski areas in Slovakia, and 47 major ski resorts (3*, 4*, and 5* quality) in Slovakia. When comparing individual resorts and their km of ski trails, TMR's resorts Jasná Nízke Tatry (51km) and Vysoké Tatry – Tatranská Lomnica, Starý Smokovec a Štrbské pleso (24km) are the biggest ones in Slovakia, followed by Veľká Rača Oščadnica (14km), Skipark Kubínska Hoľa (14km), Vrátna free time zone (13km), and Winter Park Martinky (13km).[16]

Km of Trails of Leading Ski Resorts in Slovakia



15 Ibidem.
16 skiresort.info, resort websites

AUSTRIAN MOUNTAIN TOURISM

Austria is one of the European Alpine countries with the highest number of ski resorts with ski visits over 1 million per year also thanks to its lift interconnections between ski areas. It also operates the most ski lifts in the world, over 3,000, together with France and the U.S. It also has one of the highest portions of skiers in the population with 34%, and one of the highest number of skier days – more than 43 million (5-year average), 66% of which are foreign, the most foreign skiers in the world. The visit rate has been steadily growing despite struggles in other western markets. The Austrian ski operators have been heavily investing into development of ski infrastructure for the past 15 years. Some resorts have joint marketing efforts, which allow them a higher pricing, and the number of interconnected resorts has been increasing in the last couple of years.[17]

TMR'S HOTEL MARKET

TMR's hotels are located in TMR's mountain resorts, golf resorts, in water parks Tatralandia and Bešeňová, and most of the clients utilize TMR hotels' services when visiting the resorts. That's why TMR hotels compete for clients with other lodging facilities in the given resort and its surrounding. In the winter season especially, performance of the hotels is closely linked to performance of the mountain resorts. In water park Tatralandia there is only one lodging facility, thus TMR holds a monopoly here. In the mountain resorts there are other mostly private operators of resort hotels, inns, bed & breakfasts, apartments, and cottages. The two leased golf hotels in the Czech golf resorts are the only ones in the respective golf resorts, thus their location is a great competitive advantage within the area, and their visitors tend to stay here. Categories of TMR hotels range from 2-star to 4-star. In the resorts there is a greater competition in the lower category lodging than in the upscale segment. The trend in the resorts lodging sector is to cooperate closely with the mountain resort operators in order to attract clients with affordable bundled stay packages. The hotel market in TMR's resorts is not saturated since TMR had invested a large amount of capital in recent years, and the resorts attract new investors.

REGIONAL TRENDS IN WATER PARKS

In Slovakia there is around a 30 water parks and thermal spas. Water parks Tatralandia and Bešeňová ranks among the top three parks in terms of size, visit rate and services offered. The number of visitors primarily depends on the variety and quality of services offered. As for the target market, aquaparks observe an increasing visit rate and an increasing share of solvent clients who are willing to pay more for their aquapark visits and require higher quality and constantly changing customized services. In this aspect, TMR's loyalty program, Gopass, helps. Another observable trend is the comeback of Slovak clients who now represent the majority as opposed to the past till 2009, when clients from Poland comprised the majority. Also, aquaparks observe a growing number of families with children that seek out a wide scale of activities, also as addition to water attractions. Demand for quality requires quality personnel, which puts pressure on personal costs for the aquapark operators as aquaparks are mainly a seasonal and weekend business. Solutions can be found in automation, and TMR utilizes its winter employees from the mountain resorts in the summer season of the leisure parks. The trend also includes continuing investments into parks' development, especially all-year attractions. All-year aquaparks carry a competitive advantage as they do not depend on weather.[18,19] Competition in the neighboring countries is present especially closer to the Slovak border- there are five aquaparks close to Slovakia in Poland, nine in the Czech Republic, and seven in Hungary.

REGIONAL TRENDS IN LEISURE PARKS

The CEE region exhibits absence of leisure parks on a scale of Western Europe, where most of 300 parks are located, with annual revenues of around EUR 4.5 bn. There are 30 parks in Europe with an average visit rate of 1-2 mil. visitors. In Poland there are about 45 leisure parks of different size and theme. They may be divided into a number of groups depending on their main theme – luna parks, western theme parks, fairy tale theme parks, dinosaur adventure parks, and miniature theme parks. Majority are so-called dino parks (19) and miniature parks (13). These should be treated as a substitute rather than direct competitors to TMR's Silesian Amusement Park. Besides Legendia - Silesian Amusement Park, there is only one other amusement park of comparable size and with a comparable number of attractions, located also in the Silesia region.

REGIONAL TRENDS IN GOLF RESORTS

In the Czech Republic where TMR operates two golf resorts, there are around 100 golf resorts. Golf & Ski

17 Laurent Vanat: 2022 International Report on Snow & Mountain Tourism. 14th edition published in April 2022, available at the hyperlink: https://www.vanat.ch/RM-world-report-2022.pdf.
18 Guests are more picky. The big 3 is doing well, though. Trend. August 3, 2019. https://www.etrend.sk/trend-archiv/rok-2019/cislo-29/velkej-trojke-sa-dari-a-nielen-jej.html
19 The Best Water Parks in Slovakia: Water Slides, Wellness, and Luxury Accommodation – Where Will You Go? Zoznam.sk, January 27, 2024, available at the hyperlink: https://plnielanu.zoznam.sk/najlepsie-vodne-parky-na-slovensku-prehlad/.

Resort Ostravice and Golf Resort Kaskáda both belong to the top 10 Czech golf resorts.[21] In neighboring Slovakia there are over 20 golf resorts and 55 in Austria. The trends in the regional golf industry include focus on technology since online presence, functional reservation systems, or rating websites are essential for golf resort operators. Promotion of the resorts is vital, thus the resort operators organize professional tournaments and provide ancillary services. Visitors put importance on the quality of accommodation and dining services in the resorts. Another decision factor for golf players is the access to tee times. Also, golf players' demand for golf travel keeps increasing. Half of European golf players travel for golf individually and half use travel agency services, mostly elderly players.

REGIONAL TRENDS ON THE REAL ESTATE MARKET

The performance of the regional real estate market depends on the stability of demand, which is impacted by macro-economic development, the job market development, income growth, and access to bank financing. The real estate market cooled down in 2022 due to higher interest rates, but also a few percent drop in people's real wages due to high inflation.[22] We are experiencing a similar situation in 2023 when the European Central Bank raised the base interest rate several times throughout the year.

In the past years, the recreational real estate market in the Jasná resort had been booming, with several new projects, such as the completed project of a 5-star hotel complex, which is also set to become the largest hotel in Central Europe.[23] Additionally, in Jasná, the Central Jasná Resort is being constructed under the TMR brand, with an expected completion date in 2027.[24] In the High Tatras, specifically in Tatranská Lomnica, a project for the Sasanka Apartment House is in preparation.[25]

21 10 trends in golf travelling, what are the trends in 2018? March, 8, 2018. www.golfextra.cz/detail/3477/10-trendu-cestovani-za-golfem-co-frci-v-roce-2018
22 What changes do you expect in the real estate market? What contributes the most to its cooldown? https://www.trend.sk/trend-archiv/ponuk-pribuda-zaujemcovia-miznu-trh-nehnutelnostami-ochladzuje
23 Another large luxury hotel is to be built in Jasná https://myliptov.sme.sk/c/22205624/v-jasnej-ma-vyrast-dalsi-velky-luxusny-hotel.html
24 In Jasná, they are opening one of the largest hotels in Central Europe https://index.sme.sk/c/23198906/jasna-damian-bude-jeden-z-najvacsich-hotelov-v-strednej-europe.html.
25 The mountain giant is planning a 20-million investment in the Tatras, building luxury apartments. https://hnonline.sk/finweb/ekonomika/96125973-horsky-gigant-planuje-20-milionovu-investiciu-v-tatrach-postavi-luxusne-apartmany-galeria

RISK FACTORS AND RISK MANAGEMENT

Risk Factors and Risk Management

Main risks that the Group faces can be divided into market, financial, and operating risks. The management has the complete responsibility for defining and controlling the Group's risks. All these factors are either external, which means they are completely beyond the management's control, or internal risks, which can be at least partially controlled by the management. The most significant risks are described below:

MARKET RISKS

BUSINESS CYCLE

Current operations of the Group are focused on the Slovak, Czech, Polish, and Austrian market, although majority of the Group's clients come from the whole CEE region, and thus the Group's operations are mainly dependent on the level of economy of the Slovak and Czech Republic and countries of the CEE region. Majority of TMR's revenues depend on the number of visitors to TMR's resorts and hotels. The vacation choices of TMR's clients also depend on the business cycle of the economy, each country's economic growth, and the level of their discretionary income, while the last two factors are highly correlated. Development of such macroeconomic factors is an external risk for TMR. Since the majority of visitors to TMR's resorts and hotels come from various countries, each of which has its own unique macroeconomic profile, operations of TMR can be heavily affected by worsening of the economic situation on these markets. The risk of a downward business cycle is partially managed by reasonable pricing strategies and effective marketing campaigns on the relevant target markets (see Strategy). Developments in the business cycle in general may adversely affect the Group's operating activities, financial performance, and financial prospects.

In addition, a significant risk within the Central and Eastern Europe region is the military conflict in Ukraine, which may have an impact on the attendance of the Group's resorts and hotels, since the countries in which the Group has resorts and hotels are near the borders of the military conflict, i.e. Ukraine. The group is affected by the conflict directly due to the loss of visitors from Russia and Ukraine. However, before the events of the war and the introduction of sanctions, the group did not consider the Russian or Ukrainian market to be essential. Although the loss of visitors from these regions has a negative impact, it is a significantly minority group of visitors.

The group is also affected by the conflict indirectly through Slovakia's economy (which is strongly export-oriented) as well as the impact on the European Union, mainly due to the related increase in inflation, the prices of materials and commodities (or their reduced availability) or existing risks related to the interruption of oil supply or natural gas from Russia and/or a material increase in the price of oil or natural gas. TMR's revenues from tourism could decrease, especially if it could not keep up with inflation, or reflect the increased prices of entrances into prices for accommodation or tickets to resorts.

SEASONALITY

TMR's business model is primarily seasonal, although TMR's strategy involves building and promoting all-year vacation destinations. The busiest months are from January through March, especially in the number of skiers, and July and August in the leisure parks and the Vysoké Tatry resort. The management is continuously working on attracting visitors in the off-season, e.g. by adding snowmaking guns, running vibrant marketing campaigns, offering bundled stay packages, and by organizing events in the resorts and hotels. Besides the water parks Tatralandia and Bešeňová providing warm thermal water, the Tropical Paradise project in water park Tatralandia was a major step towards minimizing the effects of seasonality in the aquapark since visitors of Tropical Paradise can experience summer temperatures in any season. By acquiring the Alpine resort located on a glacier, Mölltaler Gletscher, the skiing winter season got longer. The golf resorts operate the golf courses from the spring till the fall, although in the Ostravice resorts provides lit up cross country skiing tracks in the winter.

WEATHER AND CLIMATE RISK

The number of TMR's visitors also depends on a successful winter season, i.e. on favorable weather conditions in terms of abundance of natural snow and temperatures below zero degrees Celsius. TMR manages the risk of low snowfall with the already-mentioned snowmaking facilities. The extensive scope of coverage by technical snowmaking gives TMR an absolute advantage among competitors in Slovakia in case of shortage of natural snow. Historically, the Jasná Nízke Tatry resort has had an average of 54 cm of snow coverage during the winter season and the Vysoké Tatry resort 59 cm[1]. Drier winters may increase the cost of snowmaking. On the other hand, warmer weather may hinder

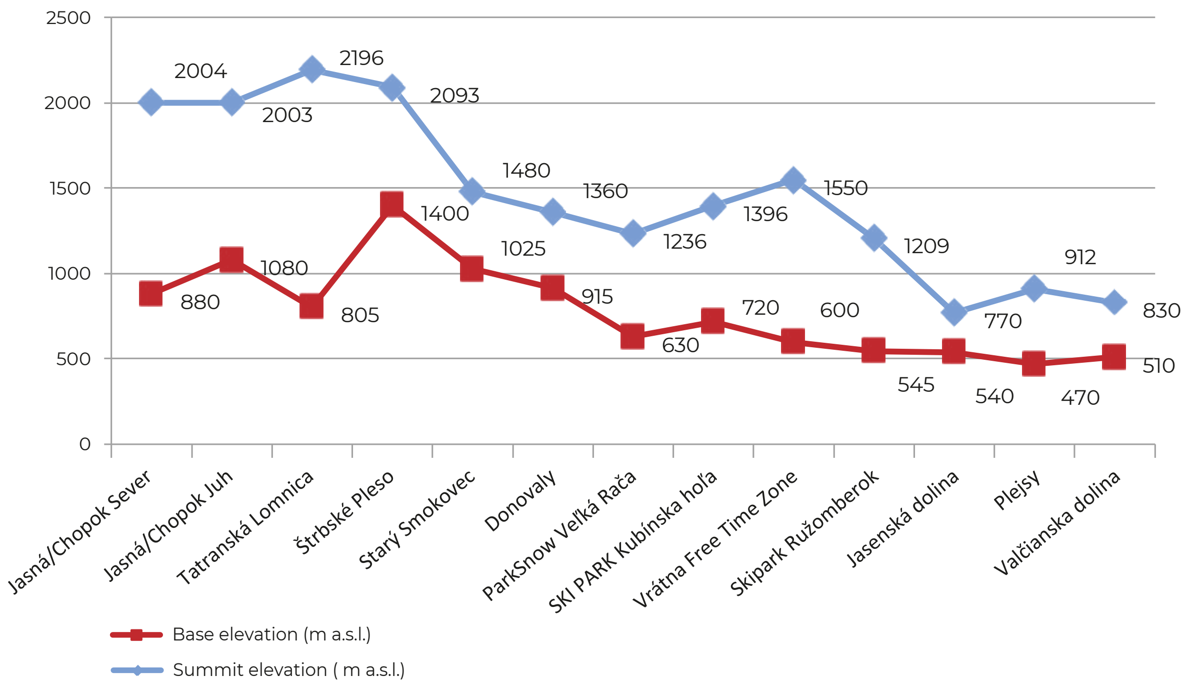
1 A 7-year average on the peak of the Jasná and Vysoké Tatry - Tatranská Lomnica a Štrbské Pleso resorts. Source: www.onthesnow.sk

the snowmaking, since freezing temperatures are needed, and it may reduce the scope of skiing area. At the same time, the resorts are located in a mountainous area with a generally colder climate. Also, in comparing with other Slovak mountain resorts, TMR's resorts have start and terminal cableway stations at the highest altitudes. The Polish SON resort, on the other hand, has an advantage in facing north and towards northwest winds. The Austrian Mölltaler Gletscher resort is located on an Alpine glacier, which guarantees a much longer period with snow coverage. The season on the Mölltaler glacier lasts from mid June till following May with the snow coverage reaching 450 cm. Warm thermal water in Tatralandia and in Bešeňová partially offsets the cold weather effects, but Tropical Paradise in Tatralandia eliminates dependence on warm weather completely. As for the summer season in the mountain resorts and the amusement park, favorable weather in the summer months is essential for hiking tourists and visits of amusement parks. The extent of the risk exposure is detailed in Consolidated Financial Statements.

COMPETITION

The Group's results also depend on how successfully the Group deals with competition. In the segment of Mountain Resorts TMR competes for visitors on domestic oligopolistic markets in Slovakia, Poland and the Czech Republic, with the position of a leader in terms of size and the range of services. In Austria Mölltaler Gletscher is one of eight ski resorts on a glacier, and among all the Austrian resorts, as well as within Europe the TMR Group faces monopolistic competition with a large number of competitors that provide a wide supply for visitors. TMR utilizes its high-quality services, massive capital investments in resort development, reasonable prices in comparing to alpine resorts, patriotism, and locality with the goal of attracting visitors. Moreover, TMR capitalizes on its competitive advantage of natural monopoly in terms of the strategic location of its key resorts in the Tatras in the highest mountain range in the region to the East and North. In the Golf segment the resorts operated by the Group rank among the top golf resorts in Czechia. In the Leisure Parks segment TMR is also among the top players in the local market

Base & Summit Elevation of Slovak Ski Resorts.



of aquaparks, although visitation of aquaparks also depends on the travel distance for the given visitor. Among theme parks Legendia Silesian Amusement Park is one of two top players in the region. The hotels from TMR's portfolio, restaurants, sports stores and services, and real estate projects of TMR capitalize on their attractive locations directly in the TMR resorts and on synergies within the Group and provide mostly upscale quality. Partially, TMR manages this type of risk with marketing tools, by utilizing its tangible and intangible assets, such as its strategic position in the Tatras mountain range, and by a well-defined corporate strategy described in the Strategy section.

OCCUPANCY AND AVERAGE DAILY RATE

The Group's profitability also depends on the occupancy rate of its own hotels and lodging facilities in the resorts. TMR actively works with local lodging operators in marketing the resorts in order to increase occupancy and consequently the number of resort visitors. TMR hotels' results depend on the occupancy rate and average daily rate per room (ADR). To increase these indicators, it is essential for TMR to invest heavily into development and renovation of its lodging facilities. Besides aggressive marketing activities for peak seasons, TMR actively works to increase occupancy and ADR also during the off-season by marketing conference space to corporate clientele, offering special seasonal or weekend lodging packages in conjunction with events in the hotels or resorts, e.g. live cooking show, culinary festivals, romantic spa weekends, serving "brain food" for corporate clientele, etc.

REAL ESTATE MARKET

One of the operating segments of TMR is focused on real estate, as described in the Company Profile section. The revenues of this segment depend on sale and/or lease of residences, lodging facilities, and commercial space in the real estate projects. Even though the current performance of the Group does not depend on the success of this segment, its growth depends on the state of the real estate market, which is an external risk factor. This industry is exhibiting an upward trend for the last couple of years (see Market Analysis and Trends). In case of realization of all the projects, TMR can mitigate the risk of low apartment sales with revenues from lease of space, facility management, and operation. Also, TMR intends to capitalize on synergies from other segments, such as marketing, procurement of inventory, human resources, etc.

RISK OF UNSTABLE PRICES, ESPECIALLY OF ELECTRICITY AND NATURAL GAS

The Group's costs are affected, among other things, by the consumption of energy, natural gas, fuel and water. These are directly reflected in the operating costs of resorts and hotels, for example from the point of view of electricity consumption in the operation of cable cars and snowmaking equipment. As of preparing the annual report, the prices of electricity and natural gas within the European Union are stabilized, and there are no significant fluctuations. Currently, energy prices do not significantly constrain the Group's ability to operate its facilities. If, in the future, the prices of electricity (as well as natural gas, fuel, water, and other input sources) were to increase significantly in the coming years, it could have a significantly negative impact on the operational activities, market position, sales, financial performance, and financial outlook of the Group.

FINANCIAL RISKS

EXCHANGE RATES

Volatility of exchange rates in relation to euro is an external risk that affects the Group's revenues because majority of TMR's foreign clients come from countries outside of Eurozone (mainly the Czech Republic and Poland). That is why their travel choices are impacted by currency movements. Appreciation of euro in respect to Polish zloty, for instance, negatively impacts the number of visitors from Poland. As a result of ownership of subsidiaries in Poland and in the Czech Republic, the Group also is also volatile in respect to exchange rates changes of the local currencies to euro. Investments into the resorts in terms of technology, equipment, renovation, and procurement of inventory are settled in euros, Czech crowns, and Polish zloty. Investments settled in Polish zloty and crowns are thus exposed to volatility of exchange rates. The value of the investment in Melida a.s., which operates the Špindlerův Mlýn resort, is converted from Czech crowns into euros. For more information, see Consolidated Financial Statements.

INTEREST RATES

Volatility of interest rates may have a direct impact on the value of the Group's interest-earning assets and interest-bearing liabilities. The extent of this risk is equal to the amount of interest-earning assets and interest-bearing liabilities, where the interest rate at maturity or at the time of a rate change is different from the current interest rate. The period of a fixed rate for a financial instrument therefore reflects the risk for fluctuations in interest rates. The Group's loan portfolio during 2022/23 consisted mostly of short- and long-term bank debt with fixed and variable rates based on 3-month and 12-month EURIBOR rates. The Group considers the variable interest rate to manage the interest rate risk automatically. In case of economic expansion, EURIBOR grows, but at the same time economic performance of the population should grow, and the Group should be more profitable. In case of economic recession, it is the exact opposite. As EURIBOR currently has positive values, the variable rates do affect the financial performance and cash flow sensitivity. Besides bank debt, the Group has also issued bonds with payment of regular fixed coupon which is in no way correlated to any variable rates. Loans granted by the Group earn interest at fixed interest rates, thus the Group mitigates the risk of interest rate fluctuations downward. Exposure to this risk is detailed in Consolidated Financial Statements.

CREDIT RISK

The Group's primary exposure to credit risk arises through its trade receivables, lease receivables, other receivables and advances and loans provided. The amount of credit risk exposure is represented by the carrying amounts of these assets in the balance sheet if no form of guarantee is issued. The carrying amount of receivables, advances and loans provided represents the maximum accounting loss that would have to be recognized if the counterparty completely failed to perform its contractual obligations and all collaterals and guarantees would be of no value. Therefore, this value highly exceeds the expected losses included in the provision for unrecoverable receivables. Before the conclusion of major contracts, the Group's management evaluates the credit risk related to the counterparty at its regular meetings. Provided material risks are identified, the Group withdraws from concluding the contract. The extent of the risk exposure is detailed in Consolidated Financial Statements.

LIQUIDITY

Liquidity risk arises in the general financing of the Group's activities and financial positions. It includes the risk of being unable to finance assets at an agreed maturity and interest rate and inability to liquidate assets at a reasonable price in a reasonable time frame. Individual segments in the Group use different methods of managing liquidity risk. The Group's management focuses on managing and monitoring liquidity of each of its controlled companies. In order to manage liquidity, in 2009 the management changed the accounting year for the financial year ending on October 31. In the first half of its financial year the Group has the winter season representing around 60% of the Group's income. According to the development in the first half-year, the Group is able to affect income and expenses well in advance to keep sufficient liquidity. The seasonality in the resort of Vysoké Tatry is balanced also by a strong summer season in this resort, and it provides more stable liquidity throughout the year. Payment of bond coupons adds to the liquidity risk. The Group's risk of insufficient liquidity is currently potentially increased due to the rise of EURIBOR rate, which increases the Group's debt service from external bank loans. The extent of the risk exposure is detailed in Consolidated Financial Statements.

BONDS

As of the end of the reported period TMR has bonds issued in several tranches. Currently, the capital structure in terms of the debt-to-equity ratio may cause TMR difficulties in obtaining other external financing to finance future investments into its resorts or acquisitions. In case these difficulties in obtaining further financing should occur, TMR's growth rate may slow down. It is not certain whether the Group will be able to obtain external financing, or whether external debt will be obtained under favorable conditions. Inability to receive or a delay in receiving further external debt as well as financing terms, which differ from assumptions, may have a major negative impact on the operations, market position, sales, financial performance and financial outlook of the Group. For more information see Consolidated Financial Statements.

OPERATING RISKS

Operating risk is the risk of loss resulting from embezzlement, unauthorized activities, errors, mistakes, inefficiency or system failures. This risk arises from all activities of the Group and is faced by all segments within the Group. Operating risk also includes legal risk. The Group's goal is to manage the operating risk to avoid financial losses and protect the reputation of the Group while maintaining optimal costs and avoiding measures that would hinder initiatives and creativity. The Group's management has the main responsibility for implementation of controls related to the management of operating risk. This responsibility is supported by the development of standards for the management of operating risk common for the whole Group. The operational risk is managed by the system of directives, meeting minutes and control mechanisms. The Group's management strives to eliminate all operating risks by regular checks.

SAFETY

Safety is of great concern to TMR since the Group operates in types of business with varied safety risks. TMR is obliged to mitigate safety risk and guard its clients and employees in the following situations:

- In the course of developing, maintaining, and operating cableways, lifts, trails, swimming pools, toboggans, rollercoasters, golf courses, and other resort facilities
- In relation to health risks when providing dining services in the restaurants and hotels
- In relation to operations of the lodging facilities
- Any accidents and incidents during promotional and collaborative events
- In relation to compliance with regulations governing provision of ready-made products and services to clients

IT SECURITY

The Group's business activities substantially depend on information technology (IT) – with ticket sales platforms; on lift turnstiles; cableway and snowmaking equipment; and in shops, in the Gopass loyalty program and e-shop, restaurants, and hotels. Therefore, the Group takes extraordinary measures to mitigate the risk of break-down with high quality software and hardware components and a strong IT support in order to be able to operate under contingency mode.

CAPITAL INVESTMENTS

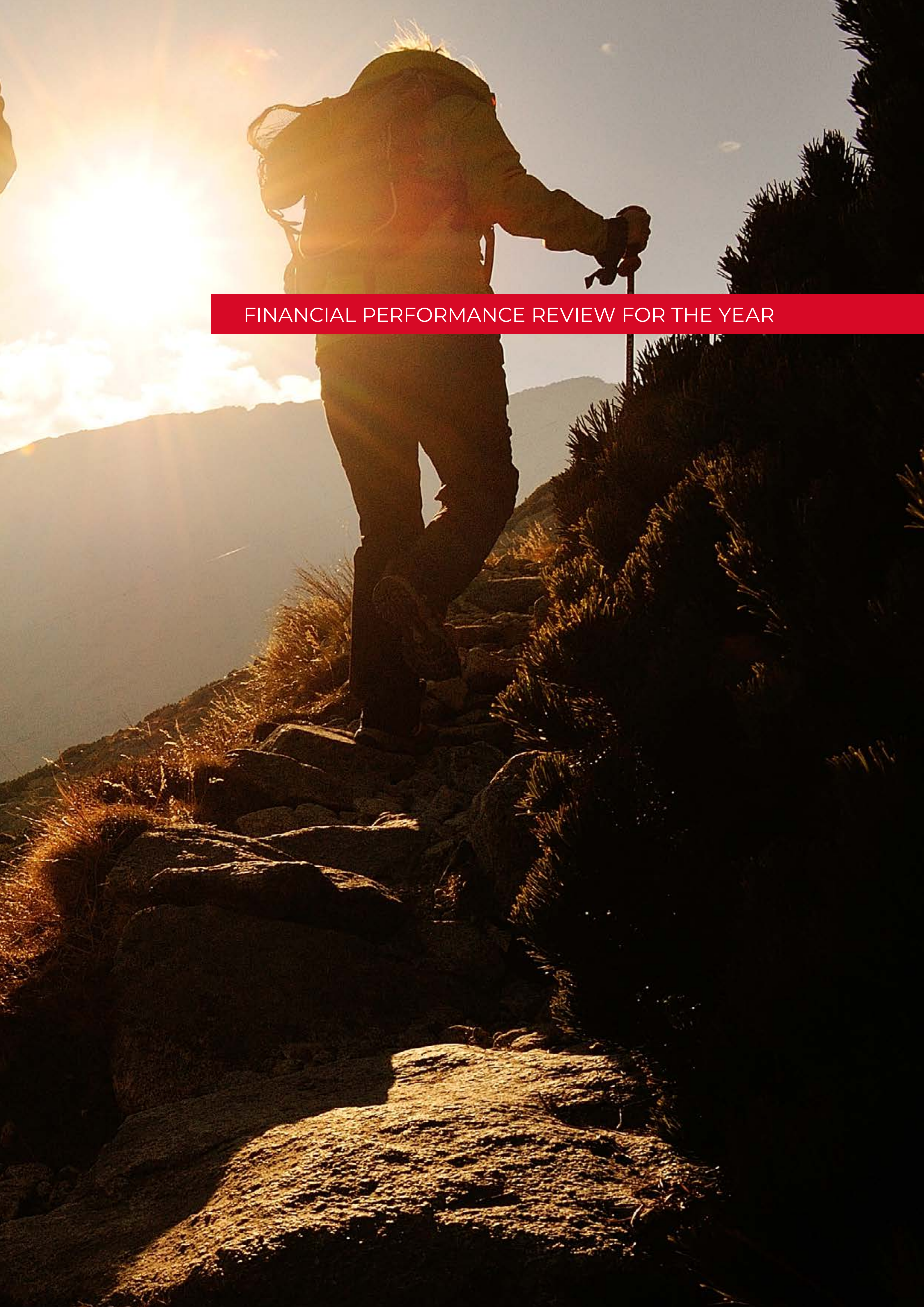
The first pillar of TMR's corporate strategy is based on organic growth through capital investments into its resorts and hotels. Implementation of this strategy requires major capital. Each investment project is carefully analyzed under different scenarios. Despite this fact, there is risk that some of the ongoing or planned projects may be less profitable than previously planned, or even at loss. Unprofitable investments may negatively impact the operations, market position, sales, financial performance, and financial outlook of TMR.

ACQUISITIONS

TMR plans to strengthen its position on regional markets also through new acquisitions. A risk exists that acquisitions of other entities will negatively impact future income and results of TMR, specifically in case of choosing the wrong acquisition target, unfavorable terms, or inability to receive permissions from relevant regulators (especially failure to obtain permission from the antimonopoly bureau). In case such event should happen, it may negatively impact the operations, market position, sales, financial performance, and financial outlook of TMR.

ENVIRONMENTAL ISSUES

The Group's capital investments in protected outdoor areas may be subject to approvals of various governmental and environmental bodies. Since the Group conducts its operations mostly in mountainous areas, part of which belong to protected national parks, some capital investment projects may be subject to approval of various governmental bodies. Each new investment project in such area related to expansion of snowmaking, construction of a cableway, etc. must first undergo the Environmental Impact Assessment (EIA), one of main instruments of the international environmental policy of sustainable development, and it must be approved by relevant bodies of environmental protection. TMR's resorts in Slovakia are located in already urbanized areas and comply with all environmental regulations, although development of the SON resort in Poland as well as planned projects in Slovakia and Czechia still need to undergo the EIA process.



FINANCIAL PERFORMANCE REVIEW FOR THE YEAR

Financial Performance Review for the Year

KEY RESULTS

- Total consolidated revenues increased by 42.6% to EUR 188.379 mil. (132.119)
- Consolidated operating profit before interest, tax, depreciation and amortization (EBITDA) amounted to EUR 59.366 mil. (33.696)
- TMR operated with EBITDA margin of 31.5% (25.5%)
- Net consolidated loss amounted to EUR -0.548 mil. (-11.947)
- Net consolidated earnings per share amounted to EUR -0,074 (-1,694)
- The number of visitors to Mountain Resorts increased to 2.928 mil. (2.660); Leisure Parks recorded 1.880 mil. (1.416) visitors

Selected Consolidated Audited Results (IFRS)		
in €'000	FY 2022/23	FY 2021/22
Sales	188 379	132 119
Total Revenues	**188 379**	**132 119**
Consumption of Material and Goods	-24 687	-19 070
Personnel and Operating Costs	-107 933	-84 681
Other Gain/ Loss	3 607	5 328
EBITDA	**59 366**	**33 696**
EBITDA Margin	31,5%	25,5%
Depreciation & Amortization	-25 637	-23 388
Depreciation of right-of-use of leased assets	-5 844	-5 863
Gain on bargain purchase	0	13 162
Impairment of non-current assets	-4 528	-5 977
EBIT	**23 357**	**11 630**
Interest income calculated using effective interest rate	238	47
Financing costs	-27 574	-22 915
Net profit / (loss) on financial operations	6 889	-2 356
Share of profit or (loss) from disposal of subsidiaries	0	-482
Share of profit or (loss) on equity-accounted investees	-355	-163
Pre-tax Income	**2 555**	**-14 239**
Current Income Tax	-1 919	-776
Deferred Income tax	-1 184	3 068
Net Loss	**-548**	**-11 947**
Total Comprehensive Income	**-1 094**	**-12 500**
EPS (€)	**-0,074**	**-1,694**

FINANCIAL PERFORMANCE

REVENUES

The Group's total consolidated revenues for the past financial year increased by almost 42.6% to EUR 188.379 mil. (132.119). The result was positively impacted mainly by the higher visit rate at the resorts compared to the last financial year, which was affected by anti-pandemic measures that restricted full operations in Slovak and Austrian resorts. The positive impact on revenues was also attributed to the increase in the average price through effective ski pass pricing management.

EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION (EBITDA)

Another TMR's key financial performance indicator – EBITDA – amounted to EUR 59.366 mil. (33.696); which represents an 76.2% increase result compared to the previous financial year. The increase is mainly due to reason that the Group ski resorts, leisure parks and hotels during the winter season operated with lifted restrictions. Consumption of materials increased by 29.5%; personnel and operating costs were increased by 27.5% yoy, due to increase of energy prices, which was then reflected in the increased prices of goods and services. The increase in costs was also due to market pressure to raise labor prices, an increase in the minimum wage, and the recruitment of new employees. TMR's operating profitability ratio (EBITDA margin) reached the level of 31.5% (25.5).

DEPRECIATION AND AMORTIZATION, IMPAIRMENT LOSS

The depreciation and amortization costs slightly increased to EUR 25.637 mil. (23.388) mainly due to completed investments. Depreciation of the carrying amounts of property, plant and equipment acquired through leasing amounted to 5.844 mil. EUR (5.863). For more information on provisions for fixed assets and profit from the bargain purchase, see Consolidated Financial Statements, Notes 5, 14, 15, 16.

FINANCIAL ACTIVITY

Interest income of EUR 0.238 mil. (0.047) mainly stemmed from loans granted, earning fixed interest rates. Interest expense rose to EUR 27.574 mil. (22.916); it includes mainly loan expenses and expenses of the issued bonds (see Consolidated Financial Statements, Note 12).

NET INCOME

The Group recognized a net consolidated loss in the amount of EUR -0.548 mil. (-11.947). Loss attributable to owners of the parent company amounted to EUR -0.497 mil. (-11.361). EPS reached EUR -0.074 (-1.694). Total comprehensive income after accounting for foreign currency translation reserve and gain on cash flow hedging amounted to EUR -1.094 mil. (-12.500). The parent company reported a net profit of EUR 2.712 mil. (3.287).

RESULTS BY SEGMENTS

Key Operating Results	Revenues			EBITDA			EBITDA Margin		
in €'000	**FY 2022/23**	**FY 2021/22**	**Change yoy (%)**	**FY 2022/23**	**FY 2021/22**	**Change yoy (%)**	**FY 2022/23**	**FY 2021/22**	**Change yoy (p.p.)**
Mountain Resorts	70 832	50 932	39,1%	29 933	17 937	66,9%	42,3%	35,2%	7,0%
Leisure Parks	23 344	16 861	38,5%	9 374	5 562	68,5%	40,2%	33,0%	7,1%
Golf	855	740	15,5%	-81	173	-146,9%	-9,5%	23,4%	-32,9%
Dining	27 474	19 501	40,9%	5 702	2 790	104,4%	20,8%	14,3%	6,5%
Sports Services & Stores	6 724	5 321	26,4%	1 365	541	152,3%	20,3%	10,2%	10,0%
Hotels	55 962	37 709	48,4%	11 958	8 299	44,1%	21,4%	22,0%	-0,6%
Real Estate	3 188	1 055	202,2%	1 116	-1 605	169,5%	35,0%	-152,1%	187,1%
Total	**188 379**	**132 119**	**42,6%**	**59 366**	**33 696**	**76,2%**	**31,5%**	**25,5%**	**6,0%**

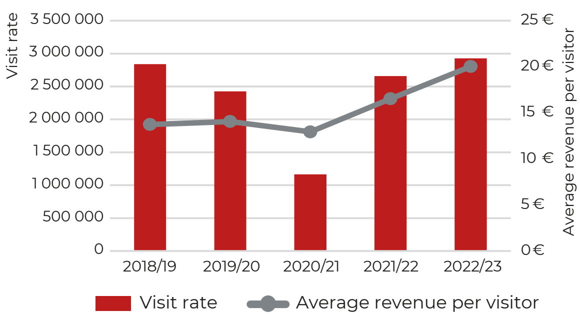
KEY PERFORMANCE INDICATORS (KPIS)

The visit rate in the Mountain Resorts segment in 2022/23 increased year-over-year by 10.1% to 2.928 mil. (2.660) visitors/ skier days[1], whilst it includes skier days from the Austrian resorts of Mölltaler Gletscher, Ankogel and Muttereralm. On the like-for-like basis the visit rate increased by 14%. This positive result reflects the impact of the easing pandemic measures compared to the previous financial year, when the resorts were operating in restricted regime. Average revenue per visitor per day increased by 21.2% to EUR 20.02 (16.52).

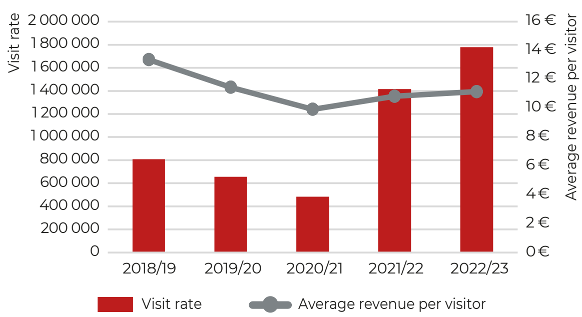
Leisure Parks reported an 25,7% rise in the visit rate to 1.880 mil. (1.416). The increased number of visitors is due to ease of pandemic measures in segment and moreover it includes visitors of whole winter season of water park Bešeňová. The average revenue per visitor also rose, by 3% to EUR 11.15 (10.83).

The resort clients spent more in dining facilities on and off the slopes and in the leisure parks. Average dining revenues thus increased by 23.5% to EUR 5.47 (4.43). Sports Services & Stores, which largely depend on performance of the resorts, reported average revenues per visitor make up 7.4% to EUR 1.48 (1.38).[2]

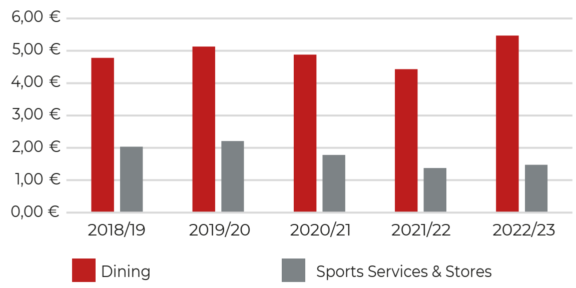
Mountain Resorts‘ KPIs



Leisure Parks‘ KPIs



Average revenue per visitor in selected segments

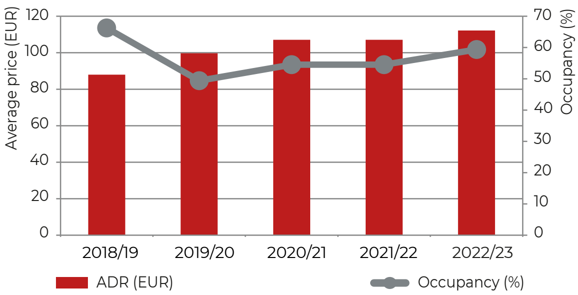


1 The visit rate in Mountain Resorts in the summer season is measured in terms of used entry tickets to cableways and in the winter season in terms of used skier days, i.e. the number of persons that visited a mountain resort during any part of the day or night for the purpose of skiing, snowboarding, or other downhill slide. E.g., a 4-day ticket means four skier days in Mountain Resorts.

2 The Group is currently not observing the visit rate and the average revenue per visitor from entries, dining, and sports services and stores in the golf resorts.

The weighted average occupancy of the TMR hotel portfolio increased by 4.9 percentage points to 59.4% (54.5). The weighted average daily room rate (ADR) increased by 4.7% to EUR 112.17 (107.12).

KPIs of Hotel Portfolio



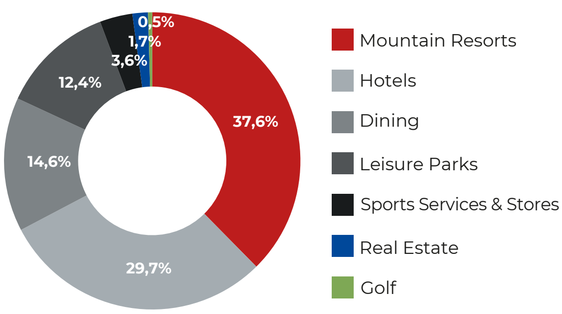
FINANCIAL OPERATING RESULTS[3]

MOUNTAIN RESORTS

Revenues of the largest segment, Mountain Resorts, make up 37.6% (38.6) of the Group's total operating revenues. Revenues are mostly generated from ski pass sales in the resorts of Jasná Nízke Tatry, Vysoké Tatry, Szczyrk Mountain Resort, Ski Resort Ještěd and the Austrian resorts Mölltaler Gletsche, Ankogel and Muttereralm. As a result of the increase in visit rate and revenue per guest, the Group recorded an almost 39.1% increase in revenue of Mountain Resorts to EUR 70.832 mil. (50.933).

The Mountain Resorts' EBITDA increased year-over-year to EUR 29.933 mil. (17.937), reaching operating profitability of 42,3% (35.2).

Revenue Breakdown



LEISURE PARKS

The Leisure Parks' revenues are mostly generated from entry tickets to water Park Tatralandia, Bešeňová and Legendia – Silesian Amusement make up 12.4% (12.8) of total revenues. In the financial year 2022/2023 revenues increased by almost 39% to EUR 23.344 mil. (16.861). The increase was caused by a rise in the visit rate due in Aquapark Tatralandia and higher revenues were also due to new acquisition of water park Bešeňová, which included the whole winter season. EBITDA rose by 68.5% to EUR 9.374 mil. (5.562). Operating profitability of Leisure Parks increased to 40.2% (33).

GOLF

Revenues of the newest Golf segment come from the operation of two leased Czech golf resorts of Golf & Ski Resort Ostravice and Golf Resort Kaskáda, specifically from green fees, membership and coach fees, green card fees, and from golf cart rental. The segment revenues reached the amount of EUR 855 ths. (740). The operating performance indicator, EBITDA, amounted to EUR -81 ths. (173).

DINING

The Dining segment revenues of the reported period are generated in the Group's dining facilities and après ski bars in the resorts Jasná Nízke Tatry, Vysoké Tatry, Szczyrk, Ještěd, Mölltaler Gletscher, Muttereralm in both golf resorts, and all leisure parks. Last year's revenues of the segment make up 14.6% (14.8) of total revenues. Total revenues reached EUR 27.474 mil. (19.501), or a 40.9% increase. The segment's operating profitability reached 20.8% (14.2), whereas EBITDA increased to EUR 5.702 mil. (2.790). The success of this segment to a certain extent depends directly on the success of the resorts and parks, as these are ancillary services in the resorts and leisure parks.

SPORTS STORES & SERVICES

Last year's revenues generated from the sports stores, ski schools, sports equipment rentals and service in Mountain Resorts under the Tatry Motion, Szczyrk Motion and Ještěd Motion brands, revenues from the sports stores and services in the golf resorts, and revenues from the stores in the leisure parks made up a 3.6% (4) share in total revenues. The segment's revenues grew by 26.4% to EUR 6.724 mil. (5.321). The operating performance, EBITDA, increased to EUR 1.365 mil. (0.541) and the segment's operating profitability reached 21.4% (10.2).

3 In the FY 2018/19 the Group changed its segmentation from three key segments: Mountains & Leisure (with its subsegments Mountain Resorts, Leisure Parks, Dining, and Sports Services and Stores), Hotels, and Real Estate to seven equal segments: Mountain Resorts, Leisure Parks, Golf, Dining, Sports Services and Stores & Leisure, Hotels, and Real Estate, whilst the Golf segment was added.

HOTELS

The Group's second largest segment is Hotels, revenues of which for the reported period made up a 29.7% (28.5) share in total revenues. Due to better situation compared to previous financial year and higher occupancy, the segment reported an 48.4% increase in revenues to EUR 55.962 mil. (37.709). EBITDA grew to EUR 11.958 mil. (8.299) with the corresponding EBITDA margin of 21.4% (22).

REAL ESTATE

The last year's revenues of the Real Estate segment come from the lease Hotel Liptov (until 31/05/2023), Kosodrevina Lodge, and the lodging facility Otupné (30/09/2023) to third parties, as well as from sale of recreational real estate (cottages in Tatralandia). The segment's revenues in the past financial year made up 1.7% (0.8) of total revenues and they amounted to EUR 3.188 mil. (1.055). EBITDA significantly increased to EUR 1.116 mil. (-1.605).

Explanations

() - data in brackets refers to the corresponding value of previous period
ADR - Average daily room rate
EBITDA - represents the profit from regularly recurring activities of the company before taxes, interest, amortization and depreciation adjusted for other income and expenses, which are listed under EBITDA, in particular profit / (loss) from financial operations representing foreign exchange gains / (losses). The EBITDA indicator adjusted in this way is used by the company's management to manage the performance of the company as well as its individual segments.
FY - financial year, period from 1 November to 31 October
KPIs - Key Performance Indicators
p.p. - percentage points
mil. - millions
ths. - thousands
Change yoy - change year-over-year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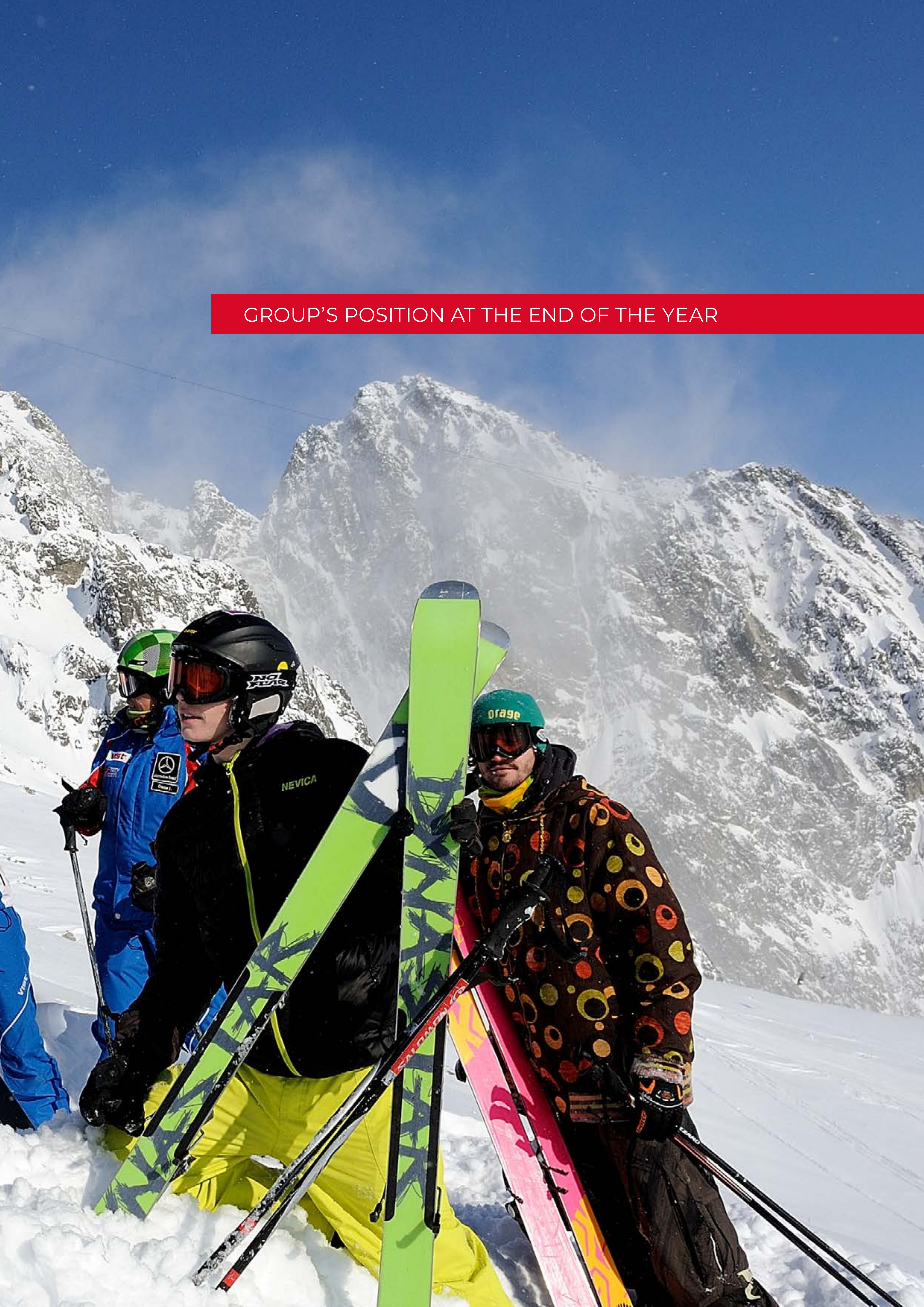


GROUP'S POSITION AT THE END OF THE YEAR

Group's Position at the End of the Year

FINANCIAL POSITION

LIQUIDITY

As of the end of 2022/23 the Group operated with liquid funds in the amount of EUR 17.727 mil. (15.600) in the form of cash and cash equivalents. The increase is due to higher amount of revenues throughout the year especially in Slovak resorts.

BORROWINGS

The total value of the Group's borrowings as of 31. October 2023 amounted to EUR 379.146 mil. (389.016). Out of that issued bonds were valued at EUR 261.264 mil. (266.186). Bank loans, as part of the Group's financial strategy, are sourced from J&T Bank and Raiffeisen – Leasing were valued to EUR 117.882 mil. (122.830). During the fiscal year, the Group drew its bank borrowings from the J&T Banka to complete the construction of cableway Biela Púť and Priehyba, amounting to EUR 2.9 mil. The level of the Group's debt as of the period end was at 92.2% (92.2%) (total debt-to-capital ratio). Total debt-to-EBITDA ratio reached the level of 6.4 (11.5) as of 31/10/2023. The overall indebtedness is thoroughly documented and monitored, with the Group committing to efficient management of this debt to achieve a stable financial position and sustainable growth (See Consolidated Financial Statements, Note 27).

TOTAL ASSETS

The book value of total assets increased to EUR 579.634 mil. (574.667). Value of current assets increased to EUR 43.690 mil. (37.054) mostly due to an increase in the value of inventories by EUR 5 mil., primarily represents the partially completed apartments in the Centrum Jasná complex and recreational facilities in the Bobrovečky cottage village. Subsequently, the Group plans to sell these properties to third parties. Non-current assets decreased to EUR 535.944 mil. (537.613) mainly due to impairment of fixed assets in Legendia, Mölltaler a Muttereralm. The value of fixed assets amounted to EUR 480.247 mil. (482.872). The key completed investments transferred to fixed assets included new cableway in Jasná mountain resort, reconstruction of the wellness facility at Grandhotel Starý Smokovec, the refurbishment of apartments in Bešeňová, the reconstruction of the water slide tower at Tatralandia, development of bike park and reconstruction of cable car facility in Szczyrk mountain resort, in Austrian resorts investments in cableways, expansion of ski slopes, new access system, and other minor investments. (See Consolidated Financial Statements, Notes 14-17).

EQUITY

The book value of shareholders' equity amounted to EUR 31.896 mil. (33.007), whilst retained earnings

Financial Position in €'000	October 31	
	2022/23	2021/22
Total Assets	579 634	574 667
Non-current Assets	535 944	537 613
Fixed Assets	480 247	482 872
Other Non-current Assets	55 697	54 741
Current Assets	43 690	37 054
Liquid Assets	17 727	15 600
Equity	31 896	33 007
Liabilities	547 738	541 660
Non-current Liabillities	380 270	413 244
Current Liabilities	167 468	128 416
Total Debt	379 146	389 016

and other funds totaled EUR -43.338 mil. (-45.426). Minority interest amounted to EUR -700 ths. (-646).

CAPEX

In the past financial year, the Group completed several investment projects with a total value of almost EUR 22.7 million. Significant investments include continuation of construction works at Centrum Jasná development project, completion of the cable car Biela Púť and Priehyba, the reconstruction of wellness facilities at Grandhotel Starý Smokovec, the refurbishment of apartments in Bešeňová, improvements to IT infrastructure, and the reconstruction of the water slide tower at Tatralandia water park and other minor investments in Slovak resorts. In Szczyrk mountain resort, the Group invested in development of a bike park, improvements to grooming equipment, the reconstruction of cable car facility and other minor investments. Additionally, in Szczyrk, the Group capitalized costs associated with tree cutting fees. The Group in Poland has also invested in maintenance of amusement park Legendia. In Ještěd, the Group invested in project "Nová Skalka" and in minor operational investments. Within the golf segment in the Ostravice and Kaskáda resorts, the Group focused on operational investments. In Austria, the Group has invested into new access system at the Muttereralm. In Mölltaler and Ankogel resorts the Group has invested into development of cable cars and ski slope expansion.

ACQUISITIONS

On 8 November 2022, the company GOPASS SE, a branch in Slovakia, was established. It represents a foreign entity, a European company subsidiary, of GOPASS SE. On 1 April 2023, the effects of the cross-border merger of GOPASS a.s. as the disappearing company with the successor company GOPASS SE came into force.

On 28 June 2023, for real estate activities, the company TMR Real Estate, s.r.o. was founded and on 26 September 2023, the company Štrbské pleso resort, s.r.o. was founded.

CASH FLOW

Cash flow generated from operating activities reached EUR 61.429 mil. (32.971). Cash flows assigned for investment activity reached EUR -19.083 mil. (-20.433), whilst cash flow for acquisition of property amounted to EUR -22.655 mil. (-23.535). The Company recorded cash flows generated from financing activities in the amount of EUR -40.219 mil. (-12.491).

OUTLOOK

The management expects continuing positive effects stemming from capital investments of prior periods with impact on the next financial year and following periods, in terms of increasing the visit rate, client spending in the resorts, and growing occupancy in the hotels, especially in the off-season. The intense activity in the Real Estate segment is expected to continue also in the following periods, which should generate additional revenues and income not only in this segment but also in hotels and ancillary services through shops and dining facilities. Besides continuing the gradual progress in the projects of modernization of all the resorts and building infrastructure, in the short term the management will keep focusing on inter-segment synergies, quality management, utilization of innovative information technologies, on increasing the quality of services provided and quality of human capital, and on active sales strategy also through the GOPASS program.

Cash Flows in €'000	November 1 - October 31	
	2022/23	2021/22
Cash Flow from Operating Activities	61 429	32 971
Cash Flow from Investing Activities	-19 083	-20 433
Cash Flow from Financing Activities	-40 219	-12 491
Net Increase in Cash and Cash Equivalents	2 127	47

OTHER FINANCIAL INFORMATION

AFTER BALANCE SHEET PERIOD ITEMS

On 1 November 2023, the Group entered into cooperation agreement with the ski resort Beskid Sport Arena in the location of Szczyrk in Poland.

On 15 December 2023, the company GOPASS Property a.s. was founded, based in the Czech Republic for the purpose of operating real estate fund.

On 2 February 2024, TMR paid out the coupon of TMR V bond in the amount of 6,600 mil. EUR.

Explanations

() - data in brackets refers to the corresponding value of previous period

mil. – millions

thous. – thousands

Total Debt-EBITDA ratio – is calculated as a sum of current and non-current loans and borrowings and other current liabilities to the amount of liabilities towards shareholders from the decrease of share capital, divided by EBITDA for the reported period

EBITDA – represents the profit from regularly recurring activities of the company before taxes, interest, amortization and depreciation adjusted for other income and expenses, which are listed under EBITDA, in particular profit / (loss) from financial operations representing foreign exchange gains / (losses). The EBITDA indicator adjusted in this way is used by the company‘s management to manage the performance of the company as well as its individual segments.

CORPORATE SOCIAL RESPONSIBILITY


SKATE PANANA

Corporate Social Responsibility

ENVIRONMENT AND COMMUNITY

TMR owns and operates major tourist resorts mainly in Slovakia, but also in Poland, the Czech Republic and Austria. Majority of these resorts is located in the area of national parks. The Company concentrates solely on traditional, already urbanized areas, where sports and tourism have been a tradition for decades. From TMR's point of view protecting fauna and flora is a very important part of ongoing investments, and of continuing development of summer and winter tourism in all the resorts of its portfolio. That is why every investment TMR makes and every action it takes is analysed in terms of impact on the environment.

IMPACT OF BUSINESS ACTIVITIES ON ENVIRONMENT

TTMR in all its investment and operational activities cares for environment protection and minimal impact on the natural environment. The Company takes environment into consideration during the course of its business activities and tries to minimize their impact in every segment. TMR's effort is to select services and products in such a way that the impact on the environment is minimal. Moreover, the Company does its best to restrict relatively the use of natural resources and optimize waste production. TMR spreads this attitude towards environment internally among its employees and externally within communities by means of initiatives and events. The goal of TMR is to conduct business activities with a minimum energy and fuel consumption. With this goal in mind the Company also adapts its capital investments into new cableways. These new cableways are built with the latest energy efficient technologies from top world producers, like Doppelmayr and Leitner.

Green Energy

For its operations the Company also utilizes „green energy" – electric energy from renewable resources, i.e. solar, water, and wind energy, for which it was granted a certificate from the supplier. In every segment the Company aims to utilize efficient management of operations at an optimal level of energy consumption, and moreover, the Company consistently works on improving operational efficiency. In addition to the selection of energy efficient cableways TMR also cares for the correct choice of trail-grooming vehicles that have lower emissions and thus decrease the impact on the environment.

PROJECTS OF 2022/23

TMR's projects last year referred to activities of prior periods, when TMR made an active contribution to restoration of the areas, in which TMR's business activities are performed. The Group was also proactive in preparation of educational activities focused on various age groups of the population. In Slovakia TMR has been very active in cooperation with district tourism organizations (DTOs). TMR is a member of three DTOs covering the whole region of the Company's operation. It includes the following DTOs:

- DTO High Tatras Region
- DTO Liptov Region
- DTO Horehronie Region

All these organizations developed projects of common communication and/or support to the regional infrastructure aiming to improve their establishment on the tourism market. The parties involved managed to put together funds of businesses operating in tourism and local governments; and, in accordance with the Act on Tourism, the state contributed to the projects in form of grants; as a result, funds were raised for common support of the regions.

Tatry Magazine

All DTOs supported their common image magazine for visitors of Tatras named Tatry Magazine. The magazine provides a lifestyle communication of attractions, events, prominent people, and news in the broad Tatra region.

Nature and Children

Education promoting positive approach to nature is apparent in many of the Companys activities. The key projects which usually focus on tutorial and educational tasks are 'Drakopark Chopok', 'Tatra Wilderness', 'Snow Dogs' and 'Bear Days'. During summer families with children discovered secrets of the mountains and Demänovská Valley, looking for traces of the Demian, the Dragon. An educational trail for children covering even larger area is presently under construction in the High Tatras. The nature trail named Tatry Wild resulted from TMR's cooperation with the State Forests Enterprise of TANAP National Park and the Management of TANAP National Park. This project gradually expands from Tatranská Lomnica, through Hrebienok to Štrbské Pleso. The most attractive part of the project is the eco-mini park Marmot Cave at Skalnaté Pleso – an environment-friendly educational and fun park for children.

Green Chopok

Volunteers traditionally meet at Mt. Chopok for the Green Chopok event to clean up ski trails and surroundings from garbage and rocks after the ski season is over. Besides cleaning the trails, the fans of mountains also usually plant trees at Mt. Chopok. Around 250 volunteers and fans of mountains from 3 countries participated. It's a record participation in the entire history of this event and last year, the 12th year of the event took place. Planting also took place in the High Tatras region.

Sports Events

The Group proactively supports sport events in its resorts, either as a partner or as a sponsor.

Supporting Athletes

TMR supports talented pro skiers that are members of the Slovak Skiing Association and that have achieved extraordinary performance results in the past year, have represented Slovakia in international races, and have finished in top ranks in alpine disciplines.

Ski pistes in Jasná have become home of traditional Wallachian sheep

TMR supports good ideas and activities focused on the outdoors where it is centered. The goal of the project is to maintain the traditional breed of Wallachian sheep in the Liptov region, where it used to occur in the past, but today its occurrence is rather rare. Its main task was grazing mountain meadows at high altitudes. However, its breeding began to be abandoned due to low milk production. However, their role in the maintenance of mountain meadows and their value in preserving the shepherding tradition is high. In the last year, Wallachian sheep settled on the northern side of Chopok in location Priehyba. Visitors had the opportunity to look into the history of sheep breeding and see this rare breed and its breeding method in the beautiful environment of the Low Tatras.

For a Better Life in the Town of Vysoké Tatry

In 2019 TMR launched a grant program entitled For a Better Life in the town of Vysoké Tatry. The aim of the program is to support the public benefit activities of the inhabitants of Vysoké Tatry, which will contribute to improving the quality of life in the city for its inhabitants. The program aims to motivate people and organizations in the High Tatras to identify what needs to be improved, repaired or created for the benefit of the local community. The added value of the submitted projects is that applicants will actively participate as volunteers in the implemented ones. In 2019,2020 and 2023 TMR supported 26 projects in the total amount of EUR 60 thousand. Thanks to the grant schoolchildren from the surrounding villages acquired new sports equipment, and landscaping of the sports complex and adjacent cross-country ski trails near the settlement of Tatranská Polianka has been completed. For the upcoming year a vale of EUR 20 thousand has been set aside, while the maximum support per project is EUR 5 thousand.

HUMAN RESOURCES

Human resources are an important factor in the Group's success, thus the HR department continues to follow the preset course of enhancing the processes in the HR management, jobs stabilization, continuing employee education, and utilization of all modern HR tools in order to achieve quality, stability, and the Group's growth.

The annual average number of the Group employees for the financial year 2022/23 totaled 1,456 (1,359 in 2021/22). In the reported period the Group was using services of human resource agencies in hiring short term employees. In 2022/23 746 employees were hired this way (707 in 2021/22). This proves that the Group is considered a major and credible employer. Despite the Group's positive business performance, jobs seasonality is still present. The Group hires a high number of full-time employees and contractors especially before the winter and summer season, which shows efficient human capital management.

In comparing with prior years, differences between the summer and winter season are diminishing. By efficient utilization of human resources, we were able to decrease the number of seasonal employees and stabilize full-time employees.

TMR strives to provide equal employment opportunity. On average, the Group employs 57% men and 43% women.

In 2022/23 the Group published 592 job offers and recorded 4,943 responses. The number of the job offers published is the reflection of the labor market which is facing a lack of skilled labor force in the whole EU. Due to this status quo TMR puts emphasis on internal learning, requalification of the human capital, and employees' personal growth, thus TMR prefers internal recruitment in the hiring process.

PROJECTS

The key performance indicator of TMR's employees is TMR's clients' satisfaction and their return to TMR's resorts. On the other hand, it is important for the Group to monitor satisfaction of its employees and to focus on their personal and professional growth.

COMMUNICATION

Last year several projects were launched aimed to support and speed up employees' integration (new and senior) as well as to support communication among all resorts, passing of information among all employees on the Group's news, its strategy, new projects, and strengthening and adoption of corporate values.
TeMeR newspaper – subtitled "Newspaper not only for Tatry mountain resorts employees" is one of the communication channels distributing up-to-date information about the Group's news.

Employee brochure – provides basic information on TMR, on its acquisitions, values, its vision and social program. It serves as a guide in the onboarding process and provides useful information also for long-time employees.

Evaluation dialogues – are a tool to raise employee performance by setting goals and their evaluation. Setting of personal and career growth is a part of the dialogues, as well as defining job learning for the following year.

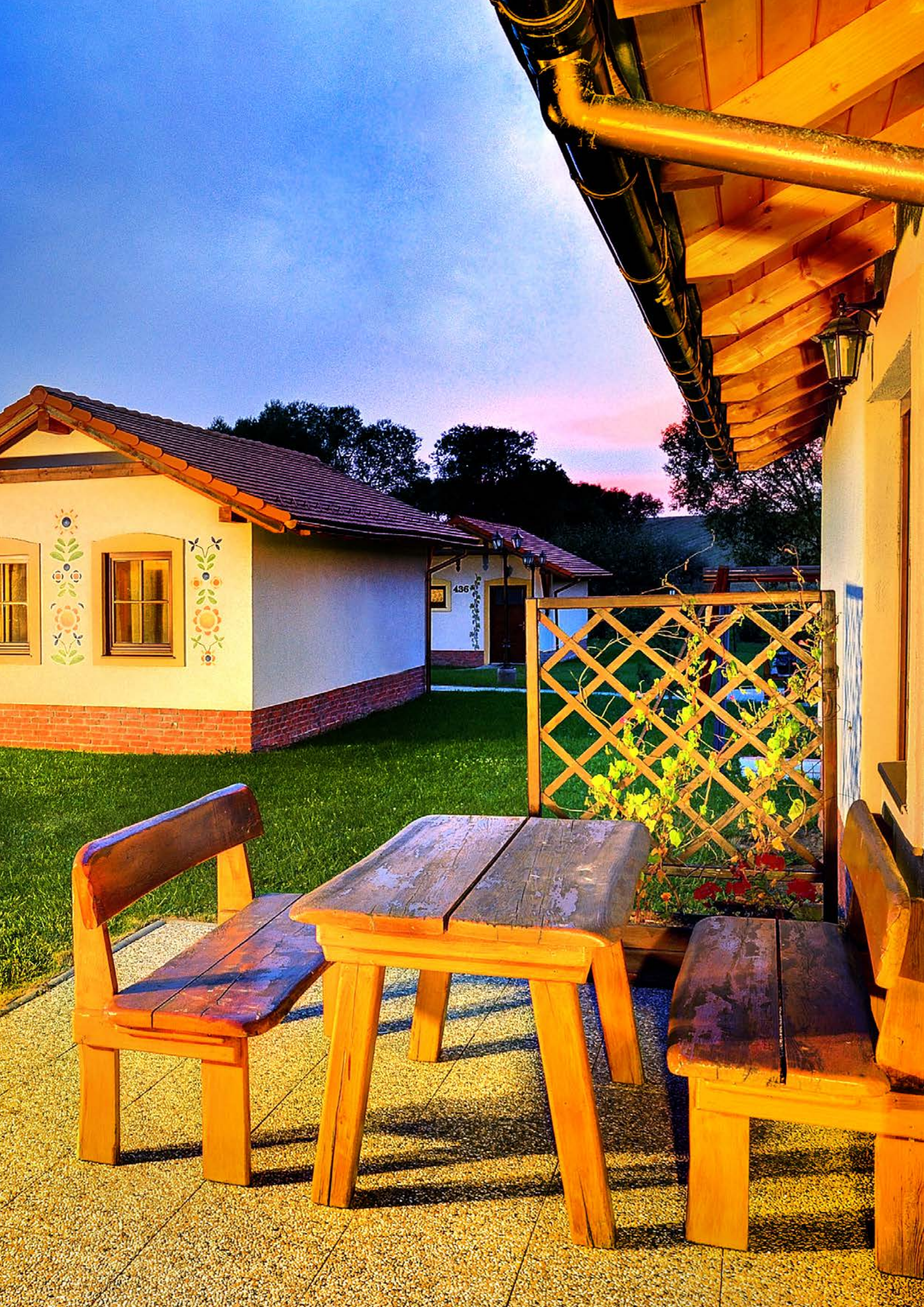
COOPERATION WITH SCHOOLS AND UNIVERSITIES

TMR puts emphasis on building relationships with high schools and universities in a way so that the Group can create an efficient source of qualified and highly professional employees. TMR continued in its dual education programme. In the school year 2022/23 there were 152 students from Hotel Academy in Liptovský Mikuláš, and from the Specialized Hotel School in Starý Smokovec and 2 students from Business Academy in Liptovský Mikuláš, involved in the programme. TMR has also a cooperation memorandum signed with the Catholic University of Ružomberok in the form of participating in the ERAZMUS plus programs. There were approximately 61 foreign full-time students of the university working part-time for TMR during the school year 2022/23.

SOCIAL PROGRAM AND BENEFITS

The well-designed social program includes many activities, the goal of which is to fully unify TMR employees and to achieve comprehension and adoption of TMR goals in order to build corporate culture and create a feeling of corporate togetherness. The employees have a chance to use a wide variety of employee benefits. Also, this way TMR wants to enable the employees and their families to try out all the services that TMR offers, and thus to boost the overall transfer of knowledge about the products and last but not least to spread positive word of mouth in their networks.

REPORTING OF INFORMATION IN ACCORDANCE WITH EU TAXONOMY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Reporting of Information in accordance with EU Taxonomy

Tatry Mountain Resorts, a.s. and its subsidiaries (hereinafter referred to as "the Group") as a large public interest entity with more than 500 employees discloses information in accordance with the Regulation of the European Parliament and Council (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (hereinafter referred to as "the Taxonomy Regulation" or "the EU Taxonomy") and related regulations. These also include:

- Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 ("Climate Delegated Regulation"), which establishes conditions for determining whether selected economic activities substantially contribute to climate change mitigation and/or to climate change adaptation, as well as whether they substantially do not interfere with the achievement of some of the other environmental objectives,

- Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022 ("Complementary Climate Delegated Act"), which sets conditions for economic activities in certain energy sectors,

- Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 ("Disclosure Delegated Regulation") establishing the scope and content of information that entities are to disclose regarding environmentally sustainable economic activities, as well as the methodology for fulfilling this disclosure obligation.

Information on the proportion of the turnover, capital expenditure and operating expenditure of the Group for the year ending as at 31 October 2023 describes proportion of activities related to economic activities eligible according to the first environmental objective (climate change mitigation) in accordance with the delegated regulation to Article 8 of the EU Taxonomy (2021/2178).

The Taxonomy Regulation defines the basic principles for identifying an economic activity as environmentally sustainable, which are then further specified by the relevant delegated regulations of the European Union. The EU Taxonomy classification system works with three categories, which help determine their level of environmental sustainability. Within this regime, a distinction is made between:

- Taxonomy-eligible economic activities,
- Taxonomy-aligned economic activities,
- Taxonomy-non-eligible economic activities.

Assessment report disclosure of Taxonomy-eligible economic activities is being prepared by the Group for the consolidated unit.

In preparing the disclosure, all economic activities carried out by the Group were reviewed to identify Taxonomy-eligible and Taxonomy-aligned economic activities under Annexes I and II of the Climate Delegated Regulation and the Complementary Climate Delegated Act. The table of Taxonomy-eligible disclosed activities lists those economic activities that were assessed as Taxonomy-eligible. Information on the degree of Taxonomy-alignment of these economic activities, including their contribution to the relevant environmental objectives is provided in the table for each key performance indicator (KPI). In general, the Group generates turnover from its reported economic activities and incurs the related capital expenditure and operating expenditure.

The Group operates mainly in tourism, hospitality, and recreation. Considering that these economic activities have not been included in the EU Taxonomy Delegated Regulation yet, it is not possible to perform the assessment of their eligibility and alignment with the EU Taxonomy for this reporting period. We anticipate a change in the assessment from the next reporting period, when new delegated regulation (Taxonomy Environmental Delegated Act) on remaining environmental objectives will come into force from 1 January 2024, which will incorporate selected tourism activities. Therefore, for this period, we evaluated only our secondary economic activities which naturally relate to the primary scope of our business activities and are included in so-called Climate Delegated Regulation.

1. TAXONOMY-ELIGIBLE ECONOMIC ACTIVITIES OF THE GROUP

A Taxonomy-eligible economic activity (hereinafter referred as "eligible economic activity") is an economic activity, described in the delegated act supplementing the Taxonomy Regulation regardless of whether this economic activity meets some or all of the technical screening criteria set out in these delegated acts.

For the Group that are economic activities:

- 4.9 Transmission and distribution of electricity,
- 4.22 Production of heat/cool from geothermal energy,
- 4.30 High-efficiency co-generation of heat/cool and power from fossil gaseous fuels
- 5.3 Construction, extension and operation of

wastewater collection and treatment,
- 6.3 Urban and suburban transport, road passenger transport,
- 7.1 Construction of new buildings,
- 7.2 Renovation of existing buildings.

Economic activity 6.3 Urban and suburban transport, road passenger transport, has been qualified as eligible economic activity in the first step as Austrian ski resorts of the Group are operating funicular railways and aerial cableways which are classified as a part of urban and suburban transport in Austria. Based on the decision of the Group's management it was concluded, that in fact, even though the legislation in Austria classifies this type of transport in a way described above, this type of transport is not performed as the defined activity does not serve its original purpose for which it is classified and therefore this economic activity does not perform the function of urban, suburban, or road passenger transport. Based on this fact, we do not consider this economic activity to be eligible.

Turnover, capital expenditure and operating expenditure for the following two identified eligible economic activities:

- 4.22 Production of heat/cool from geothermal energy,
- 5.3 Construction, extension and operation of wastewater collection and treatment,

are highly immaterial from the reporting point of view and thus will not be listed in the calculations of key performance indicators (KPI).

Table 2 – Taxonomy-eligible economic activities of the Group

Economic activity	Description	KPI proportion	NACE code
4.9 Transmission and distribution of electricity	Construction and operation of transmission systems that transport the electricity on the extra high-voltage and high voltage interconnected system. Construction and operation of distribution systems that transport electricity on high-voltage, medium-voltage and low-voltage distribution systems.	Turnover	D35.12 D35.13
4.22 Production of heat/cool from geothermal energy,	Construction or operation of facilities that produce heat/cool from geothermal energy.	N/A	D35.30
4.30 High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	Construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	Operating expenditure	D35.11 D35.30
5.3 Construction, extension and operation of wastewater collection and treatment	Construction, extension and operation of centralised waste water systems including collection (sewer network) and treatment.	N/A	E37.00, F42.99
7.1 Construction of new buildings	Development of building projects for residential and non-residential buildings by bringing together financial, technical and physical means to realise the building projects for later sale as well as the construction of complete residential or non-residential buildings, on own account for sale or on a fee or contract basis.	Turnover, Capital Expenditure, Operating Expenditure	F41.1 F41.2
7.2 Renovation of existing buildings	Construction and civil engineering works or preparation thereof.	Turnover, Capital Expenditure	F41 F43

2. TECHNICAL SCREENING CRITERIA

An economic activity is qualified as environmentally sustainable if it is aligned with the EU Taxonomy (hereinafter referred as „aligned economic activity ") and complies with the criteria set out in Article 3 of the EU Taxonomy:

- Complies with the technical screening criteria set out by the European Commission in accordance with the regulations, specifically:
- Substantially contributes to one or multiple environmental objectives specified in the regulation,
- Does not significantly harm fulfilment of any of these environmental objectives,
- Is conducted in compliance with the minimum safeguards outlined in the regulations.

All economic activities of the Group disclosed in the table of eligible economic activities, with the exception of economic activity 4.30, contribute to the generation of turnover and represent a substantial contribution to the environmental objective of climate mitigation. In order to be able to demonstrate a substantial contribution to a given environmental objective, the economic activity concerned must also satisfy the specific technical screening criteria for that economic activity as defined in Annex I of the climate delegated regulation. The evaluation of these criteria for each economic activity is described in this chapter.

The Group assessed all its identified eligible economic activities based on requirements as they are defined and stipulated in Delegated Regulations of the Commission, which set the technical screening criteria for individual economic activities.

The Group does not disclose any of its economic activities which could be considered as Taxonomy-aligned for the year ending as at 31 October 2023. Some economic activities of the Group, such as the production of heat from geothermal energy, naturally have the potential to be qualified as environmentally sustainable according to the EU Taxonomy in the future (due to the use of low-emission renewable source of energy). However, it is not possible to fulfil all of the technical requirements set out in the regulation for this economic activity for the year ending as at 31 October 2023.

2.1 „DO NO SIGNIFICANT HARM" PRINCIPLE

In addition to substantial contribution criteria, technical screening criteria also address the „do no significant harm" principle which should ensure that the economic activity does not have a significant negative impact on the environment and does not disrupt the achievement of any other environmental objective set out in Article 9 of the regulation (EU) 2020/852.

The requirements of „Do no significant harm" („DNSH") principle have not been evaluated due to the absence of economic activities that could be considered as aligned. Nevertheless, for future reporting periods, we focused on the assessment of climate risks. During our assessment we were guided not only by internal consultation but also by the National Threat Register[1] valid for Slovak Republic and identified which of these risks will need to be considered at the Group level in the future. In the future, we plan to undertake a comprehensive assessment of climate risks, including climate scenario modelling for those aligned economic activities where the risk appears possible and severe as recommended by the European Commission.

2.2 MINIMUM SAFEGUARDS

In accordance with Article 3, paragraph c) of the EU Taxonomy, each economic activity that is considered environmentally sustainable must be carried out in alignment with minimum safeguards.

Minimum safeguards are defined by Article 18, paragraph a) of the EU Taxonomy as procedures that ensure the performance of environmentally sustainable economic activities in accordance with:

- the OECD Guidelines for Multinational Enterprises (2011)[2],
- the United Nations Guiding Principles on Business and Human Rights (UNGPs)[3], including the principles and rights set out in the eight core conventions set out in the International Labour Organisation Declaration on Fundamental Principles and Rights at Work[4];
- the International Bill of Human Rights[5].

Assessment of minimum safeguards was carried out in accordance with Final Report on Minimum Safeguards prepared by Platform on Sustainable Finance in October 2022[6].

The assessments of alignment with the minimum safeguards were carried out for the following four areas:

- human rights (including labour and consumer rights),
- corruption and bribery,
- taxation,
- fair economic competition.

The Group did not record any violation of human rights (including labour and consumer rights) either

1 https://rokovania.gov.sk/RVL/Material/26865/1; Príloha 1
2 https://www.oecd.org/daf/inv/mne/48004323.pdf
3 https://www.ohchr.org/sites/default/files/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf
4 https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/normativeinstrument/wcms_716594.pdf
5 https://www.ohchr.org/sites/default/files/Documents/Publications/Compilation1.1en.pdf
6 https://finance.ec.europa.eu/system/files/2022-10/221011-sustainable-finance-platform-finance-report-minimum-safeguards_en.pdf

during the reporting period or historically. The Group has committed to respecting human rights, avoiding human rights violations and their abuse in its own activities related to the Group's operations. These principles are cross-sectioned in internal regulations and policies of the Group. Within these principles respect and commitment to comply with all relevant standards including suitable working conditions, health and safety, adequate working hours, wages and time for rest is expressed. Employees of the Group are not required to work beyond acceptable legal and industry standards. The employer provides its employees with access to regular breaks for rest along with access to sufficient water and access to sanitary facilities.

The proper taxation procedures are also confirmed by the Tax Reliability Index declaring the company TMR as a "Reliable Tax Subject" which the company received from the Financial Administration of Slovak Republic. At the Group level, there are no penalties or judicial proceedings registered in connection with its tax or other legal obligations in the area of fair and ethical business conduct, both against the Group itself and against individual members of The Board. The Group has also adopted rules for recording, investigation and reporting the results of the investigations of notifications related to crime or anti-social activities in accordance with Act no. 54/2019 Coll. on the protection of whistle-blowers, amending and supplementing certain legislations with the aim to prevent and reduce the occurrence of these incidents.

3. ACCOUNTING POLICIES OF TMR

Key performance indicators (KPI) include indicators related to revenue, capital expenditure and operating expenditure. The presentation of key performance indicators is in accordance with the EU Taxonomy as set out in Annex II to the Delegated Regulation of EU Commission on disclosure obligations . As key performance indicators must include the assessment of the EU taxonomy alignment for the first time for the period ending as at 31 October 2023, data for comparable timeframe are not listed.

Cumulative proportion of eligible economic activities on individual indicators of the Group is provided in Table 1. – Proportion of Taxonomy-eligible economic activities for the year ending as at 31 October

Table 1 – Proportion of Taxonomy-eligible economic activities for the year ending as at 31 October 2023 (turnover, capital expenditure, operating expenditure)

The year ending as at 31 October 2023	Total (EUR ths.)	Proportion of eligible (not aligned) economic activities (%)	Proportion of aligned economic activities (%)	Proportion of non- eligible economic activities (%)
Turnover	188,379	3.83	0	96.17
Capital Expenditure	22,655	60.24	0	39.76
Operating Expenditure	4,872	1.56	0	98.44

Table 2 – Proportion of Taxonomy-eligible economic activities for the year ending as at 31 October 2022 (turnover, capital expenditure, operating expenditure)

The year ending as at 31 October 2022	Total (EUR ths.)	Proportion of eligible (not aligned) economic activities (%)	Proportion of aligned economic activities (%)	Proportion of non- eligible economic activities (%)
Turnover	132,119	1.10	0	98.90
Capital Expenditure	23,616	0	0	100
Operating Expenditure	4,093	1.03	0	98.97

1 Delegated regulation of European Commission 2021/2178 from 6th July 2021, supplementing regulation of European parliament and of the Council (EU) 2020/852 specifying content and presentation of information to be disclosed by undertakings subject to Article 19a or 29a of Directive 2013/34/EU, concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation

2023 (turnover, capital expenditure, operating expenditure). Cumulative proportion of Taxonomy-eligible economic activities on individual indicators of the Group for the comparable period ending as at 31 October 2022 is provided in Table 2 - Proportion of Taxonomy-eligible economic activities for the year ending as at 31 October 2022 (turnover, capital expenditure, operating expenditure)

3.1 TURNOVER

The proportion of turnover from eligible economic activities of the Group was calculated as the part of the net turnover derived from products or services associated with eligible economic activities (numerator) divided by the net turnover of the company (denominator) for the year ending as at 31 October 2023.

Net turnover for the year ending as at 31 October 2023 (EUR ths. 188,379) includes amounts derived from the sales of products or the provision of services after deducting sales rebates and value added tax and other taxes directly linked to turnover. Further information is provided in note 6 of the consolidated financial statements. Net turnover from eligible economic activities represents turnover from the following activities:

- 4.9 Transmission and distribution of electricity, which encompass turnover from sales of electricity from co-generating unit in Aquapark Bešeňová,
- 7.1 Construction of new buildings, which encompass turnover from accommodation in new apartments in Aquapark Tatralandia and sales associated with operations of the new ski-lift in resort Jasná (proportionate amount from sales of ski tickets and fees from parking),

Table 3 – Turnover KPI

				Substantial Contribution Criteria						DNSH criteria (‚Does Not Significantly Harm')										
Economic activities	**Code (s)**	**Absolulte turnover (in EUR ths.)**	**Proportion of Turnover**	Climate change mitigation %	Climate change adaptation %	Water %	Pollution %	Circular economy %	Biodiversity and ecosystems %	Climate change mitigation yes/no	Climate change adaptation yes/no	Water yes/no	Pollution yes/no	Circular economy yes/no	Biodiversity and ecosystems yes/no	Minimal safeguards	Taxonomy aligned proportion of total Turnover year N %	Taxonomy aligned proportion of total Turnover year N-1 %	Category (enabling activity)	Category (transitional activity)
A. Taxonomy-eligible activities																				
A.1 Environmentally sustainable activities (Taxonomy-aligned)																				
Turnover of Taxonomy-aligned activities A.1		0	0%	**Not applicable**																
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
4.9 Transmission and distribution of electricity	D35.12 D35.13	1 284	0,68%	**Not applicable**																
7.1 Construction of new buildings	F41.1 F41.2	5 612	2,98%																	
7.2 Renovation of existing buildings	F41 F43	319	0,17%																	
Total (A.1 + A.2)		7 215	3,83%																	
Turnover of Taxonomy-non-eligible activities (B)		181 164	96,17%																	
Total (A + B)		188 379	100%																	

- 7.2 Renovation of existing buildings, which encompass turnover from accommodation in renovated part of apartments in Aquapark Bešeňová.

3.2 CAPITAL EXPENDITURE

The capital expenditure indicator was determined as the proportion of capital expenditure related to eligible economic activities (numerator) and the total capital expenditure as defined by the EU Taxonomy (denominator) for the year ending as at 31 October 2023.

The denominator covers total capital expenditure for the accounting period, which comprise additions to property, plant and equipment, and intangible assets (EUR ths. 22,655) as disclosed in notes 14 – 16 of the consolidated financial statements.

Capital expenditure for eligible economic activities represents expenses from the following economic activities:

- 7.1 Construction of new buildings, which encompass capital expenditures associated with construction of new buildings in Aquapark Tatralandia and resort Jasná,
- 7.2 Renovation of existing buildings, which encompass capital expenditures associated with renovation of existing buildings in Aquapark Bešeňová and resorts Jasná.

Table 4 – CapEx KPI

				Substantial Contribution Criteria						DNSH criteria (‚Does Not Significantly Harm')										
Economic activities	**Code (s)**	**Absolute turnover (in EUR ths.)**	**Proportion of Turnover**	Climate change mitigation %	Climate change adaptation %	Water %	Pollution %	Circular economy %	Biodiversity and ecosystems %	Climate change mitigation yes/no	Climate change adaptation yes/no	Water yes/no	Pollution yes/no	Circular economy yes/no	Biodiversity and ecosystems yes/no	Minimal safeguards	Taxonomy aligned proportion of total Turnover year N %	Taxonomy aligned proportion of total Turnover year N-1 %	Category (enabling activity)	Category (transitional activity)
A. Taxonomy-eligible activities																				
A.1 Environmentally sustainable activities (Taxonomy-aligned)																				
Capital expenditures of environmentally sustainable activities (A.1)		0	0%	**Not applicable**																
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
7.1 Construction of new buildings	F41.1 F41.2	13 110	57,87%	**Not applicable**																
7.2 Renovation of existing buildings	F41 F43	537	2,37%																	
Total (A.1 + A.2)		13 647	60,24%																	
Capital expenditures of Taxonomy-non-eligible activities (B)		9 008	39,76%																	
Total (A + B)		22 655	100%																	

3.3 OPERATING EXPENDITURE

The operating expenditure indicator was determined as the proportion of eligible expenditure (numerator) and the total operating expenditure as defined by the EU Taxonomy (denominator).

Operating expenditure according to the EU Taxonomy comprises expenditure associated with maintenance and repair of property, plant and equipment, research and development, short-term lease and rent. In case of the Group, these operating expenditures include direct non-capitalised expenditure associated with research and development, building renovation measures, short-term lease, maintenance and repair and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment by the Group or a third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets.

The denominator covers operating expenditure disclosed in note 8 of the consolidated financial statements.

Operating expenditure for eligible economic activities represents expenses from the following economic activities:

- 4.30 High-efficiency co-generation of heat/cool and power from fossil gaseous fuels, which encompass eligible expenses associated with operation of a co-generating unit in Aquapark Bešeňová,
- 7.1 Construction of new buildings, which encompass eligible expenses associated with new buildings in resort Jasná.

Table 5 – OpEx KPI

				Substantial Contribution Criteria						DNSH criteria (‚Does Not Significantly Harm')										
Economic activities	**Code (s)**	**Absolute turnover (in EUR ths.)**	**Proportion of Turnover**	Climate change mitigation %	Climate change adaptation %	Water %	Pollution %	Circular economy %	Biodiversity and ecosystems %	Climate change mitigation yes/no	Climate change adaptation yes/no	Water yes/no	Pollution yes/no	Circular economy yes/no	Biodiversity and ecosystems yes/no	Minimal safeguards	Taxonomy aligned proportion of total Turnover year N %	Taxonomy aligned proportion of total Turnover year N-1 %	Category (enabling activity)	Category (transitional activity)
A. Taxonomy-eligible activities																				
A.1 Environmentally sustainable activities (Taxonomy-aligned)																				
Operational expenditures of environmentally sustainable activities A.1		0	0%	**Not applicable**																
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
4.30 High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	D35.11 D35.30	54	1,11%	**Not applicable**																
7.1 Construction of new buildings	F41.1 F41.2	22	0,44%																	
Total (A.1 + A.2)		76	1,56%																	
Turnover of Taxonomy-non-eligible activities (B)		4 796	98,44%																	
Total (A + B)		4 872	100%																	

CORPORATE GOVERNANCE

Corporate Governance

CORPORATE GOVERNANCE PRINCIPLES

TMR's corporate governance is regulated by the principles and methods outlined in the Company Articles, TMR's Code of Conduct, in the Corporate Governance Code of companies in Slovakia, in the Rules of Organization and in the set of managing acts (guidelines), which are published at the Company's registered office. The principles and methods are communicated to the Company's employees.

CORPORATE BODIES AND MANAGEMENT

BOARD OF DIRECTORS

The Board of Directors is a statutory body of Tatry mountain resorts, a.s. The Board of Directors regulates the Company's activities and decides all Company matters, unless legal regulations or the Company's Articles stipulate that such matters fall under the competence of the General Meeting or the Supervisory Board. Besides other documents, the Board of Directors submits the draft investment and financial plan for approval by the Supervisory Board and is responsible for meeting the plan. Furthermore, it also submits proposals for the approval of financial and business transactions with a value exceeding EUR 150 000 by the Supervisory Board. The Board of Directors submits the Company Articles for approval by the General Meeting. The Board of Directors convenes the General Meeting at least once a year.

The power to act on behalf of the Company in all matters is always held jointly by two members of the Board of Directors. Members of the Board of Directors are elected and removed by the Supervisory Board. The term of office of members of the Board of Directors is five years; re-election is allowed. Additionally, the Supervisory Board shall appoint the Chairman and the Vice-Chairman of the Board of Directors from among the members of the Board of Directors.

The Board of Directors does not have its own Statute or Committees.

The Board of Directors holds sessions as necessary; at least once in two months. The Board of Directors holds a quorum if a session is attended by a majority of all members of the Board of Directors. A decision of the Board of Directors is adopted if all the members of the Board of Directors voted in the affirmative.

As of 31 October 2023, the Board of Directors comprised of three members:

- **Igor Rattaj** - chairman of the Board of Directors
- **Zuzana Ištvánfiová** - vice chairman of the Board of Directors
- **Čenek Jílek** - member of the Board of Directors

MEMBERS OF THE BOARD OF DIRECTORS

Igor Rattaj - Chairman of the Board of Directors since 28/05/2020

Mr. Rattaj became the Chairman of the Board of Directors in May 2020. Previously, he has held the office of the Chairman of the Supervisory Board of TMR since June 2009, when he was elected by the General Meeting as a member of the Supervisory Board. He has extensive experience in finance. Additionally, he is a member of Supervisory Boards and an Executive in a number of companies. He worked as Director for Trading with Securities in J&T Securities. Previously, he held the position of Vice-Chairman of the Board of Directors and Director for Private Banking at "Podnikatelská banka" in Prague. He graduated from the Slovak University of Technology, Faculty of Electrical Engineering in Bratislava.

Besides his role as TMR's Chairman of the Supervisory Board, Ing. Rattaj holds the position of Chairman of the Board of Directors in companies such as GARFIN HOLDING, a.s., Hurricane Factory a.s., TMR Parks, a.s., GOPASS SE, Czech Republic, and is a member of the Board of Directors of MELIDA, a.s., Czech Republic.

Mr. Rattaj is also the Chairman of the Supervisory Board of HOBACOR, a.s., Czech Republic, and a member of the Supervisory Board of RIVERSAND a.s., SOLIVARY Joint Stock Company Prešov in bankruptcy, a member of the Supervisory Board of TMR Ještěd a.s., Czech Republic, TMR Finance CR, a.s., Czech Republic, RT ASSETS Holding a.s., Czech Republic, DEVEREAL a.s., Czech Republic.

He is a member of the Supervisory Board of the J&T Foundation, the CEO of HURRICANE FACTORY PRAHA s.r.o., Czech Republic, and the Chairman of the Supervisory Board of Tatry mountain resorts CR, a.s.

Mr. Rattaj is also a partner in EU GEN s.r.o., since December 10, 2018, a member of the Supervisory

Board of RENTAL LIVE a.s. since November 30, 2018, and the CEO of Muchalogy s.r.o. since November 8, 2022. Additionally, he is the head of the organizational unit in GOPASS SE, organizational unit.

As of the date of the annual report, he also holds the position of CEO in the following companies: KPRHT 5, s.r.o., Thalia s.r.o., C4U, s.r.o., MONTIR, s.r.o. in liquidation, and RCBT, s.r.o., budkova, s.r. o., CryptoData, s.r.o., DCBA s.r.o., TMR Real Estate, s.r.o., MORAVA SPORT, s.r.o., Eurocom Investment, s.r.o., Hurricane Factory Tatralandia s.r.o., Aerodrome Promotion s.r.o., Czech Republic, CLP Finance s. r. o., Czech Republic. He is also a member of the Supervisory Board of RIVERSAND a.s., Snowparadise a.s., 100% shareholder in ROJKO, spol. s.r.o., CTY PRŮMYSLOVÁ, s.r.o. in liquidation, Czech Republic.

Number of shares held as of 31 October 2023: 1,973,197 (C.I. CAPITAL INDUSTRIES LIMITED, 100%)

- **Zuzana Ištvánfiová** - member of the Board of Directors from 01/06/2023

In Tatry Mountain Resorts, a.s., Ms. Zuzana Ištvánfiová has been serving as the Director of Business and Marketing for Slovak operations of TMR since January 2021. On April 25, 2023, she was elected by the Supervisory Board as a member of the Board of Directors, with the function starting on June 1, 2023. Additionally, she was designated as the Vice-Chairman of the Board of Directors by the Supervisory Board, with the function also commencing on June 1, 2023.

Ms. Zuzana Ištvánfiová brings extensive experience from managerial and leadership positions in various companies in Slovakia and the Czech Republic, which have had long-term collaborations with TMR.

Apart from her role as a member of the TMR Board of Directors, Ms. Zuzana Ištvánfiová also serves as a board member in following companies:

- TMR Parks, a.s.
- Hotel Sliezsky dom, a.s.
- GARFIN HOLDING, a.s.
- EUROCOM Investment, s.r.o.
- X-BIONIC® SPHERE a.s.
- NARCIUS, a. s.

Number of shares held as of 31 October 2023: 0

- **Čeněk Jílek** - member of the Board of Directors since 04/06/2020

Čenek Jílek has been a member of the Company's Board of Directors since June 2020. Mr. Jílek previously held the position of Director of the Špindlerův Mlýn resort, operated by Melida a.s., . Earlier he served three years as a sales manager of the Tatry Motion retail stores, which belong to TMR. He has also gained his experiences in tourism during seven years as a sales manager in the luxury hotel segment in Canary Islands. He received his MBA degree from Bircham International University.

Mr. Jílek concurrently serves as a member of the Board of Directors in the following companies:

- MELIDA, a.s., Czech Republic
- OSTRAVICE HOTEL a.s., Czech Republic
- Tatry mountain resorts CR, a.s., Czech Republic
- GOPASS SE, Czech Republic
- SKOL MAX Ski School, a. s. in liquidation, Czech Republic

Furthermore, Mr. Jílek holds the position of Chairman of the Supervisory Board in TMR Finance CR, a.s., Czech Republic, and TMR Ještěd, a.s., Czech Republic. He is also the CEO of International TMR Services, s.r.o., Czech Republic, and a partner in the company Refugio s.r.o. Additionally, among other responsibilities, he serves as the Chairman of the committee in the association MOTION TEAM, z.s.

Number of shares held as of 31 October 2023: 0

SUPERVISORY BOARD

The Supervisory Board is the Company's supreme monitoring body. It supervises the exercise of the Board of Directors' competences and performance of the Company's business activities. The Supervisory Board, inter alia, approves draft financial plans submitted by the Board of Directors, significant investments and other material, financial and business transactions for the relevant financial year, reports to the General Meeting regarding results of its monitoring activities.

The Supervisory Board is comprised of nine members. The term of office is five years, and re-election is allowed. Members of the Supervisory Board are elected and removed by the General Meeting. If, at the moment of an election, the Company employs more than 50 employees on full-time employment, two thirds of the members of the Supervisory Board are elected and removed by the General Meeting and one third is elected and removed by the Company's employees. The Supervisory Board elects the Chairman and Vice-Chairman of the Supervisory Board from among its members.

From 19.04.2018 the Supervisory Board performs the activities of the Audit Committee under Act No. 423/2015 Coll. on Statutory Audit and under the Amendments to Act No. 431/2002 Coll. on accounting.

As of 31 October 2023, the Supervisory Board was comprised of nine members:

- **Jozef Hodek** – Chairman of the Supervisory Board
- **František Hodorovský** – Vice-Chairman of the Supervisory Board, reelected effective 01/07/2021
- **Adam Tomis** – member of the Supervisory Board
- **Pavol Mikušiak** – member of the Supervisory Board
- **Roman Kudláček** – member of the Supervisory Board
- **Andrej Devečka** – member of the Supervisory Board
- **Miroslav Roth** – independent member of the Supervisory Board, elected by TMR employees
- **Mgr. Marek Schwarz** - independent member of the Supervisory Board, elected by TMR employees
- **Ivan Oško** - independent member of the Supervisory Board, elected by TMR employees

Changes during the year:

On May 31, 2023, the General Meeting removed Bohuš Hlavatý as the member of the Supervisory Board with the termination of his function effective on June 30, 2023. In his place, Mr. Jozef Hodek was elected as a member of the Supervisory Board, with the commencement of his function on July 1, 2023

MEMBERS OF THE SUPERVISORY BOARD

- **Jozef Hodek** - Chairman of the Supervisory Board since 01/07/2023

Ing. Jozef Hodek was elected as a member of the Supervisory Board by the Issuer's Annual General Meeting on May 31, 2023, with the function commencing on July 1, 2023. Additionally, on July 3, 2023, he was elected as the Chairman of the Supervisory Board. Ing. Hodek is a former long-time Financial Director of TMR and a member of the Board of Directors. He played a significant role in streamlining processes within TMR, issuing new shares, and listing on the Bratislava Stock Exchange. Prior to that, he worked in the audit field at Pricewaterhouse Cooper Slovakia from 2006 to 2007. He successfully graduated from the Economic University, Faculty of Economic Informatics in Bratislava.

In addition to his role on the TMR Supervisory Board, Ing. Hodek is a partner and CEO in the company HODRENT, s.r.o. He also serves as a member of the Supervisory Board of GARFIN HOLDING, a.s.

Number of shares held as of 31 October 2023: 431

- **František Hodorovský** – member of the Supervisory Board since 18/01/2011, re-elected as the Deputy Chairman of the Board since 01/07/2021

In January 2011, Mr Hodorovský was first elected by the General Meeting as a member of the Supervisory Board and, at the same time, he was elected by the Supervisory Board as Vice-Chairman of the Supervisory Board, as the owner of Tatralandia, which was acquired by the Company. The Annual General Meeting reelected František Hodorovský a member of the Supervisory Board, effective as of 28/04/2016. The Supervisory Board at its meeting on 28/04/2016 appointed František Hodorovský its vice-chairman as of 28/04/2016. Since 1996, he has held various positions as a legal representative, partner and shareholder in various companies operating in the tourism industry. He graduated from the University of Economics in Bratislava, Faculty of Business Management.

Besides his role as TMR's member of the Supervisory Board, Ing. Hodorovský serves as a legal representative in the following companies: HOLLYWOOD C.E.S., s.r.o. a C4U, s.r.o., E.R.W. Trading s. r. o., HOLLYWOOD C.E. SK, s.r.o., Solidteam s. r. o. and from Oktober 1, 2022 is member of the Supervisory board in company TMR Parks, a.s.

Number of shares held as of 31 October 2023: 1,030,919 (FOREST HILL COMPANY, s.r.o., 100%)

- **Adam Tomis** - member of the Supervisory Board since 12/04/2014

Mr. Tomis was elected a Supervisory Board member by the General Meeting on 12/04/2014 and reelected at the General Meeting on 17/04/2019. Currently, he serves as a project manager responsible for non-banking investments of the J&T Group. During 2012-2013 he worked in a consulting firm McKinsey&Company on projects in banking and telecommunications. Before, he had served for eight years at the investment firm Benson Oak Capital and for one year at the independent air travel agency Travel Service. Mr. Tomis earned his college degree at the Charles University in Prague, the Institute of Economic Studies, majoring in Finance, financial markets, and banking.

Beside his role of TMR's Supervisory Board member, Adam Tomis serves as a member of the board of directors in the following companies:

- Equity Holding, a.s., (Czech Republic);
- J&T CAPITAL PARTNERS, a.s., (Czech Republic);
- J&T ENERGY HOLDING, a.s., (Czech Republic); and
- J&T EQUITY PARTNERS, a.s. (Czech Republic).

Moreover, Adam Tomis serves as a member of the supervisory board in the following companies:

- Westminster JV a.s. (Czech Republic);
- EP Global Commerce a.s., (Czech Republic);
- E-Commerce and Media Investments, a.s. (Czech Republic);
- CZECH MEDIA INVEST a.s. (Czech Republic);
- J&T ENERGY FINANCING CZK V, a.s. 1 (Czech Republic); and
- J&T ENERGY FINANCING CZK VI, a.s. (Czech Republic).

Since 27/04/2022, Adam Tomis serves as the chairman of the supervisory board of J&T INVESTIČNÍ SPOLEČNOST, a.s.

Number of shares held as of 31 October 2023: 0

- **Pavol Mikušiak** - member of the Supervisory Board since 27/4/2013

Ing. Mikušiak was elected a member of the Supervisory Board in April 2013 by the General Meeting and reelected in April 2018. He is a member of corporate bodies of several Slovak companies. Since 1996 he serves as business director of CBA Verex, a.s. Previously he worked as foreign trade director at Verex, s.r.o. (1992 – 1996) and as a scientific researcher at Research Institute in Liptovský Mikuláš (1987 – 1992). He graduated from the Technical University in Košice, the Faculty of information technologies and programming.

Currently, besides his role as TMR's member of the Supervisory Board, Ing. Mikušiak holds positions on the Boards of Directors in the following companies: CBA SK, a.s., CBA VEREX, a.s., VEREX HOLDING, a.s., NARCIUS, a.s. He is also a member of the Supervisory Boards in VEREX-ELTO, a.s., VEREX ŽILINA, a.s., VEREX REALITY s.r.o., OSKO, a.s., LEVEL, a.s. Furthermore, he serves as a legal representative in ELTO REALITY, s. r. o., Invest Liptov, s.r.o., MPL Invest, s.r.o.

Number of shares held as of 31 October 2023: 0

- **Roman Kudláček** - member of the Supervisory Board since 21/4/2012

In April 2012, Mr Kudláček was elected by the General Meeting as a member of the Supervisory Board, and then reelected in April 2017. He has extensive experience in machinery and engineering. Since 2000 he has held the position of Chairman of the Board of Directors in K&M, a.s. From 2001 to 2008, he worked as an executive of Liptosol, s.r.o. in Liptovský Mikuláš. Previously he held the position of Chairman of the Board of Directors at the machinery manufacturer LIPTOVSKÉ STROJÁRNE plus, a.s. (1997 – 1999). From 1993 to 1999 he was an Executive of RBL, s.r.o. During the prior two years he was engaged in retail business activities.

Besides his membership on the Supervisory Board of TMR, Mr Kudláček is a member of the Supervisory Board at Štrbské pleso resort, s.r.o.

Number of shares held as of 31 October 2023: 0

- **Andrej Devečka** - member of the Board of Directors since 29/04/2020

Mr. Devečka was a member of the Board of Directors until the end of April 2020. Since 1991 he has been an owner, businessman, co-owner, executive and member of the Supervisory Board in a number of companies. Previously, he held the position of Senior Manager in Tesla Liptovský Hrádok, a technology machinery company. He graduated from the University of Technology in Liptovsky Mikuláš, with a specialization in microelectronics and laser technology.

Besides serving on the Board of Directors of TMR Ing. Devečka serves as a legal representative at HOLLYWOOD C.E.S., s.r.o. a C4U, s.r.o., E.R.W. Trading s. r. o., HOLLYWOOD C.E. SK, s.r.o., Solidteam s. r. o. Since 01/10/2022 he has been a supervisory board member of TMR Parks, a.s.

Number of shares held as of 32 October 2023: 0

- **Miroslav Roth** - independent member of the Supervisory Board since 30/6/2012

Mr. Roth was reelected as a member of the

Supervisory Board by employees of the Company in June 2021. He works for the Company as an electrical networks specialist in the resort Vysoké Tatry. He had previously held this position from 1985 in Tatranské lanové dráhy, a.s.

Number of shares held as of 31 October 2023: 0

- **Mgr. Marek Schwarz** - independent member of the Supervisory Board since 30/6/2021

  Mgr. Schwarz was elected a member of the Supervisory Board in June 2021 by the Company's employees. He works at TMR as the director of the human resources department. In addition to the Supervisory Board of TMR, Mr. Schwarz also serves as a member of the Supervisory Board in the companies TMR Parks, a.s. and Region Tatry Travel, s.r.o.

  Number of shares held as of 31 October 2023: 0

- **Ivan Oško** - independent member of the Supervisory Board since 30/6/2021

  Mr. Oško was elected a member of the Supervisory Board in June 2021 by the Company's employees. At TMR, he works as the head of the cable car operations in Jasná. In addition, he is also the chairman of Union of Trade and Tourism Workers.

  Number of shares held as of 31 October 2023: 0

GENERAL MANAGER OF THE COMPANY

The Chief Executive Officer manages the Company's operations between board meetings in accordance with the decisions of the board. Among other responsibilities, the CEO implements the resolutions of the board, fulfills tasks derived from the company's organizational regulations, and performs other duties within the scope delegated by the board through written authorization. According to the articles of association, the chairman of the board also holds the position of the CEO. As of October 31, 2023, Ing. Igor Rattaj serves as the Chief Executive Officer.

REMUNERATION OF THE BOARD MEMBERS OF THE PUBLICLY TRADED COMPANIES

The company, as a publicly traded entity, is obliged pursuant to Art. § 201a of the Commercial Code to draw up remuneration rules and at the same time is obliged to pay remuneration to members of the bodies in accordance with the approved remuneration rules.

On May 31, 2023, the Ordinary General Meeting approved the „Rules of Remuneration of the Bodies of a Public Joint Stock Company" (hereinafter referred to as the „Remuneration Rules").

The Remuneration Rules regulate the basic remuneration framework and the methods of providing compensation to members of the Company's bodies.

For the purposes of the Remuneration Rules in accordance with Art. § 201a par. 2 of the Commercial Code means the Company's bodies refer to the following:

- member of the Board of Directors of the Company
- member of the Supervisory Board of the Company
- person acting at the highest level of management of the Company, if this position exists in the Company, provided they are not members of the Board of Directors or the Supervisory Board.

In accordance with the approved Remuneration Rules, the members of the Board of Directors are provided with the Total Remuneration of a member of the Board of Directors, which consists of:

- a fixed component in accordance with point 2.2 of the Remuneration Rules
- a variable component in accordance with point 2.3 of the Remuneration Rules
- surcharges and other benefits of a member of the Board of Directors

In accordance with the Remuneration Rules, the members of the Supervisory Board are provided with the Total Remuneration of a member of the Supervisory Board, which consists of:

- a fixed component in accordance with point 3.2 of the Remuneration Rules
- a variable component in accordance with point 3.3 of the Remuneration Rules
- surcharges and other benefits of a member of the Board of Directors

In accordance with §201e of the Commercial Code, the Board of Directors will prepare a "Remuneration Report" and at the same time submit it once a year to the General Meeting for discussion as part of the Annual Report. The Remuneration Report for the Financal Year 2022/2023 is published in an appendix to this Annual Report.

The total amount of remuneration paid to the representatives of the Board of Directors, Supervisory

Board members and the top management in 2022/2023 was EUR 0.817 mil.

GENERAL MEETING

The General Meeting is the Company's supreme body. Its competence includes mainly the following:

- Amendments to the Articles;
- Decisions on an increase/decrease in the Company's registered capital; instructing the Board of Directors to increase the share capital in accordance with Article 210 of the Commercial Code and decisions to issue preferred or convertible bonds;
- Decisions on termination of the Company and/or change in the legal form;
- Election and removal of members of the Supervisory Board, except for members of the Supervisory Board elected and removed in accordance with Article 200 of the Commercial Code by employees in accordance with applicable law;
- Approval of annual individual financial statements and extraordinary individual financial statements, decisions regarding the distribution of profit or settlement of loss, and decisions on remuneration ;
- Decisions regarding the termination of trading the Company's shares on the stock exchange and decision on the fact that the Company ceases to be a publicly traded company;
- Decisions on transformation of registered shares into share certificates and vice versa
- Decisions regarding the approval of a contract on transfer of business or a part thereof;
- Approval of the Remuneration Rules of the members of the company's bodies and their changes;
- Approval of contracts for the performance of the function of members of the Supervisory Board;
- Deciding other issues falling under the competence of the General Meeting in accordance with the Articles and under existing law.

The competence of the General Meeting is defined by Act 513/1991 Coll. of the Commercial Code, as amended, and the Company's Articles. The General Meeting is comprised of all shareholders, members of the Board of Directors, and members of the Supervisory Board present at the session and/or third parties invited by the Company's body (bodies) or shareholders who convened the meeting. Each shareholder is authorized to attend the General Meeting, vote, ask for information and explanations regarding corporate matters and/or entities controlled by the Company, if relevant to the agenda of the General Meeting, and file proposals. Shareholders can exercise their rights at the General Meeting through authorized representatives who shall prove their authorization by a written power of attorney defining the scope of the authorization. Exercise of the shareholders' voting rights is not limited in the Articles. The number of votes held by each shareholder is defined by the proportion between the nominal value of the shares held by the shareholder and the amount of registered capital, whilst every EUR 7 of the shares' nominal value means one voting right.

DECISION-MAKING PROCEDURE OF THE GENERAL MEETING

The General Meeting decides by majority vote held by the present shareholders. In matters related to amendments of the Articles, an increase or decrease in the registered capital, instructing the Board of Directors to increase the registered capital, the issuance of preference bonds or exchangeable bonds, the termination of the Company or change in the legal format a 2/3 majority of votes of the present shareholders is required and a notarized record shall be prepared on the results of the voting. A 2/3 majority of votes of the present shareholders is also necessary for approval of the General Meeting's decision on the termination of trading the Company's shares on the stock exchange and for the election and removal of members of the Supervisory Board, as well as for the General Meeting's decision that the Company ceases to be a public joint-stock company and becomes a private joint-stock company. For amendments to the Articles in terms of establishing the option of correspondence voting and for amendments to the Articles in terms of establishing and defining the requirements for attending the General Meeting and for shareholders' voting through electronic equipment, affirmative votes of 3/5 majority of all votes are required. Minutes of the General Meetings are freely available at the Company's website: www.tmr.sk.

In the period from 1 November 2022 to 31 October 2023, one session of the General Meeting was convened. It took place on May 31, 2023.

ANNUAL GENERAL MEETING

At the Annual General Meeting held on 31 May 2023, the shareholders adopted the following key resolutions:

1. Approval of the annual individual financial statements as of 31 October 2022
2. Approval of the proposal by the Board of Directors for the distribution of the profit earned in the fiscal year starting on November 1, 2021, and ending on October 31, 2022, in the amount of EUR 3,287,469.82.

This distribution involves allocating a portion of the profit, amounting to EUR 328,746.98, to supplement the reserve fund. Another portion of the profit, totaling EUR 16,437.35, will be allocated to the social fund. The remaining portion of the profit, EUR 2,942,285.49, will be transferred to the retained earnings account.

3. Discussion of the report of the company's board of directors on the results of business activities, the state of the company's assets and financial management, the business plan and financial budget, the annual report and the report of the supervisory board.
4. Removal of Ing. Bohuš Hlavatý from the position of a member of the Supervisory Board effective June 30, 2023.
5. Election of Ing. Jozef Hodek as a member of the Supervisory Board and approval of the contract for the performance of the function.
6. Election of Ing. Pavel Mikušiak as a member of the Supervisory Board and approval of the contract for the performance of the function.
7. Approval of changes to the Company's Articles of Association – adding new items to the subject of business activities and elaborating on the scope of authority of the Board of Directors and the Supervisory Board.
8. Approval of changes to the Remuneration Rules for the officials of the public joint-stock company.
9. Approval of the auditor - KPMG Slovensko spol. s.r.o. to audit the financial statements for the year ending 31 October 2023

DESCRIPTION OF SHAREHOLDERS' RIGHTS

Legal regulations and Articles of Association hereof regulate the rights and the obligations of the shareholder. Both legal and natural persons may become a shareholder of the Company. The shareholder may not exercise the rights of the shareholder which would affect the rights and professional interests of other shareholders. The company must treat all shareholders on equal terms. The shareholder shall have the right to participate on the management of the Company, on its profits and on its liquidation balance upon the cancellation of the Company with liquidation. The right to participate on the management of the Company shall be exercised by the shareholder by participation at the General Meeting and by execution of the rights related to this participation, whereas the shareholders shall be bounded with the organizational measures applicable to the proceedings of General Meeting. At the General Meeting any shareholder may vote, ask for information and explanations concerning the matters of the Company or the matters of parties controlled thereby, which are related to the agenda of the General Meeting, make proposals, and request to have their suggested topics to be included in the agenda of the General Meeting in accordance with relevant regulations. The date relevant for the exercise of the rights according to previous sentence shall be the day indicated in the notice of General Meeting in accordance with section 180, subsection 2 of the Commercial Code. The shareholder or shareholders holding shares, of which the nominal value equals not less than 5% of the share capital, are entitled to request for convocation of an extraordinary General Meeting by including specification of their reason.

The shareholder shall be entitled to share the profits generated by the Company (dividend), which were allocated by the General Meeting for their distribution. The shareholder shall not be under the obligation to refund to the Company the dividends obtained in good faith. Following the winding up of the Company with the liquidation the shareholders shall be entitled to share liquidation balance in the amount stipulated by the law. At the Company headquarters the shareholder is entitled to view Company documents that are filed in a document archive or in a financial statement register pursuant to a specific law, and the shareholder is entitled to request copies of these documents or request to have them mailed at a specified address on the shareholder's expense and risk.

Further details on the shareholders' rights are described in the Company's Articles of Association at www.tmr.sk/investor-relations/corporate-governance.

SUPERVISORY BOARD REPORT

In the financial year 2022/2023, the Company's Supervisory Board carried out the Company's monitoring activities with a total of nine members. In the period from 1 November 2022 to 31 October 2023, the Supervisory Board convened seven (7) meetings of the Supervisory Board:

- On 24/11/2022 nine members of the Supervisory Board were present.
- On 02/12/2022 nine members of the Supervisory Board were present.
- On 01/03/2023 nine members of the Supervisory Board were present.
- On 25/04/2023 nine members of the Supervisory Board were present.
- On 31/05/2023 eight members of the Supervisory Board were present.
- On 03/07/2023 nine members of the Supervisory Board were present.
- On 06/09/2023 eight members of the Supervisory Board were present.

During the financial year ending 31/10/2023 as part of its control function, the Supervisory Board focused on controlling the Board of Directors' fulfillment of its duties assigned by the General Meeting, at monitoring the Board of Directors activity in terms of effective management of the Company, achievement of strategic goals in given conditions and determining the Company's growth plans, the operating and financial activity, the Company's assets, liabilities and receivables, correct bookkeeping, fulfillment of the business plan, financial budget, investment plan and compliance with the Company's Articles of Association, Code of Conduct and general legally binding regulations. The Supervisory Board approved the financial plans submitted by the Board of Directors, major investments and other material financial and business transactions for the relevant financial year and submitted the results of its monitoring activities to the General Meeting. As part of their role, the Supervisory Board members have electronic access to production systems, through which they can get a daily report on the Company's financial performance. The Supervisory Board meetings were always attended also by the chairman of the Board of Directors and members of the Board of Directors. They informed the Supervisory Board members in detail on the Company performance including finance (CAPEX, Cash Flow, debt service).

As part of the performance of the activities of the Audit Committee, the Supervisory Board engaged in cooperation with an external auditor – KPMG Slovensko spol. s.r.o. They discussed the overall approach to the audit of the company as well as the TMR group (as part of the preparation of the Company's consolidated financial statements as of October 31, 2023). At the same time, the Supervisory Board set a deadline for the external auditor to submit an affidavit of independence and adopted the Declaration of Independence from KPMG

THE COMPANY'S CORPORATE GOVERNANCE CODE

The Company is fully aware of the importance of compliance with the Corporate Governance principles. On 3 November 2010, the Company and its statutory bodies adopted the Corporate Governance Code in Slovakia. Moreover, on 8 October 2012 the Company declared adherence to the Corporate Governance Code principles for companies listed on the Warsaw Stock Exchange. Information on adherence to the codes is available on the Company's website www.tmr.sk/investor-relations/corporate-governance.

As for the **Corporate Governance Code for companies in Slovakia 2016,** the Company's Corporate Governance fails to comply with this Code in the following items:

- **I.A.5.** The right to elect and to remove members of the Company's bodies:

  Partly met. The General Meeting elects and removes members of the Supervisory Board. The Board of Directors is elected and removed by the Supervisory Board.

- **I.C.2.iii.** An electronic voting system in absentia, including the electronic distribution of proxy materials and reliable vote confirmation

  Not met. So far the Company has not enabled attending General Meetings and voting at General Meetings by electronic means. In order to implement the attendance at General Meetings and voting at General Meeting by electronic means, the Articles of Association need to be changed and approved by the 3/5 majority of all the shareholder votes.

- **I.C.4.i.** Effective shareholder participation in decisions on the nomination, election and remuneration of board members should be facilitated. Shareholders should be able to participate in the nomination of board members.

  Partly met. In the scope defined by the valid legal regulations, as part of the discussion regarding the discussed item of the General Meeting's agenda, shareholders have the right to express their opinion either in writing or verbally. This right is unlimited. Nomination and election of members of the Board of Directors is the responsibility of the Supervisory Board. The General meeting elects and dismisses member of the Supervisory Board.

- **I.C.4.iii.** Effective shareholder participation in decisions on the nomination, election and remuneration of board members should be facilitated. Shareholders should be able to make their views known on the remuneration of board members.

  Partly met. The Company acts in accordance with the Commercial Code and the Articles. The General Meeting approves the Remuneration Rules for members of the Supervisory Board. The Remuneration Rules for members of the Board of Directors are approved by the Supervisory Board.

- **I.C.4.iv.** Effective shareholder participation in decisions on the nomination, election and remuneration of board members should be facilitated. The equity component of compensation schemes for board members and employees should be subject to shareholder approval.

Partly met. Currently, the Company does not offer any stock-option compensation schemes. The Company acts in accordance with the Commercial Code and the Articles. The General Meeting approves the Remuneration Rules for members of the Supervisory Board. The Remuneration Rules for members of the Board of Directors are approved by the Supervisory Board.

- **I.C.4.v.** Effective shareholder participation in decisions on the nomination, election and remuneration of board members should be facilitated. The remuneration of board members and key executives should be disclosed, the total value of compensation arrangements made and how remuneration and company performance are linked.

  Partly met. Information on the remuneration of the board members and the management is disclosed in the Annual Report. The Company discloses the general remuneration policy for the members of the Supervisory Board and the Board of Directors, and only the sum of the remuneration of the Supervisory Board, the Board of Directors, and the Top Management.

- **I.C.4.vi.** Effective shareholder participation in decisions on the nomination, election and remuneration of board members should be facilitated. Any significant change in the remuneration schemes should be approved by shareholders.

  Partly met. The General Meeting approves the Remuneration Rules for the Supervisory Board and the role contracts of the Supervisory Board members. The Company acts in accordance with the Commercial Code and the Articles. When approving internal regulations the Company acts in accordance with the competencies of the relevant statutory bodies, with the Articles of Association and relevant law.

- **I.C.5.ii**i. Non-discriminatory voting of shareholders in absentia should be enabled: Where proxies are held by the board or management for company pension funds, the directions for voting should be disclosed.

  Not met. The Company does not disclose directions for voting.

- **I.C.6.** Ability to vote electronically by non-discriminatory means (if the company enables such voting).

  Not met. So far the Company does not enable electronic voting at General Meetings. In order to implement the attendance at General Meetings and voting at General Meeting by electronic means, the Articles of Association need to be changed and approved by the 3/5 majority of all the shareholder votes.

- **I.E.1.iii.** Non-discriminatory relations with shareholders and transparency of capital structures. Changes in economic and voting rights should be subject to approval by a qualified majority of the relevant group of shareholders.

  Partly met. These changes are subject to changes in the Articles of Association, which require the 2/3 majority of the present shareholder votes; the notary meeting minutes need to be prepared. A change in the Articles of Association related to the implementation of possible proxy voting and/or electronic voting is subject to approval by the 3/5 majority of all the shareholder votes.

- **I.E.2.** The capital structure and takeover arrangements should be disclosed.

  Partly met. The Company discloses such information provided that relevant legal regulations require and/or enable such disclosure.

- **IV.A.4.ii.** Information on the company's remuneration: information on the remuneration policy in the upcoming financial year or, where appropriate, consecutive years and information on the implementation of the policy in the previous financial year.

  Partly met. The Company discloses the general remuneration policy for the members of the Supervisory Board and the Board of Directors, and only the sum of the remuneration of the Supervisory Board, the Board of Directors, and the Top Management.

- **IV.A.5.ii.** Information about board members, executive managers, especially: Information on the qualification requirements and the selection process.

  Partly met. The Company discloses the process of electing members of the Supervisory Board.

- **V.D.4.** Remuneration with the longer-term interests of the company and its shareholders.

  Partly met. The level of basic remuneration is set for each member of the Board of Directors separately based on the decision of the Supervisory Board upon each member's nomination. Extraordinary bonuses of the Board of Directors are subject to the fulfillment of the EBITDA plan in the previous financial year. Remuneration of the Top management is set by and subject to approval by the Board of Directors depending on the performance of the operating segments and resorts of the Company.

- **V.E.1.** Boards should consider assigning a sufficient number of non-executive board members where there is a potential for conflicts of interest. The board should consider establishing specific committees to consider questions where there is a potential for conflicts of interest. These committees should require a minimum number of non-executive members, or be composed entirely of members of the supervisory board.

  Partly met. The Supervisory Board is composed of only non-executive members and is responsible for controlling. In case of a conflict of interest, the Company acts in accordance with its Code of Conduct and relevant persons are excluded from the decision-making process. The Company does not have such specific committees established.

- **V.E.2.i.** Existence, composition and the role of committees. The nomination committee.

  Not met. Currently, the Company does not have a nomination committee. Members of the Board of Directors are nominated by the Supervisory Board.

- **V.E.2.ii.** Existence, composition and the role of committees. The remuneration committee.

  Not met. Currently, the Company does not have a remuneration committee. The variable part of the Board of Directors' remuneration is determined by the Remuneration Rules and is subject to performance achieved by the Company. The Board of Directors' Remuneration Rules are subject to approval by the Supervisory Board.

- **V.E.4.** Regular self-assessment of the company boards, including assessment of correct backgrounds and competences.

  Not met. Assessment of the activity of the Board of Directors is done by the Supervisory Board. The Supervisory Board's report has not included self-assessment so far.

As to the **Best Practices for GPW Listed Companies 2016** required by the Warsaw Stock Exchange, the Company's corporate governance does not accord with the Best Practices in the following issues:

- **I.Z.1.3.** A company should operate a corporate website and publish on it, in a legible form and in a separate section: a chart showing the division of duties and responsibilities among members of the management board drawn up according to principle II.Z.1;

  Partially met. Currently, the Company website does not present such chart. However, the website lists members of the Board of Directors with description of their roles, and their short CV.

- **I.Z.1.15.** A company should operate a corporate website and publish on it, in a legible form and in a separate section: information about the company's diversity policy applicable to the company's governing bodies and key managers; the description should cover the following elements of the diversity policy: gender, education, age, professional experience, and specify the goals of the diversity policy and its implementation in the reporting period; where the company has not drafted and implemented a diversity policy, it should publish the explanation of its decision on its website;
  Not met. Even though the Company strives to enable equal employment opportunity and employs 57% men and 43% women, it has not yet prepared and implemented a diversity policy for its statutory bodies and top management, thus such policy is not published on the Company website either. Main criteria for selecting candidates for key positions and statutory bodies are competency and fulfillment of requirements for a given role; not factors such as sex or age.

- **I.Z.1.20.** A company should operate a corporate website and publish on it, in a legible form and in a separate section: an audio or video recording of a General Meeting;

  Not met. Currently, the Company does not publish audio or video recordings from its General Meetings as the benefit of these recordings is not justified in comparing to high costs associated with them and they do not fit within the budget for the General Meeting.

- **II.Z.1.** The internal division of responsibilities for individual areas of the company's activity among management board members should be clear and transparent, and a chart describing that division should be available on the company's website.

Partly met. The Company presents its internal division of responsibilities among members of the Board of Directors on its website in wording.

- **II.Z.3.** At least two members of the supervisory board should meet the criteria of being independent referred to in principle II.Z.4.

  Not met. None of the Supervisory Board members meets the criteria of independence referred to in principle II.Z.4. Even though the Company considers two members of the Supervisory Board, elected by the Company employees, as independent, since they hold non-managerial roles in the Company, according to the current Best Practices for GPW Listed Companies 2016, they cannot be considered independent.

- **II.Z.10.1.** In addition to its responsibilities laid down in the legislation, the supervisory board should prepare and present to the ordinary general meeting once per year an assessment of the company's standing including an assessment of the internal control, risk management and compliance systems and the internal audit function; such assessment should cover all significant controls, in particular financial reporting and operational controls;

  Partly met. The Supervisory Board presents to the Annual General Meeting a report prepared according to the legislation and the Company's Articles of Association.

- **II.Z.10.2.** a report on the activity of the supervisory board containing at least the following information:

  - full names of the members of the supervisory board and its committees;
  - supervisory board members' fulfilment of the independence criteria;
  - number of meetings of the supervisory board and its committees in the reporting period;
  - self-assessment of the supervisory board;

  Partly met. The Supervisory Board's report has not so far included a description on supervisory board members' fulfilment of the independence criteria, since the Company automatically considers members, elected by the Company employees and who are not shareholders, as independent.

- **IV.Z.2.** If justified by the structure of shareholders, companies should ensure publicly available real-time broadcasts of general meetings.

  Not met. The Company has not so far broadcasted its General Meetings publicly, since potential benefit of the General Meeting being broadcasted does not outweigh costs associated with its organizing. The Company does not exclude the possibility of broadcasting its General Meetings in the future, although such decision is subject to the approval of shareholders at the General Meeting by amendment of the Articles of Association.

- **IV.Z.3:** Presence of representatives of the media should be allowed at general meetings.

  Presence of third parties is usually allowed based on the proposal by the Board of Directors at Annual General Meetings. Also at the last Annual General Meetings a proposal was presented by the Board of Directors to allow presence of third parties at the General Meeting. This proposal was adopted by the shareholders and third parties were allowed to attend the General Meeting. The Company does not exclude a possibility that it will allow attendance of third parties at all General Meetings, although such decision would have to be preceded by the approval of the shareholders at the General Meeting in the form of change in Articles of Association.

- **VI.Z.4.** In this activity report, the company should report on the remuneration policy including at least the following:

  1) general information about the company's remuneration system;
  2) information about the conditions and amounts of remuneration of each management board member broken down by fixed and variable remuneration components, including the key parameters of setting the variable remuneration components and the terms of payment of severance allowances and other amounts due on termination of employment, contract or other similar legal relationship, separately for the company and each member of its group;
  3) information about non-financial remuneration components due to each management board member and key manager;
  4) significant amendments of the remuneration policy in the last financial year or information about their absence;
  5) assessment of the implementation of the remuneration policy in terms of achievement of its goals, in particular long-term shareholder value creation and the company's stability.

  Partly met. The Company publishes its general remuneration rules for the Board of Directors and Supervisory Board and the total sum of remuneration of the Board of Directors, Top Management and Supervisory Board. The Company has not entered into any agreements with any members of bodies or employees under which the company would be obliged to provide such members or employees with any compensation if their office or employment terminates by resignation, notice served by the employee, removal, notice served by the employer without giving a reason or if their office or employment terminates as a result of an acquisition offer. The Company does not disclose information about non-financial remuneration, as it has not been material so far, nor assessment of the implementation of the remuneration policy in terms of achievement of its goals, in particular long-term shareholder value creation and the company's stability.

OTHER SUPPLEMENTARY DATA

Tatry mountain resorts, a.s. is the issuer of 6,707,198 shares admitted to trading on the listed parallel market of the Bratislava Stock Exchange, on the main market of the Prague Stock Exchange, and on the main market of the Warsaw Stock Exchange (WSE) with the following structure:

ISIN: SK1120010287
Security type and form: ordinary bearer shares
Nominal share value: 7.00 EUR
Number of shares outstanding: 6,707,198
% share in share capital: 100%
Limitation on transferability of shares: none

The Company, a.s. during the FY 2013/14 issued two tranches of bonds in the total of EUR 180 mil.:

Bonds TMR I 4.50%/ 2018
ISIN: SK4120009606
Volume: 70 000 000 EUR
Market: The Bratislava Stock Exchange
Nominal Value: 1 000 EUR
Coupon Rate: fixed rate 4.50% p.a.
Coupon Payment: semi-annual always on 17-06 and 17-12
Maturity Date: 17 December 2018
Issue Date: 17-12-2013

Bonds TMR I 4.50%/ 2018 were senior, secured by a pledge over certain immovable assets owned by the Company. TMR I 4.50% bonds were fully repaid on December 17, 2018.

During the financial year 2017/18 the Company issued another tranche of bonds:

Bonds TMR II 6.0%/ 2021
ISIN: SK4120009614
Volume: 110 000 000 EUR
Market: The Bratislava Stock Exchange
Nominal Value: 1 000 EUR
Coupon Rate: fixed rate 6.00% p.a.
Coupon Payment: annual always on 05-02
Maturity Date: 5 February 2021
Issue Date: 05-02-2014

Bonds TMR II 6.0%/ 2021 are junior, subordinated. TMR II 6.0% bonds were fully repaid on February 5, 2021.

Bonds TMR III 4.40%/ 2024
ISIN: SK4120014598
Volume: 90 000 000 EUR
Market: The Bratislava Stock Exchange
Nominal Value: 1 000 EUR
Coupon Rate: fixed rate 4.40% p.a.
Coupon Payment: semi-annual always on 10-04 and 10-04
Maturity Date: 10 October 2024
Issue Date: 10 October 2018

Bonds TMR III 4.40%/ 2024 are senior bods, secured by a pledge over certain assets owned by the Company.

During the FY 2018/19 the Group issued another bonds issue through its subsidiary, TMR Finance CR, a.s.:

Bonds TMR F CR 4.50% / 2022
ISIN: CZ0003520116
Volume: 1 500 000 000 CZK
Market: The Prague Stock Exchange
Nominal Value: CZK 30 000
Coupon Rate: fixed rate 4.50% p.a.
Coupon Payment: semi-annual always on 07-05 and 07-11
Maturity Date: 7 November 2022
Issue Date: 7 November 2018

Bonds TMR F CR 4.50% / 2022 constitute direct, general, unconditional, and non-subordinated obligations of the Issuer, secured by a guarantor statement of Tatry mountain resorts, a.s. (the Guarantor). Furthermore, the Bond obligations will be secured by a lien in favor of the Security Agent, Patria Corporate Finance, a.s., for: (i) certain immovable assets owned by the Guarantor in the Slovak Republic; (ii) certain movable assets owned by the Guarantor and its indirect 100% subsidiary Śląskie Wesołe Miasteczko Sp. Zoo. in the Slovak Republic and the Republic of Poland, (iii) a 75% share in the capital of Śląskie Wesołe Miasteczko Sp. Zoo. owned by Tatry Mountain Resorts PL, a.s., which is a 100% direct subsidiary of the Guarantor and (iv) the Guarantor s receivables from the LTV account. For more information see the Security prospectus available at https://tmr-finance.cz/zakonne-zverejneni.php. The company fully redeemed the TMR F CR 4.50% / 2022 bonds as of November 7, 2022.

During the financial year 2020/2021, the Company issued bonds:

Bonds TMR V 6.00%/ 2026
ISIN: SK4000018255
Volume: up to 150 000 000 EUR
Market: The Bratislava Stock Exchange
Nominal Value: 1 000 EUR
Coupon Rate: fixed rate 6.00% p.a.
Coupon Payment: annual always on 02-02
Maturity Date: 2 February 2026
Issue Date: 2 February 2021

The total value of registered bonds TMR V 6.00%/ 2026 is 110 000 000 EUR. TMR V 6.00%/ 2026 are junior, subordinated bonds. For more information regarding the issued bonds see the Company website: https://tmr.sk/investorrelations/bonds/.

During the financial year 2021/2022, the Company issued bonds:

Bonds TMR VI 5.40%/ 2027
ISIN: SK4000021713
Volume: up to 65 000 000 EUR
Market: The Bratislava Stock Exchange
Nominal Value: 1 000 EUR
Coupon Rate: fixed rate 5.40% p.a.
Coupon Payment: semi-annual always on 28-04 and 28-10
Maturity Date: 28 October 2027
Issue Date: 28 October 2022

The total value of registered bonds TMR VI 5.40%/ 2027 is 59 000 000 EUR. TMR VI 5.40%/ 2027 are senior bods, secured by a pledge over certain assets owned by the Company. For more information regarding the issued bonds see the Company website: https://tmr.sk/investorrelations/bonds/.

As of 31/10/2023 the Company has not issued any employee stock or preferred shares.

The Company, based on the decision of the General Meeting, may issue bonds, convertible into Company shares (convertible bonds), or bonds with the senior subscription rights to Company shares (preferred bonds), provided that the General Meeting at the same time decides on the conditional raising of share capital.

In case of the buy-back of own Company shares with the purpose of their transfer to Company employees, the Article 161a Par. 2 point a) of the Commercial Code shall not be applied. In this case the purchased shares shall be transferred to the Company employees within 12 (twelve) months from their acquisition by the Company.

In case of the buy-back of own Company shares with the purpose of preventing an eminent major damage to the Company, the Article 161a Par. 2 point a) of the Commercial Code shall not be applied. The Board of Directors is obliged to inform the next General Meeting about the circumstances according to the Article 161a Par. 4 of the Commercial Code.

The voting rights attached to Company shares have no limitations. The holders of securities issued by the Company do not have differing controlling rights.

As of 31/10/2023 the Company has no knowledge of any shareholder agreements that might lead to limitations on transferability of the securities and to limitations on voting rights.

The Company incurred no research and development costs in FY 2022/23.

TMR does not have any branch office abroad.

The Group utilized financial derivative instruments solely for hedging cash flows against currency risk related to the issuance of bonds in Czech crowns. In doing so, the Group chose to manage the currency risk of exchange rate fluctuations through a hedging instrument - a currency swap. As a result of the redemption of the bond in Czech crowns, the accounting related to the hedging of cash flows against currency risk was concluded. The Group does not have any other risks hedged through hedge accounting as these risks are managed in a different way. The cash flows and liquidity ratios are monitored in regular intervals. The Company ensures internal controls through regular monitoring of the financial plan and overall financial position. Management of market risks, business and financial activities is described in the Risk Factors and Risk Management section and in the Consolidated Financial Statements. The Company has not entered into any agreements which would become effective, changed or terminated as a result of change in control, or as a result of an acquisition offer.

The Company has not entered into any agreements with any members of bodies or employees under which the company would be obliged to provide such members or employees with any compensation if their office or employment terminates by resignation, notice served by the employee, removal, notice served by the employer without giving a reason or if their office or employment terminates as a result of an acquisition offer.

During FY 2022/23 the Company prepared Separate Financial Statements in accordance with International Financial Reporting Standards (IFRS).

The Company is not subject to any special regulations, which would require disclosure of additional information in terms of Article 34 Par. 2 a) of the Slovak Act No. 429/2002 Coll. in connection with Article 20 Par. 1 g) of the Slovak Act No. 431/2002 Coll.

CONTRACTS WITH EXTERNAL ADVISORS AND RELATED PARTIES

LEASE OF THE ŠPINDLERŮV MLÝN RESORT

Melida, a.s., a company associated with TMR, signed a lease contract on 6 November 2012 as the lessee with the company SKIAREÁL Špindlerův mlýn, a.s., as the lessor. The subject of the contract was the lease of the Špindlerův Mlýn resort in the Czech Republic. As of the date of this report TMR held a 25% interest in Melida, a.s. Based on the lease contract, Melida, a.s. will be operating the ski resort Špindlerův Mlýn in the Krkonoše Mountains for 20 years for the lease fee in the amount of CZK 43.8 mil. per year. Besides the sole operation of Špindlerův Mlýn, Melida committed to provide further development of the resort by expanding trails, renewing technological equipment, and by improving skiers' experience in any other way with investments in the minimum amount of CZK 800 mil. during the whole lease term. TMR acts in the lease contract as a by-party that provides a guarantee for Melida, a.s. by guaranteeing Melida's liabilities resulting from the lease contract and by providing it a zero-interest loan.

CONTRACTS WITH MELIDA, A.S.

Subsidiary company TMR International TMR services, s.r.o. provides Melida, a.s. with consulting services in management and analysis of cableways, dining facilities, ski schools, rentals, shops, in marketing, bookkeeping, and project financing. Also TMR provides Melida, a.s. with consulting services on the project of building infrastructure in the Špindlerův Mlýn ski resort. TMR made an agreement with Melida to temporarily lend it employees of TMR in order to boost the winter season and to realize some investments. TMR provided Melida with an interest-bearing loan in 2013 and an interest non-bearing loan in 2014.

FINANCIAL AUDIT

As of the date of this Annual Report, KPMG Slovensko spol. s.r.o., seated at Dvořákovo nábrežie 10, 811 02 Bratislava, is responsible for the audit of separate and consolidated financial statements. KPMG Slovensko spol. s.r.o. has been approved to perform the audit of the Company's Separate Financial Statements as of 31 October 2023 and Consolidated Financial Statements as of 31 October 2023 based on the decision of the General Meeting held on 31 May 2023.

ADVISORS

As of the date of this Annual Report, the Company had a contract signed with Ernst & Young seated at Žižkova 9, Bratislava 811 02, on the provision of advisory services in preparation of financial statements and the provision of advisory services related to non-financial reporting.

PROPOSAL ON DISTRIBUTION OF PROFIT

For the year ended 31 October 2023, the Company achieved net profit of EUR 2.712 mil. according to Individual Financial Statements. The Board of Directors proposes the following distribution of the profit:

1. EUR 271 ths. will be allocated to the reserve fund.
2. EUR 13 ths. will be allocated to the social fund, based on the Collective Agreement.
3. The balance in the amount of EUR 2,428 mil. will be transferred to the retained earnings account.


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AUTHENTIC
s.Oliver

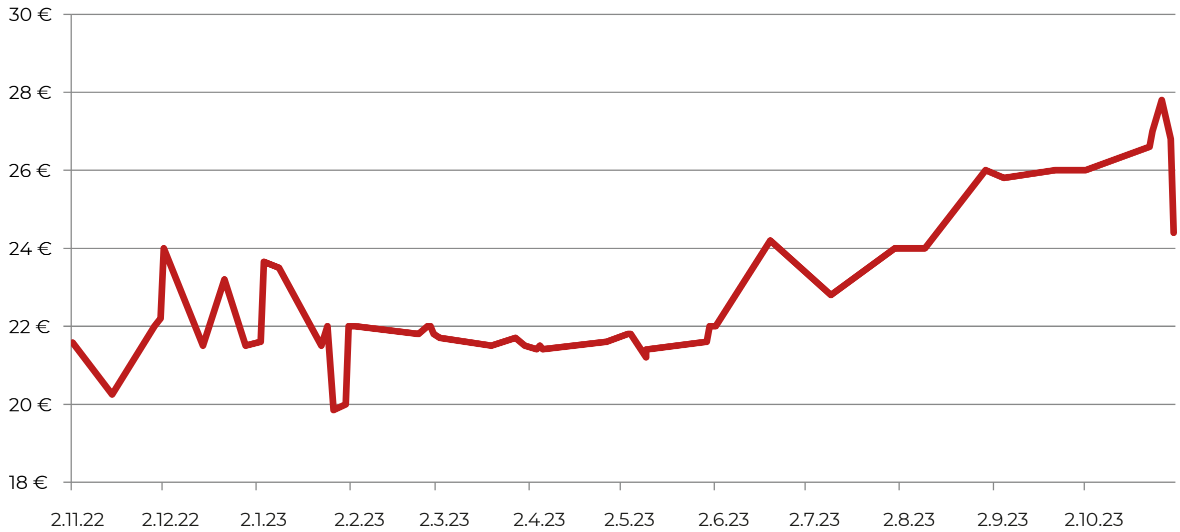
SHARES

Shares

SHAREHOLDER CLUB

TMR and individual shareholders have come together in partnership based on trust in order to move successfully forward, create loyalty with special offers in the region's most popular resorts, and to increase the number of registered shareholders. For this reason Shareholder Club was established at the beginning of 2010. Shareholders who own at least 500 shares have the right to benefits that help them to get to know the Group and its activities better through special deals as part of the GOPASS program. You can find more information on https://tmr.sk/en/shareholder-club.

TMR Stock Performance on the BSSE



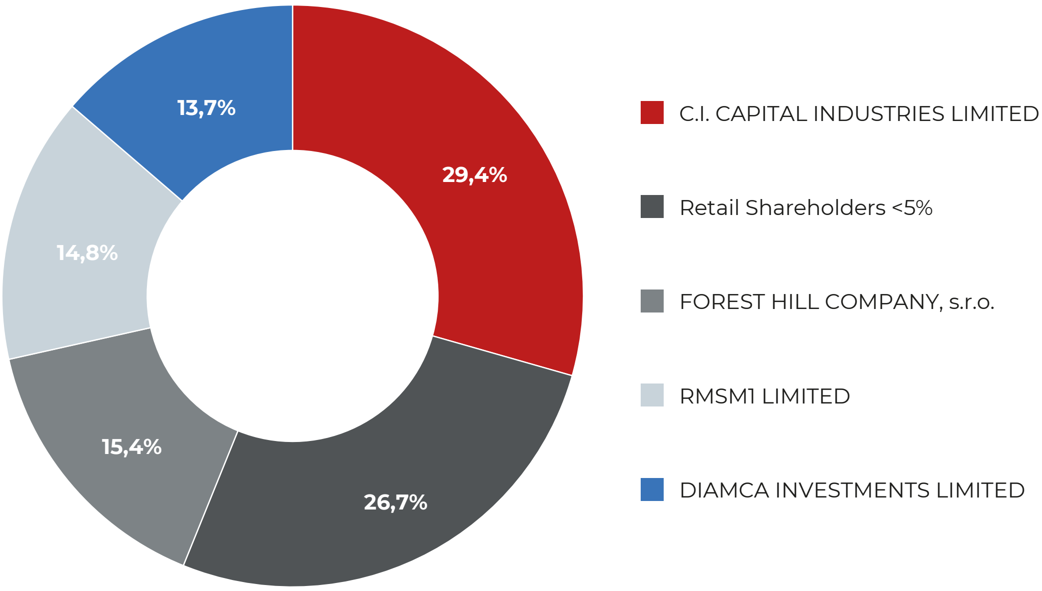
Closing Price	BCPB (EUR)	WSE (PLN)	BCPP (CZK)
31.10.2023	24,40	116,00	615,00
31.10.2022	24,00	130,00	610,00

* BSSE - the Bratislava Stock Exchange
WSE - the Warsaw Stock Exchange
PSE - the Prague Stock Exchange

SHAREHOLDER STRUCTURE

To the best of the Company's knowledge the following entities held the following direct or indirect interest in the share capital and the Company voting rights as of 31/10/2023:

Shareholder Structure as of 31.10.2023



Company / Name	No. of Shares	Interest in Share Capital		Voting Rights %
		in EUR thousands	%	
C.I. CAPITAL INDUSTRIES LIMITED	1 973 197	13 812	29,4%	29,4%
Retail Shareholders	1 791 636	12 541	26,7%	26,7%
FOREST HILL COMPANY, s.r.o.	1 030 919	7 216	15,4%	15,4%
RMSM1 LIMITED	992 666	6 949	14,8%	14,8%
DIAMCA INVESTMENTS LIMITED	918 780	6 431	13,7%	13,7%
Total	6 707 198	46 950	100,0%	100,0%

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Financial Statements

Tatry mountain resorts, a.s.,
Subsidiaries, Joint Ventures and Associates

Consolidated Financial Statements
for the Period from 1 November 2022 to 31 October 2023

prepared in accordance with the
International Financial Reporting
Standards ("IFRS") as adopted by the European Union

Consolidated Statement of Profit and Loss and Other Comprehensive Income

in TEUR	Note	1.11.2022 - 31.10.2023	1.11.2021 - 31.10.2022
Sales	6	188 379	132 119
Total revenue		**188 379**	**132 119**
Material and goods consumption	7	-24 687	-19 070
Purchased services	8	-51 468	-39 679
Personnel expenses	9	-54 422	-43 244
Other operating expenses	10	-2 043	-1 758
Other operating income	11	3 447	4 843
Gain / (loss) on revaluation of investment property	17	-	-906
Impairment losses to financial assets	20,21,22,23,25	160	1 391
Profit / (loss) before interest, taxes, depreciation and amortization (EBITDA)*		**59 366**	**33 696**
Depreciation and amortization	14,16	-25 637	-23 388
Depreciation of right-of-use assets	15	-5 844	-5 863
Gain on bargain purchase	5	-	13 162
Impairment of non-current assets	14,16	-4 528	-5 977
Profit / (loss) before interest, taxes (EBIT)		**23 357**	**11 630**
Interest income calculated using effective interest rate	12	238	47
Financing cost	12	-27 574	-22 915
Net profit / (loss) on financial operations	12	6 889	-2 356
Share of profit or (loss) from disposal of subsidiaries	5	-	-482
Share of profit or (loss) on equity-accounted investees	5	-355	-163
Profit / (loss) before tax		**2 555**	**-14 239**
Current income tax	13	-1 919	-776
Deferred income tax	13	-1 184	3 068
Profit / (loss)		**-548**	**-11 947**
Attributable to:			
- Holders of interest in the parent company's equity		**-497**	**-11 361**
- Non-controlling interest		**-51**	**-586**
Other components of the comprehensive income			
Other comprehensive income that may be reclassified to profit or (loss) in subsequent periods (net of tax):			
Net gain/(loss) on cash flow hedges	30	2 602	-1 103
Foreign currency translation reserve	26	-3 148	550
Total comprehensive income / (expense)		**-1 094**	**-12 500**

Consolidated Statement of Profit and Loss and Other Comprehensive Income (continued)

Total comprehensive income / (expense)		**-1 094**	**-12 500**
Attributable to:			
- Holders of interest in the parent company's equity		**-1 040**	**-11 912**
- Non-controlling interest		**-54**	**-588**
Basic and diluted earnings per share (in EUR)	26	**-0,074**	**-1,694**
Number of shares		**6 707 198**	**6 707 198**

*EBITDA represents a profit from recurring activities of the Group before taxes, interest, amortisation and depreciation, adjusted for other income and expenses, which are listed under EBITDA, in particular profit / (loss) from financial operations representing foreign exchange gains / (losses). The EBITDA indicator adjusted in this way is used by the Group's management to manage the Group's performance as well as individual CGUs (cash-generating units).

The Notes on pages 103 to 177 constitute an integral part of the Consolidated Financial Statements.

An overview of the statement of profit and loss by particular segments is in Note 4 – Information about operating segments.

Consolidated Statement of Financial Position

in TEUR	Note	31.10.2023	31.10.2022
Assets			
Goodwill and intangible assets	16	35 431	35 605
Property, plant and equipment	14	414 566	404 962
Right-of-use assets	15	59 018	70 499
Investment property	17	6 663	7 411
Investment in an associate and a joint venture	5	13 219	13 552
Loans provided	20	1 245	894
Other receivables	22	506	508
Deferred tax asset	18	5 296	4 182
Total non-current assets		**535 944**	**537 613**
Inventory	19	9 471	4 507
Trade receivables	21	5 537	4 872
Loans provided	20	1 426	1 215
Other receivables	22	1 838	4 172
Financial investments	24	39	42
Cash and cash equivalents	25	17 727	15 600
Other assets	23	7 652	6 646
Total current assets		**43 690**	**37 054**
Assets total		**579 634**	**574 667**
Equity	26		
Share capital		46 950	46 950
Share premium		30 430	30 430
Retained earnings		-50 872	-50 029
Other reserves		7 534	4 603
Foreign currency translation reserve		-1 446	1 699
Total equity attributable to holders of interest in the parent company's equity		**32 596**	**33 653**
Non-controlling interest		-700	-646
Total equity		**31 896**	**33 007**
Liabilities			
Loans and borrowings	27	106 420	112 679
Lease liabilities	28	63 838	58 489
Trade payables and other payables	29	864	3 630
Provisions	33	167	141
Other non-current liabilities	32	12 741	13 079
Bonds issued	34	166 643	198 496
Deferred tax liability	18	29 597	26 730
Total non-current liabilities		**380 270**	**413 244**
Loans and borrowings	27	11 462	10 151
Lease liabilities	28	8 440	8 609
Trade payables and other payables	29	25 214	22 226
Contract liabilities	31	19 810	15 571
Provisions	33	422	472
Bonds issued	34	94 621	67 690
Corporate income tax liability	13	1 516	-
Other current liabilities	32	5 983	3 697
Total current liabilities		**167 468**	**128 416**
Total liabilities		**547 738**	**541 660**
Total equity and liabilities		**579 634**	**574 667**

The Notes on pages 103 to 177 constitute an integral part of the Consolidated Financial Statements.

Consolidated Statement of Changes in Equity

in TEUR	Share capital	Share premium	Legal reserve fund	Fair value revaluation reserve	Hedging revaluation reserve	Foreign currency translation reserve	Accumulated losses	Equity attributable to holders of interest in the parent company's equity	Non-controlling interest	Total
Balance as at 1 November 2022	**46 950**	**30 430**	**7 021**	**184**	**-2 602**	**1 699**	**-50 029**	**33 653**	**-646**	**33 007**
Transfer of retained earnings into the legal reserve fund	-	-	329	-	-	-	-329	**-**	-	**-**
Contributions to the social fund	-	-	-	-	-	-	-17	**-17**	-	**-17**
Profit / (loss) for the period	-	-	-	-	-	-	-497	**-497**	-51	**-548**
Other components of comprehensive income, after tax - items with possible subsequent reclassification to profit/(loss):										
Cash Flow hedge	-	-	-	-	2 602	-	-	**2 602**	-	**2 602**
Foreign currency translation reserve	-	-	-	-	-	-3 145	-	**-3 145**	-3	**-3 148**
Total comprehensive income for the period	**-**	**-**	**329**	**-**	**2 602**	**-3 145**	**-843**	**-1 057**	**-54**	**-1 111**
Transactions with owners posted directly into equity										
Effect of disposal of a subsidiary	-	-	-	-	-	-	-	**-**	-	**-**
Total transactions during the year	-	-	-	-	-	-	-	-	-	-
Balance as at 31 October 2023	**46 950**	**30 430**	**7 350**	**184**	**-**	**-1 446**	**-50 872**	**32 596**	**-700**	**31 896**

Consolidated Statement of Changes in Equity (continued)

in TEUR	Share Capital	Share premium	Legal reserve fund	Fair value revaluation reserve	Hedging revaluation reserve	Foreign currency translation reserve	Accumulated losses	Equity attributable to holders of interest in the parent company's equity	Non-controlling interest	Total
Balance as at 1 November 2021	**46 950**	**30 430**	**7 021**	**184**	**-1 499**	**1 147**	**-38 668**	**45 565**	**-442**	**45 123**
Profit / (loss) for the period	**-**	**-**	**-**	**-**	**-**	**-**	-11 361	**-11 361**	-586	**-11 947**
Other components of comprehensive income, after tax - items with possible subsequent reclassification to profit/(loss):										
Cash Flow hedge	-	-	-	-	-1 103	-	-	**-1 103**	-	**-1 103**
Foreign currency translation reserve	-	-	-	-	-	552	-	**552**	-2	**550**
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-1 103**	**552**	**-11 361**	**-11 912**	**-588**	**-12 500**
Transactions with owners posted directly into equity										
Effect of disposal of a subsidiary	-	-	-	-	-	-	-	**-**	384	**384**
Total transactions during the year	-	-	-	-	-	-	-	**-**	384	**384**
Balance as at 31 October 2022	**46 950**	**30 430**	**7 021**	**184**	**-2 602**	**1 699**	**-50 029**	**33 653**	**-646**	**33 007**

The Notes on pages 103 to 177 constitute an integral part of the Consolidated Financial Statements.

Consolidated Cash Flow Statement

in TEUR	Note	1.11.2022 - 31.10.2023	1.11.2021 - 31.10.2022
OPERATING ACTIVITIES			
Loss		**-548**	**-11 947**
Adjustments related to:			
Gain on disposal of property, plant and equipment and intangible assets	14,16	-2 002	-3 341
Depreciation and amortisation	14,16	25 637	23 388
Depreciation of right-of-use assets	15	5 844	5 863
Impairment losses to financial assets	20,21,22,23,25	-160	-1 391
Impairment of non-current assets	14,15	4 528	5 977
Net (gain) / loss on financial instruments (non-cash)	5	-6 889	2 356
Share of (profit) or loss of investments in joint ventures and associates accounted for using equity method	5	355	163
Loss from disposal of subsidiaries	5	-	482
(Profit) / loss on revaluation of investment property	17	-	906
Net interest (income)/ expenses	12	27 336	22 869
Gain on bargain purchase	5	-	-13 162
Change in provisions	33	-23	-366
Income tax	13	3 103	-2 292
Change in trade receivables, other receivables and other assets	21,22,23	3 858	-2 703
Change in inventories	19	-4 964	-397
Change in trade payables and other liabilities	29, 32	6 176	5 809
Cash flow from operating activities before income tax		**62 251**	**32 214**
Income tax paid		-822	757
Cash flow from operating activities		**61 429**	**32 971**
INVESTING ACTIVITIES			
Acquisition of property, plant and equipment and intangible assets	14,16	-22 654	-23 535
Proceeds from disposal of property, plant and equipment and intangible assets	14,16	4 090	7 495
Net cash income/ (expenditure) from the purchase of subsidiaries	5	-	-6 833
Proceeds from the sale of shares in subsidiaries	5	-	2 346
Loans provided	20	-920	-246
Repayment of loans provided	20	389	331
Proceeds from disposal of financial investments	24	3	-
Interest received	12	9	9
Cash flow from investing activities		**-19 083**	**-20 433**
FINANCING ACTIVITIES			
Repayment of lease liabilities	28	-6 589	-7 596
Repayment of received loans and borrowings	27	-8 691	-22 552
Loans and borrowings received	27	2 928	34 112
Bonds issued	34	56 457	1 518
Repayment of bonds	34	-61 127	-
Interest paid	12	-23 197	-17 973
Cash flow from financing activities		**-40 219**	**-12 491**
Net increase of cash and cash equivalents		2 127	47
Cash and cash equivalents at the beginning of the year	25	15 600	15 553
Cash and cash equivalents at end of the year	25	**17 727**	**15 600**

The Notes on pages 103 to 177 constitute an integral part of the Consolidated Financial Statements.

Notes to the Consolidated Financial Statements

Content

1. Information about the Company

Tatry mountain resorts, a.s. (the "Parent Company" or the "Company") is a joint stock company with its registered office and place of business in Demänovská Dolina 72, 031 01 Liptovský Mikuláš. The Company was established on 20 March 1992 and incorporated on 1 April 1992. The Company's identification number is 31 560 636 and its tax identification number is 2020428036.

The Company is not a fully liable partner in other accounting entities.

The Company's shares have been registered on the Bratislava Stock Exchange since 19 November 1993, on the Warsaw Stock Exchange (WSE) since 15 October 2012 and on the Prague Stock Exchange (BCCP) since 22 October 2012.

The structure of the Company's shareholders is described in part 26 - Equity.

The consolidated financial statements of the Group for the period ending 31 October 2023 comprise the statements of the parent company, its subsidiaries, joint ventures and associates (together referred to as the "Group"). The principal activities of the Group include cable and ski lift operations, restaurant and dining services, the operation of ski and snowboard schools, purchase and sale of goods, hotel management, operation of an amusement park and golf resorts. On 1 November 2020, there was a merger of the Parent Company with 1. Tatranská, akciová spoločnosť ("1. Tatranská"). As at 1 May 2021, the Group expanded its portfolio by adding the subsidiary Muttereralm Bergbahnen Errichtungs GmbH (100% share). On 4 June 2021, GOPASS, a.s. was founded with registered capital of EUR 25 thousand. The Parent Company became its sole shareholder. On 29 October 2021, the Parent Company sold Aquapark Tatralandia and Holiday Village Tatralandia assets to its subsidiary TMR Parks, a.s. (former name: Tatry mountain resorts PL, a.s.), but the Parent Company continues to operate them. On 31 March 2022, the Group acquired a 100% share and control in WORLD EXCO s.r.o. The acquired company operates a congress center in Bešeňová. On 31 March 2022, the Group also acquired a 100% share and control in EUROCOM Investment, s.r.o. The acquired company operates the Bešeňová water park, Hotel Galeria Thermal and Hotel Bešeňová. On 22 June 2022, for the purpose of providing services within the TMR Group, International TMR services s.r.o. was founded, 100% owned by the Company. On 1 July 2022, the Company acquired a 100% share in the European company GOPASS SE, which will serve the purpose of expanding in the European market. On 30 September 2022, the Group sold its 51% stake in Tikar d.o.o.

On 1 November 2022, the companies EUROCOM Investment, s.r.o and WORLD EXCO, s.r.o were merged and the company EUROCOM Investment s.r.o became the legal successor. On 8 November 2022, GOPASS SE, a branch in Slovakia, was founded. It is an enterprise of a foreign entity of a European company - a subsidiary of GOPASS SE. As at 1 April 2023, the cross-border merger of GOPASS a.s. as a dissolving company with the successor company GOPASS SE took effect. The decisive date for the merger is 1 November 2022. GOPASS a.s. ceased to exist as a result of a cross-border merger without liquidation as at 1 April 2023. On 28 June 2023, TMR Real Estate, s.r.o. was established for the purpose of real estate activities, and the Company became its sole shareholder. On 26 September 2023, the company Štrbské Pleso resort, s. r. o. was established, and the Company became its 100%-owner.

The average number of Group employees and information about used the services of employment agencies for short-term personnel leasing are described in part 9 – Personnel expenses.

The Group’s bodies are:

Board of Directors:

Ing. Igor Rattaj, the Chairman
Ing. Zuzana Ištvánfiová, the Vice Chairman (since 1.6.2023)
Ing. Jozef Hodek, the Member (to 30.6.2023)
Čeněk Jílek, the Member

Supervisory Board:

Ing. Jozef Hodek (since 1.7.2023)
Ing. Bohuš Hlavatý (to 30.6.2023)
Ing. František Hodorovský
Roman Kudláček
Ing. Andrej Devečka
Ing. Pavol Mikušiak
Adam Tomis
Mgr. Marek Schwarz
Ivan Oško
Miroslav Roth

2. Significant Accounting Policies

(a) Statement of compliance

The Consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (“IFRS”) as adopted by the EU and in accordance with Act No. 431/2002 Coll. of the National Council of the Slovak Republic on Accounting (“Act on Accounting”). The Consolidated financial statements have been prepared for the period from 1 November 2022 to 31 October 2023.

The financial statements were approved by the Board of Directors on 29 February 2024.

(b) Basis of preparation

The Consolidated financial statements have been prepared based on the historical cost principle, while the investment property and financial instruments measured at fair value were revalued to their fair value through profit or loss.

The Group's Consolidated financial statements have been prepared on a going-concern basis (for more details see also Note 39 – Subsequent events).

The Group's management expects that the Group has sufficient resources to continue as a going concern for at least another 12 months and that the preparation of the financial statements, assuming the continuity of its operations, is appropriate.

The Group consistently plans the future development of the financial position, cash flows and operational results. It monitors the development of its financial results against financial plans and previous periods. It evaluates external factors, such as interest rates, unemployment, inflation, and others, in all its relevant markets. It uses the information and assumptions of developments in the preparation of long-term plans and cash flow projections, considering the needs for financing its operations. It is essential for the Group to meet its required capital commitments and ensure sufficient cash liquidity. The Group regularly monitors these parameters with an emphasis on maintaining sustainability of its business and functioning on a going concern basis. It adapts its strategy and management to the needs of meeting its commitments and investment needs of its resorts. The Group does not have and does not foresee any cash flow management issues for the next period. The Group considers the impact of macroeconomic developments in its plans and management and considers the current situation to be manageable. The Group, in its plans and management, takes into account the impacts of macroeconomic development and considers the current situation to be manageable. Thanks to investments into snowmaking, it was possible to open the ski season earlier than usual in several resorts in December 2023. At the same time, favorable weather conditions allowed for a wider-scale opening of the resorts, which resulted in an increased number of visitors at the resorts and hotels. Consequently, planned revenues and financial results have been exceeded above the expectations.

The consolidated financial statements have been prepared in EUR thousands. The accounting methods were consistently applied by the companies in the Group in accordance with the previous accounting period.

The preparation of financial statements in compliance with the International Financial Reporting Standards as adopted by the EU requires the application of various judgements, assumptions and estimates which affect the reported amounts of assets, liabilities, income and expenses. However, actual results will likely differ from these estimates. Significant accounting estimates and judgements which were made by management, and which bear a significant risk of material adjustment in the next accounting period are discussed in Note 3 – Significant accounting estimates and assumptions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of revision and also in future periods if the revision affects both current and future periods.

(c) Adoption of new standards and interpretations

The accounting principles used are consistent with the accounting principles and methods used when preparing the individual financial statements for the financial year ended 31 October 2023.

In the course of the accounting period starting on 1 November 2022 the Group implemented the following new IFRS standards, amendments to standards and IFRIC interpretations. The application of these standards had no impact on the financial statements of the Group.

- Amendments to IFRS 3 "Business Combinations" – adopted by the EU on 28 June 2021 (effective for annual periods beginning on or after 1 January 2022),
- Amendments IAS 16 "Property, Plant and Equipment" – adopted by the EU on 28 June 2021 (effective for annual periods beginning on or after 1 January 2022),
- Amendments IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" – adopted by the EU on 28 June 2021 (effective for annual periods beginning on or after 1 January 2022),
- Annual amendments to various standards due to "IFRS quality improvement project (cycle 2018 – 2020)" – resulting from the annual IFRS quality improvement project, the main aim of which is to eliminate inconsistencies and clarify the wording – adopted by the EU on 28 June 2021 (effective for annual periods beginning on or after 1 January 2022).

(d) International financial reporting standards that were issued but not yet effective

The Group did not apply any International Financial Reporting Standards as adopted by the European Union before the date they become effective. In case that the transition arrangements allow entities to choose between prospective or retrospective approach, the Group decided to apply these standards prospectively.

As at 31 October 2023, the following International Financial Reporting Standards, amendments to standards and interpretations as adopted by the European Union were issued but not yet effective, and have not been applied by the Group in preparing these financial statements:

- Amendments to IFRS 17 Insurance contracts - Initial application of IFRS 17 and IFRS 9 - Comparative information – adopted by the EU on 8 September 2022 (effective for annual periods beginning on or after 1 January 2023),
- Amendments to IAS 12 Income taxes – Deferred tax relating to assets and liabilities arising from a single transaction - adopted by the EU on 11 August 2022 (effective for annual periods beginning on or after 1 January 2023),
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies – adopted by the EU on 2 March 2022 (effective for annual periods beginning on or after 1 January 2023),
- Amendments to IAS 8 Accounting principles, Changes in accounting estimates and errors - Definition of accounting estimates – adopted by the EU on 2 March 2022 (effective for annual periods beginning on or after 1 January 2023),
- IFRS 17 Insurance contracts; including Amendments to IFRS 17 – adopted by the EU on 19 November 2021 (effective for annual periods beginning on or after 1 January 2023).

The Group anticipates that the issuance of new but not yet effective International Standards will not affect the financial statements.

(e) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i. Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Buildings and land — 30 years
- Individual movables and sets of movables
  - Works of art — 20 years
  - Billboards and advertising space — 10 years
  - Snow groomers — 8 years
  - Other — 5 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

Refer to the accounting policies related to impairment of non-financial assets in note 2(l) Impairment of non-financial assets.

ii. Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group does not apply the practical expedient in IFRS 16.15. Every contract is examined to determine whether it contains a non-lease components in addition to lease components. Non-lease components are separated from the lease components, and only the lease components are accounted for in accordance with the provisions of IFRS 16.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. When revaluing lease liability due to a lease modification, residual value of the right-of-use asset is adjusted for the revaluation difference. Right-of-use asset is further depreciated from this adjusted value.

The Group's lease liabilities are included in Lease liabilities (see Note 28).

iii. Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). The Group also applies the lease of low-value assets recognition exemption to leases of items of low value - below EUR

1,000. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

In the case of leases, in which the Group transfers substantially all the risks and rewards of ownership of the asset, are classified as finance leases. The leased asset is derecognised and the Group recognizes a financial asset measured at amortized cost, representing the present value of the lease payments, adjusted as in lease liabilities.

In case that the Group leases right-of-use assets, which it further sublets as a lessor to other lessees, the Group evaluates the lease provided to the lessee on whether it is an operating or financial sublease. The only different criterion compared to leasing own assets is the assessment of the sublease against the right-of-use and not the original underlying asset. After assessing whether it is a financial or operating lease, it is subsequently reported in terms of accounting policies for the Group as a lessor.

(f) Financial instruments

i. Initial recognition and measurement of financial asset

Financial assets upon initial recognition are classified in one of three categories as financial assets subsequently measured at amortized cost, fair value through other comprehensive income (OCI) and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and the Group’s business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient (ie. the Group measures life-time credit losses). The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are ‘solely payments of principal and interest (SPPI)’ on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

ii. Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- financial assets at amortised cost (debt instruments),
- financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments),
- financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments),
- financial assets at fair value through profit or loss.

iii. Financial assets at amortised cost (debt instruments)

The Group measures financial assets at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes Trade receivables, Other receivables and Loans provided.

iv. Financial assets at fair value through OCI without recycling of cumulative gains and losses upon derecognition (equity instruments)

The Group decided to measure equity instruments at fair value through OCI if both of the following conditions are met:

- the equity instrument is an instrument neither in Associate, nor in Subsidiary,
- the equity instrument is not held for trading.

v. Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- the rights to receive cash flows from the asset have expired, or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

vi. Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a method, that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. For financial assets, where simplified approach is not used – Loans provided, significant increase in credit risk since initial recognition is assessed on an individual basis.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as foreign currency swaps to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as:

- cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability.

The Group does not use any other form of hedges.

At the beginning of the hedging relationship will be formally defined and documented hedging relationship and objective and strategy of an entity's risk management to ensure implementation. The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Company will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined).

A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is ‘an economic relationship’ between the hedged item and the hedging instrument.
- The effect of credit risk does not ‘dominate the value changes’ that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Cash flow hedges

That part of the gain or loss on the hedging instrument that is determined as effective hedging (i.e. that part that is offset by a change in the cash flow hedge provision) is recognized in other comprehensive income (OCI) until any remaining gain or loss on the hedging instrument (or any gain or loss required to offset a change in a cash flow hedge provision) represents a hedge ineffectiveness recognized in profit or loss.

The separate component of equity related to the hedged item (cash flow hedge reserve) is adjusted to the lower of the following values (in absolute terms):

i) the cumulative gain or loss on the hedging instrument since the inception of the hedge and

ii) the cumulative change in the fair value (present value) of the hedged item (i.e. the present value of the cumulative change in the hedged expected future cash flows) since the inception of the hedge.

The Group uses swap currency contracts as hedges of its exposure to foreign currency risk in loans taken out in foreign currencies.

If the hedged expected transaction subsequently results in the recognition of a non-financial asset or non-financial liability, or if the hedged expected transaction with a non-financial asset or non-financial liability becomes a liability to which fair value hedge accounting applies, the entity removes that amount from the cash flow hedge provision and includes it directly in the initial cost or other carrying amount of the asset or liability. It does not constitute a reclassification adjustment (see IAS 1) and therefore does not affect the other components of the comprehensive income.

For other cash flow hedges, the amount is reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment in the same period or periods during which the hedged expected future cash flows have an impact on profit or loss.

When an entity ceases to account for a cash flow hedge, the amount that has accumulated in the cash flow hedge reserve remains in the cash flow hedge reserve until future cash flows are expected, otherwise the amount is immediately reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment.

(g) Basis for consolidation

i. Subsidiaries

Subsidiaries are those enterprises that are controlled by the Group. The control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an enterprise, so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The consolidated financial statements include the Group's interests in other entities based on the Group's power to control such entities regardless of whether the control is actually exercised or not. The financial statements of subsidiaries are included in the consolidated financial statements from the day of origin of the control until the day of cessation of the control.

ii. Associates

Associates are those enterprises in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when a company holds between 20 and 50 percent of the voting rights of another entity. Investment in associate is recognised initially at cost. The consolidated financial statements include the Group's interest in the reported profits and losses of associates according to the equity method from the date of origin of significant influence until the date of cessation of the substantial influence. The investment is initially recognized at acquisition cost. At the subsequent valuation when the Group's share of the losses exceeds the carrying amount of the associate, the carrying amount of that company is reduced to zero and the recognition of future losses is discontinued, except when the Group has incurred any liabilities in respect of the associate.

iii. Joint ventures

A joint venture is a joint arrangement where two or more participants carry out an economic activity that is subject to joint control, through which the Group has a right to the net assets of the arrangement but not a right to assets and obligation for liabilities related to that arrangement. Joint control is the contractually agreed sharing of control of an arrangement. Joint ventures are carried at cost. The consolidated financial statements include the Group’s share of the total recognised gains and losses of joint ventures on an equity method basis, from the date that joint control commences until the date that joint control ceases.

The cost of jointly controlled (associated) ventures is derived from the amount of spent cash or cash equivalents or is recognised at fair value of contributed assets and liabilities to acquire the enterprise at the moment of acquisition. Costs related to acquisition (transaction costs) are included in the cost of the investment.

As at the reporting date of the consolidated financial statements, the management reconsiders whether any events occurred which could cause impairment of jointly controlled (associated) ventures. Potential impairment of financial investments below their cost is recognised through a value adjustment. Value adjustments are derived from the value of future cash flows discounted to present value.

iv. Scope of consolidation

The list of all companies included in the consolidation is provided in Note 42 – Companies within the Group.

v. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised gains or losses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

vi. Acquisition method of accounting

Acquisitions of subsidiaries are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the acquirer, liabilities incurred by the acquirer to the former owners of the acquiree and the equity interests issued by the acquirer.

Acquisition-related costs are recognised directly in profit or loss.

The acquiree's identifiable assets acquired and the liabilities assumed that meet the recognition criteria under IFRS 3 are recognised at their fair value at the acquisition date.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer’s previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. Otherwise, the difference is reassessed and any excess remaining (gain on bargain purchase) after the reassessment is recognised directly in profit and loss.

The non-controlling interest is measured *as a proportionate share* of identifiable assets of the acquiree’s identifiable assets.

vii. Unification of accounting principles

The accounting principles and procedures applied by the consolidated companies in their financial statements were unified in the consolidation and comply with the principles applied by the Parent company.

(h) Foreign currency

Foreign currency transactions

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates (the functional currency). The consolidated financial statements are presented in thousands of euros, which is the Group's presentation currency and Parent Company’s functional currency. Transactions in foreign currencies are translated into euros at the foreign exchange rate valid at the date immediately preceding the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into euros at the financial statements date at the exchange rate of the European Central Bank valid at that day.

Foreign exchange differences arising from such translations are recognised through profit or loss. Non-monetary assets and liabilities denominated in foreign currencies, which are measured at cost, are translated into euros using the exchange rate valid at the date immediately preceding the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated into euros at the foreign exchange rates valid at the dates the fair values are determined.

Foreign currency translation reserve includes all foreign exchange differences that arise from the transfer of financial statements of foreign entities within the consolidation group.

Conversion of foreign operations

The results and financial position of a foreign operation are translated into the presentation currency so that the foreign operation can be included in the financial statements of the reporting entity upon full consolidation. The results and financial position are translated into another presentation currency, where:

a) Assets and liabilities for each presented statement of financial position (i.e. including comparable data) are translated at the closing rate valid on the date on which this statement of financial position was prepared.

b) Revenue and expenses for each statement of comprehensive income (i.e. including comparable information) shall be translated at the average exchange rate for the period.

c) All resulting exchange differences are recognized in other comprehensive income.

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and in banks, short-term highly liquid investments with original maturities of three months or less and short-term highly liquid investments readily convertible for known amounts of cash.

(j) Inventories

Inventories are measured at the lower of acquisition cost (purchased inventory), respectively in own costs (incurred by own activity), and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses. Purchased inventories are measured at cost, which includes the purchase price and other directly attributable expenses incurred in acquiring the inventories and bringing them to their existing location and condition. Own costs include direct costs and indirect costs associated with acquiring inventories by own activity. The Group uses a weighted average cost method for valuation of its inventories.

(k) Offsetting

Financial assets and liabilities are offset and their net amount is reported in the balance sheet when the Group has a legally enforceable right to set off the recognised amounts and the transactions are intended to be settled on a net basis.

(l) Impairment of non-financial assets

The carrying amounts of the Group's assets, other than inventories (refer to the accounting policy under letter j), investment property (refer to the accounting policy under letter o), financial assets (refer to the accounting policy under letter f), and deferred tax assets (refer to the accounting policy under letter s) are reviewed at each financial statements date to determine whether there is objective indication of impairment of the asset. If any such indication exists, the asset's recoverable amount is estimated. Intangible assets that have an indefinite useful life are not subject to amortisation but are tested annually for impairment as part of the cash-generating unit to which they belong. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

If assets available for sale caused a decrease in fair value recognized directly in equity and if objective reasons exist that prove that there was a decrease in the fair value of the assets, the cumulated loss recognized in equity shall be reported in the profit and loss statement even if the relevant asset had not been derecognized from the financial position.

The recoverable amount of other assets is the greater of their value in use less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In the case of goodwill, an impairment loss cannot be decreased subsequently.

In respect of other assets, an impairment loss is reversed or decreased when there is an indication that the impairment loss no longer exists and there has been a change in the estimates used to determine the recoverable amount.

An impairment loss can only be reversed or decreased to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(m) Property, plant and equipment

i. Owned assets

Single items of property, plant and equipment are measured at cost less accumulated depreciation (see below) and impairment losses (refer to the accounting policy under letter l). Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use and costs of dismantling and removing the items and restoring the site where it was located. When parts of an item of property, plant and equipment have different useful lives, those components are accounted for as Consolidated items (major components) of property, plant and equipment.

ii. Subsequent expenditures

Subsequent expenditure is capitalised if it is probable that the future economic benefits embodied in the part of property, plant and equipment will flow to the Group and the relevant cost can be measured reliably. All other expenditures including the costs of day-to-day servicing of property, plant and equipment are recognised in profit or loss in the period to which they relate.

iii. Depreciation

Except as specified below, depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of individual items of property, plant and equipment. Land is not depreciated. The estimated useful lives are as follows:

• Buildings	30 - 45 years
• Cableways and ski lifts	
▪ Fixed structures and other objects	20 – 40 years
▪ Technology and accessories	4 - 12 years
• Individual movables and sets of movables	
▪ Geothermal borehole	40 years
▪ Slides	25 years
▪ Equipment	5 - 12 years
▪ Fixtures and fittings and others	5 - 10 years

Depreciation methods, useful lives, as well as residual values, are reassessed annually as at the financial statement’s date. Each significant part of property, plant and equipment (component) with cost significant in relation to the total cost of the relevant item is depreciated separately.

iv. Capitalized borrowing costs

Borrowing costs attributable to the asset that necessarily takes a substantial period of time to get ready for its use or sale are capitalised by the Group as part of the cost of the asset.

(n) Intangible assets

i. Goodwill and intangible assets acquired in a business combination

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date fair values of the identifiable assets acquired and the liabilities assumed. Goodwill on acquisition of subsidiaries is included under intangible assets. Goodwill on acquisition of associates is included in the investments in associates.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Bargain purchase (negative goodwill) arising on an acquisition is reassessed and any excess remainder of the negative goodwill after the reassessment is recognised in profit or loss.

Intangible assets acquired in a business combination are recognised at fair value on the acquisition date if the intangible asset is separable or arises from contractual or other legal rights. Intangible assets with an indefinite useful life are not subject to amortisation and are recorded at cost net of impairment loss. Intangible assets with a definite useful life are amortized over the useful life and are stated at cost net of accumulated amortisation and impairment losses.

ii. Software and other intangible assets

Software and other intangible assets acquired by the Group are stated at cost less accumulated amortisation (see below) and impairment losses (refer to the accounting policy under letter l). Useful life of these assets is reassessed regularly.

iii. Amortisation

Amortisation is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date the asset is available for use. The estimated useful lives are as follows:

- Software — 2 – 5 years
- Valuable rights — each item uses an individual depreciation plan, based on the estimated useful lives if these assets, valuable rights also include trademarks which represent non-depreciated assets. The Group uses 2, 6, 7, 8, 10, 12 and 50-year useful lives for its valuable rights

(o) Investment property

Investment property represents assets that are held by the Group to generate rental income or to realise a long-term increase in value, or for both of these purposes. Investment property is stated at fair value, which is determined by an independent expert or by the management. Fair value is based on current prices of similar assets on an active market under the same location and the same conditions, or where such conditions are not available, by applying the generally applicable valuation models such as the yield method. Any gain or loss arising from a change in fair value is recognised in profit or loss.

Assets that are constructed or developed for their future use as investment property are measured at fair value if the fair value can be determined reliably.

Details on the valuation of investment property are specified in Note 3(b) – Significant accounting estimates and assumptions, Valuation of investment property. Rental income from investment property is accounted for as described in the accounting policy under letter (e) Leases – Group as a lessee.

(p) Government grants

Government grants are recognised where there is a reasonable assurance that the grant will be received, and all attached conditions will be complied with.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

(q) Provisions

A provision is recognised in the balance sheet when the Group has a present legal, contractual, or non-contractual obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Long-term provisions the reduction of which to their present value would have a material impact on the financial statements are discounted to their present value.

i. Long-term employee benefits

Liability of the Group resulting from long-term employee benefits other than pension plans represents the estimated amount of future benefits that employees have earned in return for their service in the current and prior periods. The liability is calculated using the projected unit credit method, discounted to its present value. A discount rate used to calculate the present value of liability is derived from the yield curve of high-quality bonds with maturities close to the conditions of the Group's liabilities as at the date of the financial statements preparation.

(r) Interest income and expense

Interest income and expense is recognised in profit or loss in the period to which it relates using the effective interest rate basis. All expenses on loans and borrowings are recognised in profit or loss, with the exception of capitalised borrowing costs; refer to the accounting policy under letter (m), part (*iv*).

(s) Income tax

Income tax on the profit for the current accounting period comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the current accounting period, using tax rates valid as at the date of the financial statement's preparation, and any adjustments to tax payable in respect of previous accounting periods.

The amount of deferred tax is based on the expected method of realization or settlement of the carrying amount of assets and liabilities using tax rates valid as at the date of the financial statement's preparation or enacted to this date.

Deferred tax is accounted for using the balance sheet method and calculated from all temporary differences between the carrying amounts of assets and liabilities determined for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences weren't taken into account: the initial recognition of assets or liabilities which affect neither accounting nor taxable profit, and the differences relating to investments in subsidiaries to the extent that it is probable that they will not be reversed in the foreseeable future. No deferred taxes are recognised on the initial recognition of goodwill. The amount of deferred tax is based on the expected way of realisation or settlement of the carrying amount of assets and liabilities, using the tax rates valid or approved as at the date of the financial statement's preparation.

Income tax is recognised directly in profit or loss, except for the part that relates to items recognised directly in equity, in which case the income tax is recognised in equity.

Deferred tax asset and liability are offset if there is a legally enforceable right to offset the payable tax liability and asset, and they relate to the same tax authority and the taxable entity.

A deferred tax asset is only recognised up to the amount of probable future taxable profits against which the unused tax losses and credits can be offset. Deferred tax assets are reduced by the amount for which it is probable that the related tax benefit will not be realised.

(t) Trade and other payables

Trade and other payables are stated at amortised cost (see point (y) Financial liabilities).

i. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are recognised as expenses at the time of provision of the service by the employees. A payable is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or contractual obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Customer advances received and current accruals are reported separately under customer contract obligations.

(u) Revenues from services rendered

The Group recognises eight types of basic revenues from services rendered:

- Revenues from cableways and ski lifts (hereinafter also referred to as "Mountain Resorts")
- Revenues from leisure parks
- Revenues from sports services and stores
- Revenues from hotel services (hereinafter also referred to as "Hotels")
- Revenues from restaurant facilities (hereinafter also referred to as "Dining")
- Revenues from real estate projects (mainly from investment property, hereinafter also referred to as "Real Estate")
- Revenues from golf resorts (hereinafter also referred to as "Golfs")
- Other revenues

The Group recognizes revenues to the extent, in which economic benefits are likely to flow to the Group, and these revenues can be reliably valued. The revenues are recognized at fair value. The Group accounts mainly for revenues from cable cars and amusement parks, which are accounted for in the profit or loss after fulfilling the obligation to perform the contract by transferring the promised service. Revenues from season ski passes and aqua passes are accrued depending on the period during which the service was provided.

Revenues from accommodation and restaurant facilities is charged daily on the basis of the services provided in each hotel establishment even for those customers who are still staying in the hotel facility. Revenue is accrued depending on the period during which the service was provided. Pre-paid advances from customers are recognized as liabilities under contract liabilities – referred to Note 31.

Revenues from services rendered do not include value added tax. They are also net of discounts and rebates (rebates, bonuses, discounts, credit notes and the like).

Since 2012 the Group has been running a loyalty program for its clients – Gopass, which enables its clients to earn points for purchase of products and services in its resorts and to redeem these points as discounts from future purchases. The amount of unredeemed points are recognized as a decrease in sales against revenue time difference, as they are related to promised discounts from future purchases of clients. The Group monitors the value of unredeemed points and revalues it on a regular basis for its recognition in the financial statements. From 1 November 2022 to 31 October 2022 was the loyalty program operated by the subsidiary GOPASS a.s. Since 1 November 2022 the loyalty program has been operated by the subsidiary GOPASS SE, that is a part of the Group.

Revenues from investment property projects are recognized for when the Group fulfills the obligation to perform the contract by transferring the property to the customer. The sale of investment property is reported in the Group's revenues on the date of signing the acceptance protocol, or by registration at the cadastre on the basis of the decision to allow the deposit of title, whichever occurs first.

Revenues from the sale of souvenirs and other goods shall be recognized when the Group fulfills the obligation to perform the contract by transferring the promised goods to the Customer or during this process. An asset is transferred when a customer acquires control of that asset. Other revenues from services provided shall be recognized following the provision thereof.

(v) Dividends

Dividends are recognised in the statement of changes in equity and also as liabilities in the period in which they are approved.

(w) Non-current assets and disposal groups held for sale

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets (or components of a disposal group held for sale) are re-measured in accordance with the International Financial Reporting Standards as adopted by the EU. Thereafter, upon initial classification as held for sale, the assets and disposal group held for sale are recognised at the lower of their carrying amount or fair value less cost to sell.

Any impairment loss on a disposal group is first allocated to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except for inventories, financial assets, deferred tax assets and investment property, which continue to be measured in accordance with the Group's accounting policies.

Impairment losses on initial recognition as held for sale are recognised in profit or loss even if the revaluation reserve was created. The same applies to gains and losses on subsequent measurements. Gains are not recognised in excess of any cumulative impairment loss. Property, plant and equipment and intangible assets classified as held for sale are no longer depreciated or amortised.

In case that, after the asset assignment into the group of assets held for sale, value is realized mainly through use rather than sale thereof, the assets shall be accounted back and depreciation or amortization for property, plant and equipment and intangible assets shall be recognised in the period when such change of assets arose.

(x) Reporting by segments

Operating segments are parts of the Group that are able to generate income and expenses with available financial information, which is regularly reviewed by the chief operating decision makers in order to allocate resources to the segments and to assess their performance. The management monitors 8 main segments, namely mountain resorts, leisure parks, hotels, dining, sports services and stores, real estate, golfs and other.

(y) Financial liabilities

The Group recognises financial liabilities as other financial liabilities. The Group does not recognise any financial liabilities valued at fair value through profit or loss.

In the Group’s Consolidated statement of financial position, other financial liabilities are recognized as received loans and borrowings, bonds issued, trade payables and other liabilities.

Financial liabilities are recognised by the Group on the trade date. Upon initial recognition, financial liabilities are measured at fair value including transaction costs.

Subsequent to initial recognition, financial liabilities are measured at amortized cost. Upon measurement at amortized cost the difference between the cost and the face value is recognised through profit or loss during existence of the asset or liability using the effective interest rate method.

Financial liabilities are derecognised when the Group's obligation specified in the contract expires, is settled or cancelled.

(z) Fair value estimates

The following notes summarise the main methods and assumptions used in estimating the fair values of financial assets and liabilities referred to in Note 35 – Fair value information:

i. Loans granted

Fair value is calculated based on discounted expected future principal and interest cash flows. Expected future cash flows are estimated considering credit risk and any indication of impairment. The estimated fair values of loans reflect changes in credit status since the loans were made and changes in interest rates in the case of fixed rate loans.

ii. Loans and borrowings

For loans and borrowings with no defined maturities, fair value is taken to be the amount payable on demand as at the date of preparation of the consolidated financial statement. The estimated fair value of fixed-maturity loans and borrowings is based on discounted cash flows using rates currently offered for loans and borrowings of similar remaining maturities.

iii. Trade receivables and other financial receivables

Short-term receivables without the interest rate are valued at the original invoice amount if the impact of discounting is insignificant. For receivables with a remaining life of less than one year, the nominal amount is deemed to reflect the fair value. Fair value is determined at initial recognition and for disclosure purposes at the end of the accounting period.

iv. Trade payables, and other financial liabilities

Trade payables and other financial liabilities are initially measured at fair value. The carrying amount of trade payables and other financial liabilities is approximately equal to their fair value.

v. Cash and cash equivalents

For cash and cash equivalents, it is assumed that their nominal value is also fair value.

vi. Other financial assets/liabilities

Other assets/liabilities are mainly claims on partner companies, which the Group uses for the proprietary sale of tickets to customers to its resorts, receivable/ liability from derivative operations - currency SWAP, remaining liability to shareholders from a reduction in share capital in 2013. Other financial assets/liabilities are discounted for the determination of fair value if the impact of discounting is material.

3. Significant Accounting Estimates and Assumptions

The preparation of the financial statements according to the International Financial Reporting Standards as adopted by the EU requires the application of certain significant accounting estimates. It also requires that the management, in the application process of the Group accounting principles, should use its judgement. These accounting estimates will, therefore, rarely conform to the actual results. Information about assumptions and estimation uncertainties as at 31 October 2023 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is described below. The estimates and assumptions are continually reviewed. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of revision and also in future periods if the revision affects both current and future periods.

The Group considers climate change and the risks arising from it (hereinafter referred to as climate risks) as a factor that may affect the ski sector in the future. Since the beginning of its existence, the Group has been adapting its ski resorts to trends requiring artificial snow. Therefore, historical investments in resorts also included a significant share in snowmaking (snowmaking technology, retention lakes such as water reservoirs, pumps and others). By using snowmaking technology in its resorts for a long time, the Group is factoring the increase in operating and snow production costs into its financial models, projections and pricing. This item is not new for the Group, but due to fluctuations in electricity prices, it is growing significantly. Therefore, the Group uses financial risk management tools such as commodity hedging to secure and predict the prices of electricity needed for cable car operations as well as snowmaking. In the future, the topic of climate risks and their impacts on business will be dealt with by the Group with increased emphasis. At the same time, we follow trends and innovations in the field of snowmaking. The Group also defines its ESG strategies, which includes business sustainability in relation to location and climate risk impacts. This area is becoming a priority, including addressing risks and finding sustainable solutions.

Inflation and cost increases are perceived and actively managed by the Group through the mix of tools at its disposal. The Group monitors the indicators of cost, efficiency and profitability of its business. It evaluates trends and impacts of increases on its profitability. At the same time, it uses financial risk management tools to eliminate jumps in some costs (energy), such as commodity hedging and upfront buying. This tool significantly helps to predict the development of significant cost items and this makes it possible to quantify the impacts on financial indicators and results. By introducing flexible pricing tools for most of its products, the Group has gained the competence to better and more flexibly manage price and demand. At the same time, this method helps it compensate for the increase in costs to increase sales through price and demand. The Group is thus able to pass on part of the increase in costs to its customers. Flexi pricing and cost management allow the Group to better respond and meet financial projections and plans. From the perspective of sustainable business and managing the effects of inflation, the Group has sufficient know-how and tools to cope with these pressures. This was also demonstrated during 2022 and 2023, when the impact of inflation became apparent, and the Group was able to maintain the business without major negative impacts.

(a) Business combinations and purchase price allocation

The acquiree’s or part of business's identifiable assets, liabilities and contingent liabilities are recognised and measured at their fair value on the date of acquisition. The allocation of the total cost among the net assets acquired for financial reporting purposes is performed with the support of professional advisors or the Group's management. The valuation is based on historical and prospective information available as at the date of the business combination. Any prospective information that may impact the fair value of the acquired assets is based on management’s assumptions of the future development of competitive and economic environments. The results of the valuation analyses are also used for determining the amortisation and depreciation periods of the values allocated to specific intangible and tangible fixed assets.

An overview of business combinations and purchase price allocation of current and previous period is in Note 5 – Increase and decrease of interests in companies.

(b) Valuation of investment property

Investments property is measured at fair value. The fair value of investment property is determined either by a management evaluation or independent expert (see Note 2 - Significant Accounting Principles); in both of the cases the valuation is based on current market values and conditions. The fair market value is the estimated value, for which the property could be exchanged, on the valuation day, between knowledgeable, willing parties being a prospective seller and a prospective buyer, in an arm’s length transaction, with each party acting well informed, cautiously and without compulsion.

In the absence of current market prices, net estimated cash flow generated from the leasing of property and gains from capitalisation which reflect the risk specific for the market and also cash flow from the property shall be taken into account. The valuation reflects (where relevant) the type of lessees who use the property or are responsible for the fulfilment of lease liabilities or the type of prospective users, if the property is left non-rented, the general market perception of lessee solvency, the distribution of responsibilities related to maintenance and insurance of property between the Company and the lessees, and the remaining life of property.

An overview of investments in property of current and previous period is in Note 17 – Investment property.

(c) Goodwill and impairment test

As at the date of the consolidated financial statements, the Group assesses whether the goodwill has not been impaired. If the indicator of possible impairment is not detected, the Group is, in accordance with IAS 36, testing goodwill recognised in business combinations during the current accounting period and goodwill recognised in prior accounting periods for possible impairment annually on 31 October, i.e. as at the date of preparation of the annual consolidated financial statements.

On the day of acquisition, the acquired goodwill is assigned to individual cash-generating units (CGU) for which it is expected to benefit from synergies arising in business combinations.

Potential impairment of goodwill is determined by comparing the recoverable amount of CGU and its book value. The recoverable amount is determined by the value in use. This value was derived from the business plan prepared by the management. The key prerequisite which was also the most sensitive factor in determining the recoverable amount, was expected revenues assessed by the management, profitability (EBITDA) and cost of capital used as the discount factor for future net cash flows. Expected revenues as well as the profit margin ratio are based on historical revenue and EBITDA, adjusted by management's expectations for future developments - changes in customer target groups, strengthened marketing, increase in the quality of services rendered and expected investments into the property, plant and equipment to maintain their performance.

Projection of cash flows applied in determining the value in use covers a basic term period with subsequent extrapolation for the next period. The Group used a 24 -year respectively 25-year projection due to the need of reflecting recently made investments in order to reach a normalized level of cash flows for determination of terminal value. Based on such normalized cash flows, the assumption of long-term growth of cash flows at the level of inflation was used. Discount rates applied in the projection of cash flows were calculated as weighted average cost of capital after taking into account the effect of the corporate income tax.

Following table summarizes assumptions, result and sensitivity of impairment of goodwill in CGU High Tatras:

In TEUR	**1.11.2022 - 31.10.2023**	**1.11.2021 - 31.10.2022**
Calculation assumptions		
Horizon for cash flow projection	24 years	25 years
Growth in terminal year	3.7 %	3.8 %
Average annual EBITDA/revenue growth	2.6 %	2.5 %
Average annual growth in the number of visitors	0.46 %	1.17 %
Discount rate used during cash flow projection	10.94 %	9.50 %
Result and sensitivity		
Impairment for the period	-	-
Impairment as at the end of the period	-	-
Decrease of EBITDA by 5 % – impact on value in use	-8 554	-8 413
Decrease of EBITDA by 5 % – resulting impairment	-	-
Increase of discount rate by 0.5 % – impact on value in use	-8 671	-10 118
Increase of discount rate by 0.5 % – resulting impairment	-	-
Marginal decrease of EBITDA	-18.08 %	-9.09 %
Marginal value of discount rate	13.04 %	10.29 %

In 2023 and 2022, goodwill was tested within CGU Vysoké Tatry, and the test did not show any reason for asset impairment. CGU High Tatras includes restaurants and ski resorts in Starý Smokovec, Tatranská Lomnica and Štrbské Pleso. Grandhotel Starý Smokovec, Grandhotel Praha and Hotel FIS are located in these locations.

(d) Impairment test of non-financial assets other than goodwill

As at the date of the financial statements, the Group assesses whether the non-monetary assets have not been impaired. IAS 36 requires the testing of asset impairment in cases where external or internal indicators would point possible asset impairment.

The Group carries on 7 principal activities: running of mountain resorts, leisure parks, golf resorts, restaurant services, sports services and shops, accommodation services and real estate projects, in three Slovak locations: in Jasná (Low Tatras), in the High Tatras and in Liptovský Mikuláš and through its subsidiaries in the Republic of Poland, the Czech Republic and Austria. Each of the locations was assessed by the management as an individual cash-generating unit (CGU). The Group monitors the performance and creates independent budgets for individual cash-generating units. The Group's assets were allocated according to their material affiliation to each cash-generating unit, including all assets located in there, except for hotels, restaurants, golf resorts, leisure parks and sports services and shops in addition to lifts and ropeways.

As at 31 October 2023 and 31 October 2022 the Group carried out testing for impairment of assets for all of its major CGUs, as the Group has identified indicators of possible asset impairment related to the disruption to its business operations in prior years, the ongoing military conflict in Ukraine, which has had an indirect impact on the Group, and as a result of which energy prices and other costs have increased significantly. The impairment test was performed for location High Tatras, as goodwill is assigned to it, as described in Note 3(c).

As at 31 October 2023 for the locations of Low Tatras, Tatralandia, Szczyrkowski Ośrodek Narciarski ("SON" or "Szczyrk") and Ještěd, there was no evidence of impairment of the property. In the Silesian Amusement Park ("SWM" or "Legendia"), Muttereralm and Mölltaler/Ankogel locations, impairment of assets is reflected in the consolidated statements of the Group by accounting for impairment of Right-of-use asset pertaining to CGU SWM, and by accounting for impairment of Land, buildings and equipment pertaining to CGU SWM, Muttereralm and Mölltaler/Ankogel.

Projection of cash flows applied in determining the value in use covers a basic term period with subsequent extrapolation for the next period. The Group used a 19 to 25-year projections due to the need of to reflect recently made investments in order to reach a normalised cash flows for determination of terminal value. Based on such normalised cash flows, the assumption of long-term growth of cash flows at the level of inflation was used. Discount rates applied in the projection of cash flows were calculated as weighted average cost of capital after taking into account the effect of the corporate income tax.

Following table summarizes assumptions, result and sensitivity of impairment calculation for CGU tested for impairment as at 31 October 2023:

In TEUR	**Nízke Tatry**	**Tatra-landia**	**SON**	**SWM**	**Ještěd**	**Mölltaler /Ankogel**	**Muttereralm**
Calculation assumptions							
Horizon for cash flow projection	24 years	19 years	25 years	23 years	24 years	19 years	19 years
Growth in terminal year	3.7 %	3.7 %	2.5 %	2.5 %	3.4 %	2.0 %	2.0 %
Average annual EBITDA/revenue growth	2.8 %	2.7 %	4.2 %	4.0 %	3.4 %	2.7 %	2.6 %
Average annual growth in the number of visitors	0.6 %	0.1 %	1.5 %	2.0 %	2.2 %	2.8 %	0.9 %
Discount rate used during cash flow projection	10.94 %	10.94 %	12.81 %	12.81 %	11.55 %	10.3 %	10.3 %
Result and sensitivity							
Impairment for the period	-	-	-	-196	-	-3 210	-1 122
Impairment as at the end of the period	-	-	-	-21 141	-	-3 210	-1 859
Recoverable amount - in case of impairment identification	-	-	-	24 552	-	22 572	3 951
Decrease of EBITDA by 5 % – impact on value in use	-10 317	-3 381	-3 585	-1 444	-544	-611	-295
Decrease of EBITDA by 5 % – resulting impairment	-	-	-	-1 640	-	-3 821	-1 417
Increase of discount rate by 0.5 % – impact on value in use	-10 311	-3 145	-3 353	-1 105	-481	-313	-152
Increase of discount rate by 0.5 % – resulting impairment	-	-	-	-1 301	-	-3 523	-1 274
Marginal decrease of EBITDA	-15.79 %	-36.87 %	-7.6 %	-	-24.8 %	-	-
Marginal value of discount rate	12.75 %	17.72 %	13.65 %	-	15.25 %	-	-

As at 31 October 2022, following an assessment by Group management, indicators of possible impairment of Group's assets have been identified in relation to the volatile economic situation caused by the increase in energy prices and inflation resulting from the ongoing war in Ukraine, as well as the effects of the global coronavirus pandemic on the Group for the previous financial year. The Group proceeded to test impairment of assets for CGUs, which were most affected by the measures against the pandemic, did not achieve planned sales and, after the relaxation of pandemic measures, the number of their visitors did not return to pre-pandemic times or historically did not show the desired performance. An impairment test was performed for the locations of Low Tatras, Tatralandia, resort Szczyrkowski Ośrodek Narciarski ("SON" or "Szczyrk"), Silesian Amusement Park ("SWM" or "Legendia"), Ještěd Resort, Mölltaler/Ankogel and Muttereralm, as well as for the High Tatras site, as goodwill is assigned to it, as specified under Note 3(c). For the locations of Low Tatras, Tatralandia, SON, Ještěd and Mölltaler/Ankogel, there was no evidence of impairment of the property. In the SWM and Muttereralm locations, impairment of assets is reflected in the consolidated statements of the Group by accounting for impairment of Land, buildings and equipment pertaining to CGU SWM and Muttereralm.

Projection of cash flows applied in determining the value in use covers a basic term period with subsequent extrapolation for the next period. The Group used a 25-year projection due to the need of reflecting recently made investments in order to reach a normalised level of cash flows for determination of terminal value. Based on such normalised cash flows, the terminal value was calculated with expected nominal growth of cash flows by inflation. Discount rates applied in the projecting of cash flows were calculated as weighted average cost of capital after taking into account the effect of the corporate income tax.

Following table summarizes assumptions, result and sensitivity of impairment calculation for CGU tested for impairment as at 31 October 2022:

In TEUR	**Nízke Tatry**	**Tatra-landia**	**SON**	**SWM**	**Ještěd**	**Mölltaler /Ankogel**	**Muttereralm**
Calculation assumptions							
Horizon for cash flow projection	25 years	25 years	25 years	25 years	25 years	25 years	25 years
Growth in terminal year	3.8 %	4 %	4 %	4.4 %	2.5 %	3.5 %	3.5 %
Average annual EBITDA/revenue growth	3.3 %	2.8 %	3.5 %	3.8 %	4.0 %	3.3 %	3.4 %
Average annual growth in the number of visitors	1.9 %	1.0 %	0.6 %	1.5 %	1.5 %	3.1 %	1.1 %
Discount rate used during cash flow projection	9.50 %	10.20 %	11.90 %	11.80 %	10.50 %	9.20 %	9.20 %
Result and sensitivity							
Impairment for the period	-	-	-	-5 240	-	-	-737
Impairment as at the end of the period	-	-	-	-20 945	-	-	-737
Recoverable amount - in case of impairment identification	-	-	-	24 169	-	-	7 615
Decrease of EBITDA by 5 % – impact on value in use	-9 235	-2 539	-3 418	-1 441	-617	-959	-488
Decrease of EBITDA by 5 % – resulting impairment	-5 795	-	-1 034	-6 681	-	-	-1 225
Increase of discount rate by 0.5 % – impact on value in use	-11 017	-2 449	-3 405	-1 298	-625	-770	-419
Increase of discount rate by 0.5 % – resulting impairment	-7 578	-	-1 021	-6 538	-	-	-1 156
Marginal decrease of EBITDA	-1.87 %	-13.09 %	-3.49 %	-	-33.55 %	-15.61 %	-
Marginal value of discount rate	9.65 %	11.75 %	12.25 %	-	15.38 %	11.60 %	-

The development of the impairment during the accounting period is shown in the overview below:

in TEUR	**31.10.2023**	**31.10.2022**
Balance as at 1.11.2022 / 1.11.2021	21 682	15 030
Creation of impairment allowance - SWM	196	5 240
Creation of impairment allowance - Muttereralm	1 122	737
Creation of impairment allowance - Mölltaler /Ankogel	3 210	-
Foreign exchange difference	259	675
Balance as at 31.10.2023/31.10.2022	**26 469**	**21 682**

For more information regarding the actual amount of impairment to non-current assets refer to Note 14 - Property, Plant and Equipment and Note 15 - Right-of-use Assets.

(e) Financial instruments at fair value

The fair value of financial instruments is determined based on:

Level 1: quoted market prices (not adjusted) in active markets for identical assets or liabilities
Level 2: inputs other than quoted prices included in Level 1 that are comparable for the asset or liability, either directly (i.e. as prices of similar instruments) or indirectly (i.e. derived from such prices)
Level 3: inputs for the asset and liability, which are not determined on the basis of data from comparable markets (unobservable inputs)

When the quoted market price is not available, the fair value of the instrument is estimated using valuation techniques. When using the valuation models, the management applies estimates and assumptions which are consistent with information available on estimates and assumptions that market participants would use when pricing the relevant financial instrument.

in TEUR		31.10.2023				31.10.2022			
		Level 1	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets									
Loans provided	20	-	-	2 671	**2 671**	-	-	2 109	**2 109**
Other assets - Hedging derivative transactions - foreign exchange SWAP	24	-	-	-	**-**	-	254	-	**254**
Total		**-**	**-**	**2 671**	**2 671**	**-**	**254**	**2 109**	**2 363**

in TEUR		31.10.2023				31.10.2022			
		Level 1	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial liabilities									
Bonds issued	34	-	261 264	-	**261 264**	-	266 186	-	**266 186**
Total		-	**261 264**	-	**261 264**	-	**266 186**	-	**266 186**

The table does not present financial instruments for which the carrying amount is considered to be an approximation of fair value and which are within Level 2. The above financial instruments are stated at their carrying amounts.

4. Information about Operating Segments

Information about operating segments – Consolidated statement of profit and loss

in TEUR	Mountain Resorts		Leisure Parks		Hotels		Dining		Sports Services and Stores		Real Estate		Golf		Main segments - TOTAL		Other		TOTAL	
	31.10.23	**31.10.22**	**31.10.23**	**31.10.22**	**31.10.23**	**31.10.22**	**31.10.23**	**31.10.22**	**31.10.23**	**31.10.22**	**31.10.23**	**31.10.22**	**31.10.23**	**31.10.22**	**31.10.23**	**31.10.22**	**31.10.23**	**31.10.22**	**31.10.23**	**31.10.22**
	12 m	*12 m*	*12 m*	*12 m*	*12 m*	*12 m*	*12 m*	*12 m*	*12 m*	*12 m*	*12 m*	*12 m*	*12 m*	*12 m*	*12 m*	*12 m*	*12 m*	*12 m*	*12 m*	*12 m*
Sales	70 832	50 932	23 344	16 861	55 962	37 709	27 474	19 501	6 724	5 321	3 188	1 055	855	740	**188 379**	**132 119**	-	-	**188 379**	**132 119**
Material and goods consumption	-3 607	-2 689	-1 382	-832	-8 555	-7 396	-7 610	-5 921	-1 958	-1 631	-1 530	-565	-45	-36	**-24 687**	**-19 070**	-	-	**-24 687**	**-19 070**
Purchased services	-19 074	-16 484	-6 761	-5 280	-18 731	-12 749	-4 899	-3 371	-990	-870	-386	-637	-627	-288	**-51 468**	**-39 679**	-	-	**-51 468**	**-39 679**
Personnel expenses	-17 992	-15 120	-5 592	-3 498	-18 844	-14 047	-9 142	-7 546	-2 358	-2 264	-240	-542	-254	-227	**-54 422**	**-43 244**	-	-	**-54 422**	**-43 244**
Other operating expenses	-618	-738	-304	-289	-715	-434	-296	-186	-72	-70	-10	-14	-28	-27	**-2 043**	**-1 758**	-	-	**-2 043**	**-1 758**
Other operating income	299	1 540	37	-1 679	2 824	4 837	165	127	10	4	94	13	18	1	**3 447**	**4 843**	-	-	**3 447**	**4 843**
Loss on revaluation of investment property	-	-	-	-	-	-	-	-	-	-	-	-906	-	-	**-**	**-906**	-	-	**-**	**-906**
Impairment losses to financial assets	93	495	31	279	18	378	10	186	8	51	-	-9	-	11	**160**	**1 391**	-	-	**160**	**1 391**
Depreciation and amortization	-13 427	-12 285	-5 010	-3 919	-4 457	-4 066	-1 899	-1 795	-541	-934	-246	-211	-32	-28	**-25 612**	**-23 238**	-25	-150	**-25 637**	**-23 388**
Depreciation of right-of-use assets	-3 629	-3 943	-1 205	-866	-548	-612	-171	-148	-45	-48	-	-	-246	-246	**-5 844**	**-5 863**	-	-	**-5 844**	**-5 863**
Gain on bargain purchase	-	-	-	6 387	-	6 775	-	-	-	-	-	-	-	-	**-**	**13 162**	-	-	**-**	**13 162**
Impairment of fixed assets	-4 331	-737	-197	-5 240	-	-	-	-	-	-	-	-	-	-	**-4 528**	**-5 977**	-	-	**-4 528**	**-5 977**
Interest income calculated using effective interest rate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**	238	47	**238**	**47**
Financing cost	-11 262	-10 182	-1 552	-1 203	-7 338	-5 687	-4 107	-3 273	-1 469	-1 139	-1 846	-1 431	-	-	**-27 574**	**-22 915**	-	-	**-27 574**	**-22 915**
Net profit / (loss) on financial operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**	6 889	-2 356	**6 889**	**-2 356**
Net profit / (loss) on disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**	-	-482	**-**	**-482**
Share of the loss of investments in JV accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**	-355	-163	**-355**	**-163**
Profit/(loss) of the segment before tax	**-2 716**	**-9 676**	**1 409**	**446**	**-384**	**-292**	**-475**	**-2 613**	**-691**	**-1 631**	**-976**	**1 380**	**-359**	**-111**	**-4 192**	**-12 497**	**6 747**	**-1 743**	**2 555**	**-14 239**
Current income tax																			**-1 919**	**-776**
Deferred income tax																			**-1 184**	**3 068**
Consolidated Loss																			**-548**	**-11 947**

Information about operating segments – Consolidated statement of financial position

	Mountain Resorts		Leisure Parks		Hotels		Dining		Sports Services and Stores		Real Estate		Golf		Main segments - TOTAL		Other		TOTAL	
in TEUR	31.10.23	31.10.22	31.10.23	31.10.22	31.10.23	31.10.22	31.10.23	31.10.22	31.10.23	31.10.22	31.10.23	31.10.22	31.10.23	31.10.22	31.10.23	31.10.22	31.10.23	31.10.22	31.10.23	31.10.22
Goodwill	23 770	23 770	-	-	3 390	3 390	-	-	-	-	-	-	-	-	**27 160**	**27 160**	-	-	**27 160**	**27 160**
Intangible assets	3 963	3 777	3 457	3 392	611	812	168	286	57	104	10	69	5	5	**8 271**	**8 445**	-	-	**8 271**	**8 445**
Property, plant and equipment	247 930	248 519	66 058	56 104	77 259	71 990	17 242	17 669	2 113	2 456	1 224	5 829	158	158	**411 984**	**402 725**	2 582	2 237	**414 566**	**404 962**
Right-of-use assets	41 500	44 952	1 124	12 585	7 161	5 096	1 803	1 761	745	715	-	-	6 685	5 390	**59 018**	**70 499**	-	-	**59 018**	**70 499**
Investment property	-	-	-	-	-	-	-	-	-	-	6 663	7 411	-	-	**6 663**	**7 411**	-	-	**6 663**	**7 411**
Inventory	1 533	1 141	634	249	975	845	747	166	1 448	1 371	3 958	575	176	160	**9 471**	**4 507**	-	-	**9 471**	**4 507**
Trade receivables	2 909	3 595	763	635	638	322	220	36	15	17	839	133	153	134	**5 537**	**4 872**	-	-	**5 537**	**4 872**
Investment in an associate and a joint venture	11 245	11 578	-	-	-	-	-	-	-	-	-	-	1 974	1 974	**13 219**	**13 552**	-	-	**13 219**	**13 552**
Other receivables	1 124	3 519	495	498	453	-	25	-	13	-	-	484	234	179	**2 344**	**4 680**	-	-	**2 344**	**4 680**
Financial investments	3	6	-	-	-	-	-	-	-	-	-	-	-	-	**3**	**6**	36	36	**39**	**42**
Other assets	3 685	3 443	865	680	2 444	2 095	40	25	143	117	-	-	475	286	**7 652**	**6 646**	-	-	**7 652**	**6 646**
Loans provided	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**	2 671	2 109	**2 671**	**2 109**
Cash and cash equivalents	8 821	5 941	4 539	4 619	2 902	3 012	969	1 078	275	422	92	344	129	129	**17 727**	**15 545**	-	55	**17 727**	**15 600**
Deferred tax receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**	5 296	4 182	**5 296**	**4 182**
Assets total	**346 483**	**350 241**	**77 935**	**78 762**	**95 833**	**87 562**	**21 214**	**21 021**	**4 809**	**5 202**	**12 786**	**14 845**	**9 989**	**8 415**	**569 049**	**566 048**	**10 585**	**8 619**	**579 634**	**574 667**
Loans and borrowings long-term	72 517	79 869	21 488	20 260	9 020	9 155	2 263	2 263	1 132	1 132	-	-	-	-	**106 420**	**112 679**	-	-	**106 420**	**112 679**
Lease liabilities	42 763	40 521	14 655	13 051	5 107	4 964	1 852	1 766	746	753	-	-	7 155	6 043	**72 278**	**67 098**	-	-	**72 278**	**67 098**
Other long-term liabilities	10 214	13 079	-	-	-	-	-	-	-	-	-	-	-	-	**10 214**	**13 079**	2 527	-	**12 741**	**13 079**
Loans and borrowings short-term	9 441	8 561	1 410	1 234	590	287	14	46	7	23	-	-	-	-	**11 462**	**10 151**	-	-	**11 462**	**10 151**
Trade payables and other payables	13 530	12 388	3 181	2 009	5 557	4 960	1 854	1 493	493	344	1 062	1 991	401	210	**26 078**	**23 395**	-	2 461	**26 078**	**25 856**
Other current liabilities	4 652	2 158	126	48	217	284	69	100	16	23	10	14	146	146	**5 236**	**2 773**	747	924	**5 983**	**3 697**
Contract liabilities	13 318	10 882	1 511	1 104	4 872	3 320	-	-	-	-	109	265	-	-	**19 810**	**15 571**		-	**19 810**	**15 571**
Provisions	518	506	5	9	21	40	10	18	2	5	1	1	32	34	**589**	**613**	-	-	**589**	**613**
Bonds issued	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**	261 264	266 186	**261 264**	**266 186**
Deferred tax liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**	29 597	26 730	**29 597**	**26 730**
Corporate income tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**	1 516	-	**1 516**	**-**
Total liabilities	**166 953**	**162 261**	**42 376**	**40 271**	**25 384**	**20 869**	**6 062**	**6 073**	**2 396**	**2 750**	**1 182**	**6 702**	**7 734**	**6 433**	**252 087**	**245 359**	**295 651**	**296 301**	**547 738**	**541 660**

Information about operating segments – Consolidated statement of profit and loss

Sales

in TEUR	**1.11.2022 - 31.10.2023**	**1.11.2021 - 31.10.2022**
Slovak Republic	81%	75%
Austria	6%	7%
Republic of Poland	9%	13%
Czech Republic	4%	5%
Total	**100%**	**100%**

The Company reports the operating segment information that have been adjusted for intersegment transactions. Intersegment eliminations are included in the amounts disclosed for each period. No client of the Group exceeded the limit of 10% share in total sales. Cost interest is distributed according to a management key.

Information about operating segments – Consolidated statement of financial position

Property, plant, and equipment

in TEUR	**1.11.2022 - 31.10.2023**	**1.11.2021 - 31.10.2022**
Slovak Republic	301 063	299 987
Austria	26 095	31 173
Republic of Poland	80 132	66 537
Czech Republic	7 276	7 264
Total	**414 566**	**404 961**

The total amount of deferred tax liability from subsidiaries and investments in associates is shown in the table below:

Deferred tax liability

in TEUR	**1.11.2022 - 31.10.2023**	**1.11.2021 - 31.10.2022**
Slovak Republic	24 582	22 414
Austria	3 528	1 020
Republic of Poland	615	2 352
Czech Republic	872	-944
Total	**29 597**	**26 730**

Inter-segment eliminations are included in the amounts disclosed for each period. Inter-segment prices are determined based on market prices for similar services and financing. The issued bonds in the Other category were not used to finance specific projects.

5. Increase, Decrease and Sale of Shares in Companies

(a) Subsidiaries

On 1 November 2022, the companies EUROCOM Investment, s.r.o and WORLD EXCO, s.r.o were merged and the company EUROCOM Investment s.r.o became the legal successor.

On 8 November 2022, GOPASS SE, a branch in Slovakia, was founded. It is an enterprise of a foreign entity of a European company - a subsidiary GOPASS SE.

As at 1 April 2023, the cross-border merger of GOPASS a.s. as a dissolving company with the successor company GOPASS SE took effect. The decisive date for the merger is 1 November 2022. GOPASS a.s. ceased to exist as a result of a cross-border merger without liquidation on 1 April 2023.

On 28 June 2023, the company TMR Real Estate, s.r.o. was established with a share capital of EUR 5 thousand, of which the Company became the only partner.

On 26 September 2023, the company Štrbské Pleso resort, s.r.o. was established with a share capital of EUR 5 thousand, of which the Company became 100% owner. The company was founded for the purpose of further development of the Štrbské Pleso resort in relation to local communities.

In 2023, the Group did not acquire any new subsidiaries.

The table below provides an overview of subsidiaries acquired in 2022:

in TEUR	**Date of acquisition (acquisition of control)**	**Acquisition price**	**Increase/ (Decrease) of cash**	**Share of Group after acquisition %**
Acquisition of subsidiaries				
GOPASS SE	1.7.2022	118	-118	100%
WORLD EXCO s.r.o.	31.3.2022	20	105	100%
EUROCOM Investment, s.r.o.	31.3.2022	16 389	3 083	100%

On 1 July 2022, the Company acquired a 100% share in the European company GOPASS SE with a place of business in the Czech Republic and a share capital of CZK 2,924 thousand, which will serve the purpose of expanding in the European market. This company was established solely for the purpose of further sale to the Group and before acquisition of 100% share by the Parent Company it did not carry out any business activity. By its purchase the Group acquired only receivable from unpaid share capital in the amount of CZK 2,924 thousand (equivalent to EUR 118 thousand), which was not paid as at the date of acquisition. The consideration transferred in the amount of CZK 2,924 thousand was settled in cash.

On 22 June 2022, for the purpose of providing services within the TMR Group, International TMR services s.r.o. was founded in the Czech Republic with a share capital of CZK 200 thousand, 100% owned by the Company.

On 31 March 2022, the Group acquired a 100% share and control in company WORLD EXCO s.r.o. The acquired company operates a congress center in Bešeňová.

The total value of the acquired assets in WORLD EXCO s.r.o. was reassessed to the fair value of EUR 3,096 thousand and the total value of liabilities to EUR 1,526 thousand as at the acquisition date. The transaction resulted in a bargain purchase gain of EUR 1,550 thousand. The consideration transferred of EUR 20 thousand was fully paid and settled in cash.

Additions due to the acquisition of companies in 2022, related to WORLD EXCO s.r.o., had the following effect on the Group's assets and liabilities (information related to acquisition of assets is described in Note 3 (a) – Business combinations and purchase price allocation):

in TEUR	**WORLD EXCO s.r.o.**
Property, plant and equipment	2 898
Cash and cash equivalents	105
Other assets	93
Deferred tax liability	-200
Loans and borrowings	-361
Trade payables	-7
Provisions	-10
Other current liabilities	-948
Net identified assets and liabilities	**1 570**
Consideration transferred	-20
Gain from bargain purchase	**1 550**
Consideration paid, cash settlement	-20
Cash acquired	105
Net cash income / (expenditure)	**85**

From the acquisition date the company WORLD EXCO s.r.o. contributed EUR 209 thousand to consolidated revenues and a profit of EUR 1,612 thousand to the total consolidated comprehensive result (including the bargain purchase gain of EUR 1,550 thousand). If the acquisition had been made at the beginning of the period presented, the revenues of WORLD EXCO s.r.o. would have contributed EUR 397 thousand to consolidated revenues and a profit of EUR 1,947 thousand to the total consolidated comprehensive result.

On 31 March 2022, the Group also acquired a 100% share and control in EUROCOM Investment, s.r.o. The acquired company operates the Bešeňová water park, Hotel Galeria Thermal and Hotel Bešeňová.

The total value of the acquired assets in EUROCOM Investment, s.r.o. was reassessed to the fair value of EUR 46,474 thousand and the total value of liabilities to EUR 18,473 thousand as at the acquisition date.

The transaction resulted in a bargain purchase gain of EUR 11,612 thousand.

The Group identified previously unrecognized lease-related liabilities and assets, measured at the present value of future lease payments in accordance with the accounting policies applied by the Group for IFRS 16.

The consideration transferred of EUR 16,389 thousand was partially set-off with the advance payment of EUR 6,388 thousand and the rest of the consideration transferred of EUR 10,001 thousand was paid and settled in cash.

Additions due to the acquisition of companies in 2022, related to EUROCOM Investment, s.r.o. had the following effect on the Group's assets and liabilities (information related to acquisition of assets is described in Note 3 (a) - Business combinations and purchase price allocation):

in TEUR	**EUROCOM Investment, s.r.o.**
Intangible assets	628
Property, plant and equipment	31 487
Right-of-use assets	1 121
Deferred tax asset	135
Inventories	16
Trade receivables	388
Loans provided	7 802
Other receivables	213
Cash and cash equivalents	3 083
Other assets	1 601
Deferred tax liability	-2 264
Loans and borrowings	-11 360
Lease liabilities	-1 121
Trade payables	-1 455
Provisions	-33
Other current liabilities	-2 240
Net identified assets and liabilities	**28 001**
Consideration transferred	-16 389
Gain from bargain purchase	**11 612**
Consideration paid, cash settlement	-10 001
Cash acquired	3 083
Net cash income / (expenditure)	**-6 918**

From the acquisition date the company EUROCOM Investment, s.r.o. contributed EUR 10,081 thousand to consolidated revenues and a profit of EUR 12,293 thousand to the total consolidated comprehensive result (including the bargain purchase gain of EUR 11,612 thousand). If the acquisition had been made at the beginning of the period presented, the revenues of EUROCOM Investment, s.r.o. would have contributed EUR 14,175 thousand to consolidated revenues and a profit of EUR 12,609 thousand to the total consolidated comprehensive result.

In 2023, there has been no decrease nor sale of shares in companies.

The table below provides an overview of sold shares in subsidiaries in 2022:

in TEUR	**Date of disposal (loss of control)**	**Sale price**	**Net increase of cash flows**	**Share of Group before disposal %**
Disposal of subsidiaries				
TIKAR d.o.o.	30.9.2022	2 350	2 347	51%

Disposals due to the sale of subsidiary Tikar d.o.o. in 2022 had the following effect on the Group's assets and liabilities:

in TEUR	**TIKAR d.o.o.**
Intangible assets	-161
Trade receivables	-1 892
Cash and cash equivalents	-3
Other assets	-609
Loans and borrowings	-2 015
Trade payables	5
Other current liabilities	2 229
Net identified assets and liabilities	**-2 446**
Non-controlling interest	-384
Foreign currency translation reserve	-2
Consideration received	2 350
Loss from disposal of subsidiary	**-482**
Consideration received, cash settlement	2 350
Cash disposal	-3
Net cash income / (expenditure)	**2 347**

(b) Associates and joint ventures

The Group did not enter into any transactions related to associates and joint ventures between 1 November 2022 and 31 October 2023.

For further information about financial investments see Note 24 – Financial investments.

The table below provides an overview of selected financial information for the period from 1 November 2022 to 31 October 2023 for associates and joint ventures and the book value of the Group's share in these companies:

in TEUR	**MELIDA, a.s. (25% share)**	**OSTRAVICE HOTEL a.s. (50% share)**
Net profit / (loss) for the year	-1 381	-20
Assets	77 229	5 768
Liabilities	-32 959	-1 464
Equity	**44 270**	**4 304**

in TEUR		
Share of equity as at 1 November 2022	**11 384**	**2 168**
Share of the profit / (loss)	-345	-10
Dividends received during the year	-	-
Foreign exchange difference	28	-6
Share of equity as at 31 October 2023	**11 067**	**2 152**

The table below provides an overview of selected financial information for the period from 1 November 2021 to 31 October 2022 for associates and joint ventures and the book value of the Group's share in these companies:

in TEUR	**MELIDA, a.s. (25% share)**	**OSTRAVICE HOTEL a.s. (50% share)**
Net profit / (loss) for the year	-613	-16
Assets	75 172	5 465
Liabilities	-29 634	-1 129
Equity	**45 538**	**4 336**

in TEUR		
Share of equity as at 1 November 2021	**11 677**	**2 073**
Share of the profit / (loss)	-155	-8
Dividends received during the year	-	-
Foreign exchange difference	-138	103
Share of equity as at 31 October 2022	**11 384**	**2 168**

6. Sales

in TEUR	1.11.2022 - 31.10.2023	1.11.2021 - 31.10.2022
Low Tatras	52 276	33 806
High Tatras	47 194	33 116
Szczyrk	10 751	10 572
Legendia	6 329	6 611
Tatralandia	20 608	13 101
Bešeňová	27 100	16 371
Ještěd	2 742	2 669
Mölltaler Ankogel	6 930	4 929
Muttereralm	3 701	3 375
Real estate	2 780	684
Ostravice	2 166	1 871
Kaskáda	1 952	1 748
Other	3 850	3 266
Total	**188 379**	**132 119**

7. Consumption of Material and Goods

in TEUR	1.11.2022 - 31.10.2023	1.11.2021 - 31.10.2022
Material in hotels and restaurant facilities	-12 075	-8 916
Real estate sold	-1 517	-529
Goods	-3 014	-3 169
Fuels	-1 491	-1 215
Material for repair and maintenance	-1 431	-997
Material and goods – other	-5 159	-4 244
Total	**-24 687**	**-19 070**

8. Purchased Services

in TEUR	1.11.2022 - 31.10.2023	1.11.2021 - 31.10.2022
Energy consumption	-20 029	-16 273
Advertisement expenses	-3 866	-2 348
Rental costs (cost of premises) and others	-5 196	-4 029
Other administrative expenses	-2 939	-3 130
Communication expenses	-2 567	-2 334
Repairs and maintenance expenses	-4 872	-4 093
Legal advice expenses	-2 928	-2 441
Services related to owned premises	-919	-727
Transport, accommodation, travel expenses	-1 040	-364
Laundry and cleaning costs	-2 198	-1 364
Music and animation costs	-1 117	-532
Guard and security service costs	-369	-284
Accounting and audit costs	-479	-247
Other purchased services	-3 767	-2 946
State aid related to rental and other costs	818	1 433
Total	**-51 468**	**-39 679**

The Group uses the services of KPMG Slovensko spol. s r. o., audit company, to audit individual and consolidated financial statements. The expense of these items in the period from 1 November 2022 to 31 October 2023 amounted to EUR 235 thousand (for the period ending 31 October 2022: EUR 178 thousand) for auditing of the regular financial statements. Similarly, for the period ending 31 October 2023, the Group used the services of KPMG Audyt Sp. z o.o. sp.k., audit company, to audit individual financial statements and group reporting packages for Szczyrkowski Ośrodek Narciarski, S.A. and Ślaskie Wesole Miasteczko Sp. z o.o. The cost of these items in the period from 1 November 2022 to 31 October 2023 amounted to EUR 53 thousand (for the period ending 31 October 2022: EUR 53 thousand).

9. Personnel Expenses

in TEUR	1.11.2022 - 31.10.2023	1.11.2021 - 31.10.2022
Wages and salaries	-31 763	-25 450
Personnel leasing	-8 080	-6 735
Social security (compulsory)	-12 105	-9 499
Remuneration of members of key management and Supervisory Board	-2 505	-1 925
Other social expenses	-22	-18
State aid related to wages and salaries	53	383
Total	**-54 422**	**-43 244**

The average number of Group employees during the period from 1 November 2022 to 31 October 2023 was 1,456, out of which 20 were management (from 1 November 2021 to 31 October 2022, it was 1,359 employees, out of which 20 were management). During the year, the Group used the services of employment agencies for short-term personnel leasing. From 1 November 2022 to 31 October 2023, it was 746 employees in average (from 1 November 2021 to 31 October 2022: 707 employees).

The table below provides an overview of the Group's key management remuneration for the period from 1 November 2022 to 31 October 2023:

in TEUR

Remuneration of members of key management	**Basic remuneration**	**Extraordinary bonuses**	**Variable component of renumeration**	**Total**
Board of Directors	206	-	1 688	1 894
Supervisory Board	79	-	-	79
Top management	332	200	-	532
Audit Committee	-	-	-	-
Total	**617**	**200**	**1 688**	**2 505**

The table below provides an overview of the Group's key management remuneration for the period from 1 November 2021 to 31 October 2022:

in TEUR

Remuneration of members of key management	**Basic remuneration**	**Extraordinary bonuses**	**Variable component of renumeration**	**Total**
Board of Directors	192	-	941	1 133
Supervisory Board	79	-	-	79
Top management	416	297	-	713
Audit Committee	-	-	-	-
Total	**687**	**297**	**941**	**1 925**

For year ended 31 October 2023, base remuneration for top management amounted to EUR 332 thousand (in the period between 1 November 2021 and 31 October 2022: EUR 416 thousand). The extraordinary remuneration for the members of the top management amounted to EUR 200 thousand (from 1 November 2021 to 31 October 2022: EUR 297 thousand).

Members of the Board of Directors, in accordance with the Rules of Remuneration of Company Bodies of the Parent Company dated 31 May 2023 (hereinafter referred to as the "Rules of Remuneration "), are granted remuneration for the performance of the duties of a member of the Board of Directors of the Parent Company, which consists of a fixed component of remuneration and a variable component of remuneration. The amount of the fixed component of the remuneration is agreed with the member of the Board of Directors in accordance with the Remuneration Rules in the contract for the performance of the duties of a member of the Board of Directors, which has been approved by the Supervisory Board of the Parent Company. For the year ended 31 October 2023 fixed remuneration component was paid out in the amount of EUR 206 thousand (from 1 November 2021 to 31 October 2022: EUR 192 thousand). The variable remuneration component shall be paid to the Members of the Board of Directors after the criteria defined in the Remuneration Rules have been met, the main criterion being the achievement of EBITDA, at the earliest payout date specified in the Group for the payment of salaries to employees after the publication of the Group's consolidated statutory financial statements for the financial year for which the remuneration is paid. The total amount of the claimable variable component of the renumeration in the value of EUR 1,688 thousand (from 1 November 2021 to 31 October 2022: EUR 941 thousand) is disclosed as a provision for the variable remuneration component of the members of the Board of Directors. The year-on-year increase occurred due to the fulfillment of the criteria set for the award of the variable remuneration component (fulfillment of the EBITDA plan).

The members of the Supervisory Board are paid fixed components of remuneration in accordance with the Rules on remuneration of members of the Supervisory Board and concluded contracts for the performance of their duties, the variable components of remuneration shall not be paid to the members of the Supervisory Board. For the year ending 31 October 2023, basic remuneration totaled EUR 79 thousand (in the period between 1 November 2021 and 31 October 2022: EUR 79 thousand).

10. Other Operating Expenses

in TEUR	1.11.2022 - 31.10.2023	1.11.2021 - 31.10.2022
Insurance (property, automobiles, travel cost)	-881	-793
Fees and commissions	-973	-658
Shortages and losses	-167	-112
Other operating expenses	-22	-195
Total	**-2 043**	**-1 758**

11. Other Operating Income

in TEUR	1.11.2022 - 31.10.2023	1.11.2021 - 31.10.2022
Claims paid by insurance company	229	375
Other operating income	1 216	1 127
Gain / (loss) on sale of assets	2 002	3 341
Total	**3 447**	**4 843**

Other operating income in the financial year 2023 consists mainly of income from subsidies received to cover operating expenses in the amount of EUR 391 thousand (from 1 November 2021 to 31 October 2022: EUR 400 thousand). This item also includes revenues related to the allowance for the provision of accommodation to displaced persons in connection with the war in Ukraine in the amount of EUR 122 thousand (from 1 November 2021 to 31 October 2022: EUR 32 thousand) and the contribution to the provision of practical education in the dual education system in the amount of EUR 68 thousand (from 1 November 2021 to 31 October 2022: EUR 62 thousand).

12. Finance Income and Expenses

in TEUR	1.11.2022 - 31.10.2023	1.11.2021 - 31.10.2022
Interest income calculated using effective interest rate	238	47
Financing costs	-27 574	-22 915
Net profit / (loss) on financial operations	6 889	-2 356
Total	**-20 447**	**-25 224**

Interest income calculated using effective interest rate results mainly from the fixed-rate loans provided. See Note 20 – Loans provided.

The table below shows the composition of financing costs:

in TEUR	**1.11.2022 - 31.10.2023**	**1.11.2021 - 31.10.2022**
Interest expense related to loans and borrowings	-9 210	-6 085
Interest expense from bonds issued	-14 952	-14 526
Interest expense from leasing	-3 418	-3 096
Income associated with hedging derivative transaction SWAP	6	792
Financing costs total	**-27 574**	**-22 915**

For information about received loans and borrowings see Note 27 – Loans and Borrowings. For information about bonds issued see Note 34 – Bonds Issued. For information about leases see Note 28 – Lease Liabilities.

In the period from 1 November 2022 to 31 October 2023, the Group capitalized the interest expenses into the assets in the amount of EUR 178 thousand (from 1 November 2021 to 31 October 2022, the Group capitalized interest expenses into the assets in amount of EUR 243 thousand). Interest rate used for interest expense capitalization was 7.29% in the period from 1 November 2022 to 31 October 2023 (from 1 November 2021 to 31 October 2022: 6.24%).

in TEUR	**1.11.2022 - 31.10.2023**	**1.11.2021 - 31.10.2022**
Cost of administration of financial instruments	-273	-593
Foreign exchange gains/loss	7 162	-1 763
Net profit / (loss) on financial operations total	**6 889**	**-2 356**

In the period from 1 November 2022 to 31 October 2023, the Group disclosed a profit on financial operations of EUR 6,889 thousand (from 1 November 2021 to 31 October 2022 a loss of EUR 2,356 thousand). The profit on financial instruments was primarily due to the strengthening of the Polish zloty, which resulted in a revaluation of euro-denominated loans received by the Polish subsidiaries (2022: The loss on financial instruments was primarily due to the weakening of the Polish zloty, which resulted in a revaluation of euro-denominated loans received by the Polish subsidiaries).

13. Current and Deferred Income Tax

Deferred income taxes are calculated using statutory tax rates which are expected in the period in which a receivable is realized, or a liability is settled.

In order to calculate deferred tax from temporary differences incurred in the Slovak Republic, the Group used a 21% rate for the year 2023, resulting from the corporate income tax rate applicable on the date of preparation of the financial statements. To calculate deferred tax from temporary differences incurred in Poland and Czech Republic, the Group used a 19% tax rate. The Group used a 24% (the tax rate decreased from 25% to 24% - the effective date of change is 1 January 2023) tax rate in Austria as per the income tax rate of legal entities effective as at the date the financial statements were prepared on. The individual tax rates used to calculate deferred taxes on temporary differences have not changed in any of the remaining countries in which the Group operates compared to the previous accounting period.

in TEUR	1.11.2022 - 31.10.2023	1.11.2021 - 31.10.2022
Current tax:		
Tax of current accounting period	-1 908	-775
Withholding tax on interest	-11	-1
	-1 919	**-776**
Deferred tax:		
Posting and release of temporary differences	-1 184	3 068
Change of tax rate	-	-
Total income tax	**-3 103**	**2 292**

Reconciliation of the effective tax rate

in TEUR	1.11.2022 - 31.10.2023 %		1.11.2021 - 31.10.2022 %	
Profit / (loss) before taxes		**2 555**		**-14 239**
Tax rate	21%	537	21%	-2 990
Tax non-deductible expenses	46%	1 181	-8%	1 086
Income not subject to tax	-3%	-71	18%	-2 539
Current tax: withholding tax on interest	0%	11	0%	1
Tax losses claimed during the period	-11%	-282	4%	-552
Deferred tax asset not recognized	74%	1 902	-19%	2 740
Impact of Polish, Czech, Austrian tax rate	-7%	-175	0%	-38
Total	**121%**	**3 103**	**16%**	**-2 292**

Income tax reported through other comprehensive income:

	1.11.2022 - 31.10.2023			1.11.2021 - 31.10.2022		
in TEUR	**Before taxes**	**Tax**	**After taxes**	**Before taxes**	**Tax**	**After taxes**
Other comprehensive income that may be reclassified to profit / (loss) in subsequent periods (net of tax):						
Net gain/(loss) on cash flow hedges	3 294	692	2 602	-1 396	-293	-1 103
Other comprehensive income	**3 294**	**692**	**2 602**	**-1 396**	**-293**	**-1 103**

Movements of deferred tax liability (net) during 2023 and 2022

2023

in TEUR	Balance as at 1 November 2022	Reported in profit and loss statement	Reported in other comprehensive income	Effect of foreign exchange difference	Acquired through business combination	Balance as at 31 October 2023
Property, plant and equipment, and intangible assets	-26 183	-637	-	-	-	-26 820
Investment property	-595	156	-	-	-	-439
Losses on impairment of trade receivables and other assets	259	-41	-	1	-	219
Cash Flow hedge	691	-	-691	-	-	-
Provisions and liabilities	1 721	-403	-	89	-	1 407
Leases (IFRS 16)	240	-306	-	-	-	-66
Tax losses	469	-105	-	6	-	370
Other temporary differences	873	152	-	3	-	1 028
Total, net	**-22 525**	**-1 184**	**-691**	**99**	**-**	**-24 301**

2022

in TEUR	Balance as at 1 November 2021	Reported in profit and loss statement	Reported in other comprehensive income	Effect of foreign exchange difference	Acquired through business combination	Balance as at 31 October 2022
Property, plant and equipment, and intangible assets	-25 465	1 837	-	-91	-2 464	-26 183
Investment property	-785	190	-	-	-	-595
Losses on impairment of trade receivables and other assets	512	-259	-	-1	7	259
Cash Flow hedge	398	-	293	-	-	691
Provisions and liabilities	587	1 037	-	-31	128	1 721
Leases (IFRS 16)	-181	421	-	-	-	240
Tax losses	753	-283	-	-1	-	469
Other temporary differences	725	149	-	-1	-	873
Total, net	**-23 456**	**3 091**	**293**	**-124**	**-2 329**	**-22 525**

See also Note 18 - Deferred tax asset, deferred tax liability.

14. Property, Plant and Equipment

in TEUR	Land and buildings	Individual movable assets and sets of movable assets	Assets under construction	Total
Cost				
Opening balance as at 1.11.2021	**353 720**	**174 544**	**12 412**	**540 676**
Additions	2 023	1 482	19 674	23 179
Additions due to business combinations	33 487	898	-	34 385
Disposals	-5 874	-1 149	-298	-7 321
Transfer from an Asset with a right of use	-	350	-	350
Transfers within assets	1 240	601	-1 841	-
Foreign exchange difference	-1 066	319	-213	-960
Balance as at 31.10.2022	**383 530**	**177 045**	**29 734**	**590 309**
Opening balance as at 1.11.2022	**383 530**	**177 045**	**29 734**	**590 309**
Additions	5 954	6 582	9 323	21 859
Disposals	-2 565	-590	-873	-4 028
Transfer from/to Investment property	747	-	-	747
Transfer from Right-of-use assets	277	1 899	-	2 176
Transfers within assets	11 583	8 816	-20 399	-
Foreign exchange difference	5 210	905	166	6 281
Balance as at 31.10.2023	**404 736**	**194 657**	**17 951**	**617 344**
Accumulated depreciation and losses from impairment of assets				
Opening balance as at 1.11.2021	**-84 805**	**-75 464**	**-**	**-160 269**
Depreciation of current accounting period	-12 452	-9 806	-	-22 258
Disposals	2 077	1 091	-	3 168
Impairment of non-current assets	-5 398	-579	-	-5 977
Transfer from an Asset with a right of use	-	-172	-	-172
Foreign exchange difference	349	-188	-	161
Balance as at 31.10.2022	**-100 229**	**-85 118**	**-**	**-185 347**
Opening balance as at 1.11.2022	**-100 229**	**-85 118**	**-**	**-185 347**
Depreciation of current accounting period	-14 087	-10 579	-	-24 666
Disposals	1 398	542	-	1 940
Transfer of Impairment of assets to Right-of-use assets	13 411	-	-	13 411
Impairment of non-current assets	-1 885	-2 643	-	-4 528
Transfer from Right-of-use assets	-120	-1 001	-	-1 121
Transfers within assets	95	-95	-	-
Foreign exchange difference	-1 868	-599	-	-2 467
Balance as at 31.10.2023	**-103 285**	**-99 493**	**-**	**-202 778**
Carrying value				
As at 1.11.2021	**268 916**	**99 080**	**12 412**	**380 408**
As at 31.10.2022	**283 301**	**91 927**	**29 734**	**404 962**
As at 1.11.2022	**283 301**	**91 927**	**29 734**	**404 962**
As at 31.10.2023	**301 451**	**95 164**	**17 951**	**414 566**

In the period from 1 November 2022 to 31 October 2023, the Group carried out investments amounting to EUR 21,859 thousand. From the total value the Group invested EUR 18,442 thousand in Slovakia. The Group invested EUR 7,408 thousand into the continuation of the construction of the Centrum Jasná complex, EUR 5,636 thousand in the completion of the Biela Púť – Priehyba cable car, EUR 933 thousand in the reconstruction of wellness in the Grandhotel Starý Smokovec, EUR 449 thousand in the reconstruction of apartments in Bešeňová, EUR 409 thousand in the area of IT infrastructure and EUR 275 thousand in the reconstruction of the water slide tower in Aquapark Tatralandia. The Group also made other minor operational investments.

In the Republic of Poland, the Group invested EUR 1,496 thousand in the period from 1 November 2022 to 31 October 2023, of which in the Szczyrk resort the Group capitalized costs related to tree cutting fees connected with investments into renewal of the ski resort in the amount of EUR 672 thousand, invested EUR 172 thousand in the development of the existing bike park, EUR 170 thousand in ski slope maintenance machines, EUR 103 thousand in the reconstruction of the cable car and also made other smaller investments. In the Legendia resort in Chorzów, the Group made various operational investments worth EUR 116 thousand.

In the Czech Republic, the Group invested a total of EUR 862 thousand in the period from 1 November 2022 to 31 October 2023. In the Ještěd resort, the Group invested the amount of EUR 367 thousand in the completion of the investment project "Nová Skalka" and financed various small operational investments in the amount of EUR 142 thousand. Within the golf segment in the Ostravice and Kaskáda resorts, the Group invested EUR 170 thousand in several small investments.

In Austria, the Group invested in the period from 1 November 2022 to 31 October 2023 a total of EUR 1,059 thousand, of which EUR 306 thousand in Muttereralm resort and EUR 753 thousand in Mölltaler and Ankogel resorts. At the Muttereralm resort, the Group invested EUR 116 thousand into the access system and also made other smaller investments. In Mölltaler and Ankogel resorts, the Group invested EUR 448 thousand to the cableway and extension of ski slopes and made also other minor investments.

The Group also reclassified right-of-use assets with the accounting residual value of EUR 1,055 thousand (from 1 November 2021 to 31 October 2022: EUR 177 thousand) due to the termination of finance leases during the period from 1 November 2022 to 31 October 2023.

Transfer from Investment Property in the amount of EUR 747 thousand includes the transfer of Hotel Liptov and accommodation facility Otupné, for which the lease to third parties was terminated on 31 May 2023 and 30 September 2023 respectively, and which the Group has begun to operate again.

Transfer of Impairment of assets to Right-of-use assets amounting to EUR 13,411 thousand represents the impairment losses attributable to company SWM. The Group assigned the asset impairment to the lease of the 'Legendia' resort. Information on the assets impairment testing is described in Note 3 (d).

In the period from 1 November 2021 to 31 October 2022, the Group carried out investments amounting to EUR 23,179 thousand. From the total value the Group invested EUR 20,286 thousand in Slovakia. The Group invested EUR 10,446 thousand in the construction of the Biela Púť – Priehyba - cableway, EUR 3,689 thousand in the continuation of the construction of the Centrum Jasná complex and completely strengthened snowmaking worth EUR 1,903 thousand. The Group also acquired the gastronomic facility, named Humno, in Tatranská Lomnica worth EUR 780 thousand, invested EUR 402 thousand in the completion of water reservoir, named Zadné vody, EUR 317 thousand in the reconstruction of spiral chute in the Aquapark Tatralandia, EUR 195 thousand in the expansion of the capacity of the Bistro Bešeňová gastronomic facility and made also other minor investments.

In the Republic of Poland, the Group invested EUR 637 thousand in the period from 1 November 2021 to 31 October 2022, of which in the Szczyrk resort the Group made investments in the gastronomic facilities and improving the safety of the bike park worth EUR 153 thousand, invested EUR 113 thousand in the purchase of land and also made other minor investments. In Legendia resort in Chorzów, the Group made various operational investments worth EUR 155 thousand.

In the Czech Republic, the Group invested a total of EUR 1,343 thousand. In the Ještěd resort, the Group invested an amount of EUR 773 thousand in the completion of the investment project "Nová Skalka" and financed various small operational investments in the amount of EUR 388 thousand. Within the golf segment in the resorts of Ostravice and Kaskáda, the Group invested EUR 182 thousand in several small investments.

In Austria, the Group invested a total of EUR 913 thousand, of which EUR 561 thousand in Muttereralm resort and EUR 352 thousand in Mölltaler and Ankogel resorts. At the Muttereralm resort, the Group invested EUR 323 thousand in the development of an existing bike park and also made other smaller investments. In Mölltaler and Ankogel resorts, the Group invested EUR 119 thousand in a new access system and also made other minor investments.

The Group also made other small investments in Slovakia, the Republic of Poland, Austria, and the Czech Republic.

Impairment loss

For the period ending as at 31 October 2023, for the location of SWM (CGU) in the Republic of Poland, the impairment test showed the need for impairment of fixed assets in a total amount of EUR 196 thousand (31 October 2022: EUR 5,240 thousand), of which EUR 176 thousand (31 October 2022: EUR 5,180 thousand) related to land and buildings, a value of EUR 20 thousand (31 October 2022: EUR 60 thousand) to individual movable assets and sets of movable assets.

For the period ending on 31 October 2023, for the location of Muttereralm (CGU) in Austria, the impairment test showed the need for impairment of fixed assets in a total amount of EUR 1,122 thousand (31 October 2022: EUR 737 thousand), of which EUR 294 thousand (31 October 2022: EUR 217 thousand) related to land and buildings, the value of EUR 828 thousand (31 October 2022: EUR 520 thousand) to individual movable assets and sets of movable assets.

For the period ending as at 31 October 2023 for Mölltaler/Ankogel (CGU) in Austria, the impairment test showed the need for impairment of fixed assets totaling EUR 3,210 thousand, of which EUR 1,415 thousand related to land and buildings, EUR 1,795 thousand to individual movables and sets of movables.

Information on the assets impairment testing is described in Note 3 (d).

Insurance of assets

in TEUR	**31.10.2023**	**31.10.2022**
Natural disaster and vandalism	766 223	772 245
General machinery risks	50 610	59 056
Liability for damage	53 268	52 963

Security

As at 31 October 2023, Property, plant and equipment in the amount of EUR 395,004 thousand were used to secure bank loans and bonds (as at 31 October 2022: in the amount of EUR 372,711 thousand).

Capitalized borrowing costs

As at 31 October 2023, the Group capitalized interest expense into assets in the amount of EUR 178 thousand (as at 31 October 2022: the Group capitalized interest expense into assets in the amount of EUR 243 thousand).

15. Right-of-use Assets

Movements in the carrying amounts of property, plant and equipment acquired through lease were as follows:

in TEUR	**Land and buildings**	**Individual movable assets and sets of movable assets**	**Total**
Cost			
Opening balance as at 1.11.2021	**74 116**	**9 163**	**83 279**
Additions	1 818	955	2 773
Additions due to business combinations	1 121	-	1 121
Transfer to Property, plant and equipment	-	-350	-350
Disposals	-907	-871	-1 778
Modifications	1 606	174	1 780
Foreign exchange difference	-57	3	-54
Balance as at 31.10.2022	**77 697**	**9 075**	**86 772**
Opening balance as at 1.11.2022	**77 697**	**9 075**	**86 772**
Additions	659	1 675	2 334
Transfer to Property, plant and equipment	-277	-1 899	-2 176
Disposals	-53	-515	-568
Modifications	5 636	-81	5 555
Foreign exchange difference	948	9	957
Balance as at 31.10.2023	**84 610**	**8 264**	**92 874**
Accumulated depreciation and losses from impairment of assets			
Opening balance as at 1.11.2021	**-9 110**	**-3 237**	**-12 347**
Depreciation of current accounting period	-4 197	-1 666	-5 863
Transfer to Property, plant and equipment	-	172	172
Disposals	907	876	1 783
Modifications	2	-23	-21
Foreign exchange difference	4	-1	3
Balance as at 31.10.2022	**-12 394**	**-3 879**	**-16 273**
Opening balance as at 1.11.2022	**-12 394**	**-3 879**	**-16 273**
Depreciation of current accounting period	-4 296	-1 548	-5 844
Transfer to Property, plant and equipment	120	1 001	1 121
Disposals	53	515	568
Transfer of Impairment of assets from Property, plant and equipment	-13 411	-	-13 411
Modifications	-	-	-
Foreign exchange difference	-5	-12	-17
Balance as at 31.10.2023	**-29 933**	**-3 923**	**-33 856**
Carrying value			
As at 31.10.2022	**65 303**	**5 196**	**70 499**
As at 31.10.2023	**54 677**	**4 341**	**59 018**

16. Goodwill and Intangible Assets

in TEUR	Goodwill	Valuable rights	Software	Acquired intangible assets	Total
Cost					
Opening balance as at 1.11.2021	**32 324**	**6 930**	**5 080**	**135**	**44 470**
Additions	-	19	396	22	437
Additions due to business combinations	-	595	33	-	628
Disposals	-	-	-	-24	-24
Disposals due to disposal of subsidiaries	-161	-	-	-	-161
Transfers within assets	-	-	110	-110	-
Foreign exchange difference	-22	43	-3	-	18
Balance as at 31.10.2022	**32 141**	**7 587**	**5 616**	**23**	**45 367**
Opening balance as at 1.11.2022	**32 141**	**7 587**	**5 616**	**23**	**45 367**
Additions	-	30	428	338	796
Disposals	-	-	-18	-1	-19
Foreign exchange difference	68	3	32	-22	81
Balance as at 31.10.2023	**32 209**	**7 620**	**6 058**	**338**	**46 225**
Accumulated depreciation and losses from impairment of assets					
Opening balance as at 1.11.2021	**-4 298**	**-1 134**	**-3 187**	**-**	**-8 618**
Depreciation of current accounting period	-	-572	-558	-	-1 130
Foreign exchange difference	22	-38	3	-	-13
Balance as at 31.10.2022	**-4 276**	**-1 744**	**-3 742**	**-**	**-9 762**
Opening balance as at 1.11.2022	**-4 276**	**-1 744**	**-3 742**	**-**	**-9 762**
Depreciation of current accounting period	-	-323	-648	-	-971
Disposals	-	-	18	-	18
Foreign exchange difference	-68	-	-11	-	-79
Balance as at 31.10.2023	**-4 344**	**-2 067**	**-4 383**	**-**	**-10 794**
Carrying value					
As at 1.11.2021	**28 026**	**5 796**	**1 893**	**135**	**35 851**
As at 31.10.2022	**27 865**	**5 843**	**1 874**	**23**	**35 605**
As at 31.10.2022	**27 865**	**5 843**	**1 874**	**23**	**35 605**
As at 31.10.2023	**27 865**	**5 553**	**1 675**	**338**	**35 431**

Valuable rights are represented mainly by trademarks related to Aquapark Tatralandia.

17. Investment Property

in TEUR	**31.10.2023**	**31.10.2022**
Acquisition price		
Opening balance as at 1.11.2022 / 1.11.2021	7 411	8 317
Transfer from/to Property, Plant and Equipment	-748	-
Revaluation at fair value	-	-906
Balance as at 31.10.2023 / 31.10.2022	**6 663**	**7 411**

As at 31 October 2023, investment property represents hotel Kosodrevina, Chata Solisko and Vila Zámoček with an aggregate book value of EUR 1,042 thousand (as at 31 October 2022: EUR 1,789 thousand), which are leased out to third parties that operate them. Hotel Kosodrevina is located in the Low Tatras, Chata Solisko and Vila Zámoček are located in the High Tatras. Chata Solisko and Vila Zámoček in the amount of EUR 833 thousand (as at 31 October 2022: EUR 833 thousand) were acquired as a result of the Company's merger with 1. Tatranská. In addition, investment property also includes forest areas and lots of land in Starý Smokovec in the book value of EUR 5,622 thousand (as at 31 October 2022: EUR 5,622 thousand) acquired by acquisition in 2009.

Transfer to Property, Plant and Equipment in the amount of EUR 747 thousand includes the transfer of Hotel Liptov and accommodation facility Otupné, for which the lease to third parties was terminated on 31 May 2023 and 30 September 2023 respectively, and which the Group has begun to operate again.

As at 31 October 2023, Group management concluded that the assumptions leading to a change in the value of these investments had not changed significantly (as at 31 October 2022: Group management has revised the value of investment property downwards by EUR 906 thousand based on current market and contractual conditions).

The value of the leased properties was determined by management's estimate. The estimate of management's fair value is based on discounting future cash flows arising from currently concluded lease contracts after taking into account non-recoverable costs of 4-10% in each of the objects at yield of 6-10%, assuming continuation at current prices. During the current period the lease contract of the Hotel Kosodrevina has not changed compared to the previous period. Other assumptions have also not changed during the current period presented, resulting in no change in their fair value.

The value of the land was determined by the management using market prices, and the final value is based on an estimate of market price per square meter, depending on the type of land and market transactions for similar lots of land. The price per m^2 for forest land is in a range between EUR 0.60 – EUR 1.10, the price for land with built-up areas and courtyards ranges from EUR 60 to EUR 110 per m^2. Prices per m^2 for individual types of land did not change during the presented or comparable period.

If the fair value of that part of investment property that was determined based on management's estimates differed by 10%, the carrying amount of investment property would be EUR 666 thousand higher or lower compared to the amount reported as at 31 October 2023 (as at 31 October 2022: EUR 741 thousand).

In the period between 1 November 2022 and 31 October 2023, income from investment property accounted for EUR 140 thousand and direct operating cost related to investment property was EUR 20 thousand (between 1 November 2021 and 31 October 2022: income from investment property accounted for EUR 138 thousand, and direct operating cost related to investment property was EUR 39 thousand).

Security

As at 31 October 2023, a part of investment property in the amount of EUR 209 thousand were used as the security for bank loans and bonds (as at 31 October 2022: in the amount of EUR 1,257 thousand).

18. Deferred Tax Asset, Deferred Tax Liability

Deferred tax asset (liability) has been recognized for these items:

in TEUR	Receivables		Liabilities		Total	
	31.10.2023	**31.10.2022**	**31.10.2023**	**31.10.2022**	**31.10.2023**	**31.10.2022**
Temporary differences related to:						
Property, plant and equipment, and intangible assets	6 792	5 669	-33 612	-31 852	**-26 820**	**-26 183**
Investment property	-	-	-439	-595	**-439**	**-595**
Losses from impairment of trade receivables and other assets	273	260	-54	-1	**219**	**259**
Cash Flow hedge	-	691	-	-	**-**	**691**
Provisions and liabilities	2 999	3 253	-1 592	-1 532	**1 407**	**1 721**
Leases (IFRS 16)	256	350	-322	-110	**-66**	**240**
Tax losses	370	469	-	-	**370**	**469**
Other temporary differences	1 028	873	-	-	**1 028**	**873**
Offsetting	-6 422	-7 383	6 422	7 383	**-**	**-**
Total	**5 296**	**4 182**	**-29 597**	**-26 707**	**-24 301**	**-22 525**

Deferred tax asset was not recognized for these items (tax base):

in TEUR	**31.10.2023**	**31.10.2022**
Property, plant and equipment, and intangible assets	-44 699	-23 311
Losses on impairment of trade receivables and other assets	-	-120
Provisions and liabilities	-11 266	-22 965
Tax losses	-747	-
Total	**-56 712**	**-46 396**

Deferred tax asset from carry-forward losses is recognized only up to the amount up to which it can be utilized against future tax profits.

The expected last periods for utilization of tax losses are as follows:

in TEUR	**2024**	**2025**	**2026**	**after 2026**
Tax losses	1 387	496	215	103

Based on the legislative change in Slovakia, the tax loss can be deducted from the tax base for 2023 as follows:

- for 2019 – in the amount of ¼,
- for 2020 – in any amount, but not more than 50% of the tax base of the current year,
- for 2021 – in any amount, but not more than 50% of the tax base of the current year,
- for 2022 – in any amount, but not more than 50% of the tax base of the current year.

In Poland the maximum deadline for utilization of tax losses incurred is 5 years. The Group may apply evenly maximum 50% of tax losses per year. If the entity's tax loss does not exceed PLN 5 000 000, the entity may claim up to 100% of the loss for the next 5 consecutive years.

In the Czech Republic, the maximum deadline for utilization of tax losses is 5 subsequently following years, starting after the year in which the tax loss incurred.

In Austria, the legislation does not limit the use of incurred tax losses.

19. Inventories

in TEUR	**31.10.2023**	**31.10.2022**
Goods	2 870	1 973
Material	2 643	1 959
Chalets and apartments developed for sale	3 958	575
Total	**9 471**	**4 507**

Chalets and apartments for sale in the amount of EUR 3,958 thousand represent apartments under construction in the Centrum Jasná complex worth EUR 3,813 thousand and recreational buildings in the cottage settlement Bobrovečky in the value of EUR 145 thousand, the construction of which the Group carries out and subsequently plans to sell to third parties. Revenue from the sale of recreational properties will be reported in 2024 or later.

As at 31 October 2022 chalets and apartments for sale in the amount of EUR 575 thousand are recreational objects in the cottage settlement Bobrovečky 1, the construction of which has been carried out by the Parent Company and subsequently are intended to be sold to third parties. The revenue from the sale of recreational objects will be reported in 2023 or later. These are 16 recreational objects in the cottage settlement Bobrovečky 1, Liptovská Ondrášová.

In the period from 1 November 2022 to 31 October 2023, inventories amounted to EUR 16,430 thousand (from 1 November 2021 to 31 October 2022: EUR 11,789 thousand) were recognized as an expense during the year and included in the income statement. The Group did not recognize any write-down of inventories in the reporting and comparative period.

Security

As at 31 October 2023, inventories of EUR 9,471 thousand were used to secure bank loans and bonds (as at 31 October 2022: EUR 4,507 thousand).

20. Loans Provided

in TEUR	31.10.2023	31.10.2022
Short-term	2 481	2 268
Long-term	1 245	894
Total	**3 726**	**3 162**
Impairment allowance to loans provided	-1 055	-1 053
Total with allowance	**2 671**	**2 109**

As at 31 October 2023 in accordance with the rules of IFRS 9, the value of impairment allowance for loans provided was EUR 1,055 thousand (as at 31 October 2022: EUR 1,053 thousand).

Table below summarizes long-term loans as at 31 October 2023 and 31 October 2022. As at 31 October 2023 the weighted average interest rates applied on long-term loans was 0.46% p.a. (as at 31 October 2022: 0.00% p.a.).

in TEUR		**31.10.2023**	**31.10.2022**
Debtor	**Interest rate type**	**Loan value**	**Loan value**
MELIDA, a.s.	-	892	894
OSTRAVICE HOTEL a.s.	4% p.a.	143	-
Desať s.r.o.	-	210	-
Total long-term loans		**1 245**	**894**

Table below summarizes short-term loans as at 31 October 2023 and 31 October 2022. As at 31 October 2023 the weighted average interest rates applied on short-term loans was 6.13% p.a. (as at 31 October 2022: 5.79% p.a.).

in TEUR		**31.10.2023**	**31.10.2022**
Debtor	**Interest rate type**	**Loan value**	**Loan value**
Thalia s.r.o.	5% p.a.	1 076	1 033
SON Partner	7% p.a.	1 077	963
MS reality holding a.s.	7% p.a.	328	-
OSTRAVICE HOTEL a.s.	4% p.a.	-	138
P.M.I.R a.s.	5% p.a.	-	132
Other	4% p.a.	-	2
Total short-term loans		**2 481**	**2 268**

21. Trade Receivables

in TEUR	**31.10.2023**	**31.10.2022**
Trade receivables	5 661	5 291
Impairment allowance to receivables	-124	-419
Total	**5 537**	**4 872**
Short-term	5 537	4 872
Long-term	-	-
Total	**5 537**	**4 872**

As at 31 October 2023, carrying amount of trade receivables amounts to EUR 5,537 thousand and comprises of current operating receivables (as at 31 October 2022: EUR 4,872 thousand).

The ageing structure of receivables is as follows:

in TEUR		**31.10.2023**			**31.10.2022**	
	Gross	**Impairment allowance**	**Net**	**Gross**	**Impairment allowance**	**Net**
Within due period	5 068	-97	4 971	4 258	-59	4 199
Overdue within 30 days	198	-3	195	203	-3	200
Overdue from 30 days to 180 days	180	-2	178	196	-36	160
Overdue from 180 days to 365 days	86	-6	80	314	-102	212
Overdue over 365 days	129	-16	113	320	-219	101
Total	**5 661**	**-124**	**5 537**	**5 291**	**-419**	**4 872**

As at 31 October 2023 and 31 October 2022, the amount of the impairment allowance consisted of value adjustments to current operating receivables.

The development of the impairment allowance during the accounting period is shown in the overview below:

in TEUR	**31.10.2023**	**31.10.2022**
Balance as at 1.11.2022 / 1.11.2021	419	306
Creation of impairment allowance	27	165
Additions due to business combinations	-	33
Use	-103	-29
Reversal of impairment allowance	-219	-56
Balance as at 31.10.2023 / 31.10.2022	**124**	**419**

Security

As at 31 October 2023, trade receivables of EUR 5,537 thousand were used to secure bank loans and bonds (as at 31 October 2022: EUR 4,872 thousand).

22. Other Receivables

in TEUR	**31.10.2023**	**31.10.2022**
Advance payments made	2 344	4 680
Total	**2 344**	**4 680**
Short-term	1 838	4 172
Long-term	506	508
Total	**2 344**	**4 680**

The advance payments made as at 31 October 2023 amount to a total of EUR 2,344 thousand (as at 31 October 2022: EUR 4,680 thousand). The decrease in short-term advances provided, compared to the value as at 31 October 2022, is mainly due to the settlement of advances granted in the immediately preceding accounting period in connection with the construction of the Biela Púť – Priehyba cable car and the Centrum Jasná complex, as well as the reconstruction of cottages in the Holiday Village Tatralandia cottage area.

23. Other Assets

in TEUR	**31.10.2023**	**31.10.2022**
Prepaid expenses and accrued income	3 544	2 280
Other tax assets	736	831
Other assets	3 298	3 297
Finance sublease receivables	97	-
Derivative operations - currency SWAP	-	254
Impairment allowance	-23	-16
Total	**7 652**	**6 646**
Short-term	7 652	6 646
Long-term	-	-
Total	**7 652**	**6 646**

Based on the assignment contract and set-off agreement of receivables, the Group records as at 31 October 2023 a receivable against Penzión Energetik s.r.o. in the amount of EUR 1,994 thousand (as at 31 October 2022: EUR 1,994 thousand).

As at 31 October 2023, derivative operations - currency SWAP represents the fair value of the derivative of EUR 0 thousand, hedging accounting was completed during the current period (as at 31 October 2022: EUR 254 thousand). For more information, see Note 30 – Hedge Accounting.

As at 31 October 2023, in accordance with the rules of IFRS 9, the impairment allowance for other assets amounted to EUR 23 thousand (as at 31 October 2022: EUR 16 thousand).

Tatry mountain resorts, a.s., Subsidiaries, Joint Ventures and Associates
Notes to the Consolidated Financial Statements for the Period from 1 November 2022 to 31 October 2023

24. Financial Investments

in TEUR	**31.10.2023**	**31.10.2022**
Financial instruments measured at fair value through profit or loss	39	42
Total	**39**	**42**

Financial investments represent an investment of a cash contribution to Tatranské dopravné družstvo, which is engaged in brokerage activities in the area of services in the amount of EUR 36 thousand (31 October 2022: EUR 36 thousand) and an investment in SON Partner Sp. Z o. o. in the amount of EUR 3 thousand (as at 31 October 2022: EUR 6 thousand).

25. Cash and Cash Equivalents

in TEUR	**31.10.2023**	**31.10.2022**
Cash	263	240
Stamps and vouchers	26	35
Current accounts with banks	17 440	15 327
Impairment allowance	-2	-2
Total	**17 727**	**15 600**

As at 31 October 2023, the value of impairment allowance to cash and cash equivalents under IFRS 9 was EUR 2 thousand (as at 31 October 2022: EUR 2 thousand). The Group has cash and cash equivalents that are deposited in banks and financial institutions that have been awarded a credit rating between A2 to Baa2 by recognized rating agencies.

Security

The Group may freely dispose of the bank accounts.

26. Equity

Share capital and share premium

The share capital approved, subscribed and fully paid as at 31 October 2023 and 31 October 2022 comprised of 6,707,198 ordinary shares in nominal value of EUR 7 per share as at 31 October 2023 and 31 October 2022. The emission of shares is marked by ISIN: SK1120010287.

On 31 May 2023, an ordinary general assembly of Tatry mountain resorts, a.s. was held. The general assembly decided, among other things, on the distribution of profit Tatry mountain resorts, a.s. generated in the period between 1 November 2021 and 31 October 2022 according to the separate financial statements compiled for that accounting period, in the amount of EUR 3,287 thousand as follows:

- Allocation to the legal reserve fund in the amount of EUR 329 thousand
- Allocation to the social fund on the basis of a collective agreement in the amount of EUR 16 thousand
- Balance of EUR 2,942 thousand, transfer to retained earnings of previous periods

Shareholders have a right to the payment of dividends, and the value of share vote in the Company's general assembly is determined as a ratio of the value of one share and the total value of share capital. The following table presents the Company's shareholders and the number of shares, ownership interest and voting rights.

31 October 2023	Number of shares	Ownership interest *in TEUR*	Ownership interest %	Voting rights %
C.I. CAPITAL INDUSTRIES LIMITED	1 973 197	13 812	29.4%	29.4%
FOREST HILL COMPANY, s.r.o.	1 030 919	7 216	15.4%	15.4%
RMSM1 LIMITED	992 666	6 949	14.8%	14.8%
DIAMCA INVESTMENTS LIMITED	918 780	6 431	13.7%	13.7%
Minority shareholders	1 791 636	12 541	26.7%	26.7%
Total	**6 707 198**	**46 950**	**100%**	**100%**

31 October 2022	Number of shares	Ownership interest *in TEUR*	Ownership interest %	Voting rights %
C.I. CAPITAL INDUSTRIES LIMITED	1 973 197	13 812	29.4%	29.4%
FOREST HILL COMPANY, s.r.o.	1 030 919	7 216	15.4%	15.4%
STOCKLAC LIMITED	992 666	6 949	14.8%	14.8%
NIKROC INVESTMENTS LIMITED	800 000	5 600	11.9%	11.9%
RMSM1 LIMITED	404 486	2 831	6.0%	6.0%
Minority shareholders	1 505 930	10 542	22.5%	22.5%
Total	**6 707 198**	**46 950**	**100%**	**100%**

Profit / (loss) per share

	31.10.2023	31.10.2022
Profit / (loss) for the period in TEUR	-497	-11 361
Weighted average number of ordinary shares	6 707 198	6 707 198
Basic and diluted earnings per share in EUR	**-0.074**	**-1.694**

Legal reserve fund

The legal reserve fund amounts to EUR 7,305 thousand (as at 31 October 2022: EUR 7,021 thousand). According to the Slovak legislation, a legal reserve fund shall be mandatorily created on an annual basis, in the minimum amount of 10% of the company's net profit and minimum of 20% of the subscribed share capital (on a cumulative basis). The legal reserve fund may be used only for the settlement of the company's losses, and it cannot be used for payment of dividends. The calculation of the legal reserve fund is made in compliance with the Slovak legal regulations. The obligation to create a legal reserve fund is determined by the partnership agreement, while the Company is obliged to create a legal reserve fund only when profit is made.

The legal reserve fund of the subsidiaries totals EUR 936 thousand. According to the Polish law the fund is mandatorily created on an annual basis; in the minimum amount of 8% of the company's net profit and up to 33% of the subscribed share capital (on a cumulative basis). The legal reserve fund does not have to be formed according to the Czech legislation, its creation is purely voluntary, unless otherwise stated in the statutes or in the company's partnership agreement. According to Austrian legislation, the legal reserve fund is created depending on the size and type of company. Its creation is purely voluntary, this obligation is not stipulated by the obligations in the currently valid partnership agreement.

Profit (loss) distribution

For the fiscal year ended on 31 October 2023, the Parent Company's management proposes the distribution of total profit of the Parent Company in the amount of EUR 2,712 thousand as follows:

- Allocation to the legal reserve fund of EUR 271 thousand
- Allocation to the social fund on the basis of a collective agreement in the amount of EUR 13 thousand
- Balance of EUR 2,428 thousand transfer to retained earnings of previous periods

Change in the foreign currency translation reserve

The foreign currency translation reserve includes all foreign exchange differences resulting from conversion of the financial statements of foreign companies Szczyrkowski Ośrodek Narciarski, S.A., Śląskie Wesołe Miasteczko Sp. z o. o. Korona Ziemi sp.z o.o in Poland, from translation of financial statements of TMR Ještěd, a.s. and TMR Finance ČR, a.s., Tatry mountain resorts ČR, a.s., International TMR services s.r.o. and GOPASS SE in Czech Republic to euros. As at 31 October 2023, the foreign currency translation reserve included all exchange differences resulting from conversion of the financial statements of the aforementioned foreign subsidiaries.

Non-controlling interest

Non-controlling interests represent the interests of minority shareholders in subsidiaries:

in TEUR	**31.10.2023**	**31.10.2022**
Szczyrkowski Ośrodek Narciarski, S.A (SON) (3%)	-513	-499
Korona Ziemi sp.z o.o. (26%)	-187	-147
Total	**-700**	**-646**

Material non-controlling interests

Szczyrkowski Ośrodek Narciarski, S.A (SON)

in TEUR	**31.10.2023**	**31.10.2022**
Non-current assets	60 979	58 772
Current assets	2 355	2 210
Assets	**63 335**	**60 982**
Non-current liabilities	-27 423	-29 958
Current liabilities	-53 004	-47 646
Liabilities	**-80 427**	**-77 604**
Net assets, net of goodwill	**-17 092**	**-16 622**
Percentage of non-controlling interest	3%	3%
Book value of non-controlling interest	**-513**	**-499**
Revenues	11 297	10 766
Profit (loss)	-459	-3 940
Other comprehensive income	-	-
Total comprehensive income	-459	-3 940
Percentage of non-controlling interest	3%	3%
Profit/(loss) attributable to the non-controlling interest	**-14**	**-118**
Other comprehensive income attributable to the non-controlling interest	**-**	**-**
Net increase (decrease) of cash and cash equivalents	**-515**	**122**

27. Loans and Borrowings

in TEUR	31.10.2023	31.10.2022
Loans and borrowings received	117 882	122 830
Total	**117 882**	**122 830**
Short-term	11 462	10 151
Long-term	106 420	112 679
Total	**117 882**	**122 830**

Received loans and borrowings as at 31 October 2023 and 31 October 2022 are shown in the following overview:

Creditor	**Interest rate type**	**Maturity date**	**Unpaid amount as at 31.10.2023** *in TEUR*
J&T BANKA, a.s.	3M EURIBOR + 4.75% p.a.	31.12.2029	33 747
J&T BANKA, a.s.	12M EURIBOR + 5% p.a.	31.3.2033	31 152
J&T BANKA, a.s.	3M EURIBOR + 4.75% p.a.	31.12.2026	20 377
J&T BANKA, a.s.	3M EURIBOR + 5.25% p.a.	31.12.2026	20 121
J&T BANKA, a.s.	3M EURIBOR + 4.75% p.a.	31.12.2026	12 225
Dr. Nodari Giorgadze	-	30.6.2017	190
Raiffeisen - Leasing s.r.o.	7.49% p.a.	15.7.2027	70
Total			**117 882**

Creditor	**Interest rate type**	**Maturity date**	**Unpaid amount as at 31.10.2022** *in TEUR*
J&T BANKA, a.s.	3M EURIBOR + 4.75% p.a.	31.12.2029	38 116
J&T BANKA, a.s.	12M EURIBOR + 5% p.a.	31.3.2033	33 411
J&T BANKA, a.s.	3M EURIBOR + 4.75% p.a.	31.12.2026	21 494
J&T BANKA, a.s.	3M EURIBOR + 5.25% p.a.	31.12.2026	20 116
J&T BANKA, a.s.	3M EURIBOR + 4.75% p.a.	31.12.2026	9 418
Dr. Nodari Giorgadze	-	30.6.2017	190
Raiffeisen - Leasing s.r.o.	7,49% p.a.	15.7.2027	85
Total			**122 830**

The weighted average of interest rates for loans and borrowings received as at 31 October 2023 was 8.86% (as at 31 October 2022: 4.89%). Interest is payable on a monthly and quarterly basis. For more information, see Note 12 – Finance income and expenses.

The obligation arising from the loan received from Giorgadze Nodari in the amount of EUR 190 thousand was acquired by the purchase of company WORLD EXCO s.r.o. into the Group on 31 March 2022.

As at 15 July 2022, the Group drew funds from a loan from Raiffeisen - Leasing s.r.o that were used to purchase new motor vehicle in the Czech republic. As at 31 October 2023 the loan amounted to EUR 70 thousand (as at 31 October 2022: EUR 85 thousand).

As at 30 March 2022, the Group drew funds from a syndicated loan from J&T Banka and thus refinanced its previous loans from J&T Banka and 365.bank, the value of which was EUR 62,396 thousand as at 31 October 2021 (excluding the existing loan from J&T Bank as at 31 October 2022 in the amount of EUR 33,411 thousand). The total outstanding amount of the new loan to J&T Bank as at 31 October 2023 is EUR 86,470 thousand. The funds provided served primarily as a loan to a subsidiary TMR Parks, a.s. to cover the purchase price for the transfer of EUROCOM Investment, s.r.o. shareholding of EUR 10,000 thousand, the refinancing of loans in the acquired companies EUROCOM Investment, s.r.o. and WORLD EXCO s.r.o. in the amount of EUR 11,651 thousand and the construction of the Biela púť - Priehyba cableway.

In May 2019, the Group drew funds from J&T Banka a.s. in the amount of EUR 37,000 thousand, which was increased to EUR 40,000 thousand in September 2020, and the total amount of outstanding loan balance as at the reporting date of EUR 31,152 thousand (as at 31 October 2022: EUR 33,411 thousand).

As at 31 October 2023, the Group has committed to meet the covenants – Leverage, DSCR and LTV. The Leverage covenant may not exceed 7.75. The DSCR covenant may not be less than 1.1 and the LTV covenant may not exceed 60%. However, failure to meet the LTV ratio does not affect the maturity of the debt, only the amount of security. The Group evaluated fulfillment of covenants as at 31 October 2023. Covenants Leverage, DSCR and LTV which evaluation is due within the dates of issuing the consolidated financial statements were met.

Security

In order to guarantee bank loans, the following assets were used: lands, technology and service buildings of mountain lift equipment: ski lifts, chair cableways, terrestrial cableways, hanging cableways, cabin cableways, transformers, operating buildings and structures: Grandhotel Praha, Hotel Grand Jasná, Hotel Tri Studničky, Hotel Srdiečko, Hotel Kosodrevina, Hotel Liptov, Hotel SKI, a former telecommunication building, as well as tangible asset of Polish ski resort Szczyrk. All movable assets of the Jasná, High Tatras and aquapark Bešeňová as well as trade receivables are pledged.

As at 31 October 2023, property, plant and equipment, investment property, inventories and receivables of EUR 410,604 thousand were used to secure bank loans and bonds (as at 31 October 2022: in the amount of EUR 383,347 thousand).

28. Lease Liabilities

in TEUR	
Opening balance as at 1.11.2021	**66 154**
Additions	2 771
Additions due to business combinations	1 121
Modifications	1 605
Interest	3 096
Payments	-7 596
Foreign exchange difference	-53
Balance as at 31.10.2022 / 1.11.2022	**67 098**
Short-term	8 609
Long-term	58 489
Total	**67 098**
Opening balance as at 1.11.2022	**67 098**
Additions	2 315
Modifications	6 226
Interest	3 418
Payments	-7 839
Foreign exchange difference	1 060
Balance as at 31.10.2023	**72 278**
Short-term	8 440
Long-term	63 838
Total	**72 278**

The maturity of lease liabilities is as follows:

in TEUR	**31.10.2023**	**31.10.2022**
Less than 1 year	8 440	8 609
1 - 5 years	20 537	17 359
Above 5 years	43 301	41 130
Total	**72 278**	**67 098**

29. Trade Payables and other payables

in TEUR	31.10.2023	31.10.2022
Trade payables	12 947	15 005
Liabilities towards employees and social security institutions	9 467	7 352
Unbilled deliveries	3 664	3 499
Total	**26 078**	**25 856**
Short-term	25 214	22 226
Long-term	864	3 630
Total	**26 078**	**25 856**

As at 31 October 2023, liabilities towards employees and social security institutions mainly represent a provision for bonuses for the financial year from 1 November 2022 to 31 October 2023 amounting to EUR 2,212 thousand (as at 31 October 2022: EUR 1,814 thousand), wage liabilities to employees and social security institutions are in the amount of EUR 5,274 thousand (as at 31 October 2022: EUR 3,976 thousand) and a provision for unused holidays of EUR 1,685 thousand (as at 31 October 2022: EUR 1,388 thousand).

The creation and usage of the Social Fund during the accounting period are shown in the following overview:

in TEUR	31.10.2023	31.10.2022
Balance as at 1.11.2022 / 1.11.2021	15	-3
Increase from subsidiary acquisition	-	3
Creation of social fund against expenses	112	93
Drawing	-72	-78
Balance as at 31.10.2023 / 31.10.2022	**55**	**15**

As at 31 October 2023, long-term liabilities in the amount of EUR 864 thousand represent retention fees against contractors for the construction of the Centrum Jasná complex, the Biela Púť – Priehyba cableway.

As at 31 October 2022, long-term liabilities in the amount of EUR 3 630 thousand represented retention fees in the amount of EUR 1,344 thousand against contractors for the construction of the Centrum Jasná complex, the Biela Púť – Priehyba cableway, the construction of the 2nd stage of snowmaking in Szczyrk and the retention fee resulting from investment projects aimed at improving attractions in the Legendia resort and other long-term liabilities in the amount of EUR 2,286 thousand.

As at 31 October 2023, overdue liabilities amounted to EUR 2,222 thousand (as at 31 October 2022: 1,780 thousand). Overdue liabilities as at 31 October 2023 represent primarily unpaid retention fees due to signed construction contracts with suppliers for their performed and realized construction of individual buildings, in some cases repayment schedules are agreed with suppliers.

30. Hedge Accounting

The Group applied cash-flow hedges and hedges only against foreign currency risk.

Since the Group took out a loan from its Czech subsidiary, the currency gap has widened. The Group decided to manage the foreign currency risk against the Czech Crown on this particular instrument by hedging against changes in foreign currency exchange rates.

On 7 November 2022, TMR Finance ČR, a.s. repaid the fourth issue of TMR F. ČR bonds in nominal value of CZK 1,500,000 thousand. At the same time, accounting for hedging cash flows against currency risk was completed. The hedging instrument had a fixed maturity in November 2022 for a entire nominal value of EUR 57.9 million. The forward rate used for collateral was CZK 25.870 / EUR 1.

The total profit from hedging derivatives in the Comprehensive income is in the amount of EUR 2,602 thousand (as at 31 October 2022: loss of EUR 1,103 thousand)

The Group does not currently have any risks hedged through hedge accounting, as they are managed otherwise. Please refer to Note related to financial risks for further information.

The Group has no risks under hedging accounting other than currency risk arising from that instrument, as those risks are otherwise managed. For more information, see the section on financial risks.

The collateralized item is a long-term bond denominated in Czech currency with a fixed repayment schedule.

The secured instrument is a currency swap that swaps instalments in Czech koruna into instalments in euro, while maintaining a fixed interest rate for both currencies.

There is an economic relationship between the hedged item and the collateral instrument, as the swap terms replicate the terms of the secured bond (nominal value, maturity and repayment plans). The Group has set the hedging ratio at 1:1 for the hedging relationship, as the underlying currency swap risk is identical to the risk of the hedged item. Since the swap conditions replicate the terms of the secured bond (face value, graduation and repayment schedules), the Group expects the hedging relationship to be largely efficient.

Security inefficiencies may occur if the Group ceases to adhere to the repayment schedule. The Group expects to repay the bond in accordance with the repayment schedule.

Hedging instrument profile – the hedging instrument has a fixed maturity in November 2022 for the entire nominal value of EUR 57.9 million. The forward rate used for collateral is 25.870 CZK / 1 euro.

In '000 EUR	Notional amount	Carrying amount	Line item in statement of financial position	Changes in FV used for measuring ineff.
Foreign exchange swap	57 943	254	Other assets	1 532

In '000 EUR	Change in fair value used for measuring ineffectiveness.	Cash flow hedge reserve	Cost of hedging reserve
Foreign exchange swap	-1 532	-2 602	0

In comparable period, the effect of cash flow hedge on statement of financial performance was as follows:

In '000 EUR	Total hedging gain/(loss) recognized in OCI	Ineffectiveness recognized in profit or loss	Line item in the statement of profit or loss	Cost of hedging recognized in OCI	Amount reclassified from OCI to profit or loss	Line item in the statement of profit or loss
Foreign exchange swap	-1 103	0	-	0	379	Interest income calculated using the effective interest rate and Interest expense
					2 865	Profit / (loss) from financial operations, net

31. Contract liabilities

in TEUR	31.10.2023	31.10.2022
Advances received	11 388	8 076
Deferred revenue	7 840	6 913
Discounts on purchases	582	582
Total	**19 810**	**15 571**

As at 31 October 2023, the advances received represent mainly advances received for hotel accommodation in the amount of EUR 5,112 thousand (as at 31 October 2022: EUR 3,237 thousand) advance on the purchase price in connection with the construction of the water structure Pump station and transformer stations – Otupné, which the Group realizes, in the amount of EUR 3,000 thousand (as at 31 October 2022: EUR 3,000 thousand). The total amount of advance payments received also includes purchased, but not yet spent, Gopass credits of Group clients in the amount of EUR 1,685 thousand (as at 31 October 2022: EUR 1,307 thousand) and advance payments for purchase of cottages in the amount of EUR 109 thousand (as at 31 October 2022: EUR 265 thousand).

As at 31 October 2023, the deferred revenues include mainly the amount of EUR 6,718 thousand for accrual of ski passes and aqua passes sold (as at 31 October 2022: EUR 5,203 thousand) with an amount of EUR 5,892 thousand coming from the "Šikovná sezónka" ski passes sold (as at 31 October 2022: EUR 3,601 thousand) and EUR 826 thousand from other ski passes and aqua passes sold. The provision for discounts on purchases was as at 31 October 2023 in total amount of EUR 582 thousand (as at 31 October 2022: EUR 582 thousand).

32. Other Liabilities

in TEUR	31.10.2023	31.10.2022
Liabilities to shareholders from reduction in share capital	213	213
Other liabilities to the former shareholders (Mölltaler Group)	8 580	10 106
Contingent consideration	1 060	983
Other	5 697	2 076
Government subsidies	3 174	3 398
Total	**18 724**	**16 776**
Short-term	5 983	3 697
Long-term	12 741	13 079
Total	**18 724**	**16 776**

As at 31 October 2023, liabilities to shareholders from reduction in share capital represent the amount EUR 213 thousand (as at 31 October 2022: EUR 213 thousand) and comprise mainly the remaining liability from the capital reduction in 2013 in total amount EUR 174,388 thousand.

As at 31 October 2023, other liabilities to the former shareholders amount to EUR 8,580 thousand (as at 31 October 2022: EUR 10,106 thousand) and include, in particular, contain mainly the outstanding balance to the former shareholders of the Austrian company Mölltaler Gletscherbahnen GmbH & Co KG, the repayment of which is in accordance with the agreed repayment calendar at the time of acquisition.

As at 31 October 2023, the contingent consideration in the amount of EUR 1,060 thousand (as at 31 October 2022: EUR 983 thousand) represents part of the purchase price for the subsidiary Muttereralm Bergbahnen Errichtungs GmbH (date of acquisition: 1.5.2021), which is contingent on the seller fulfilling the contractually stipulated conditions.

As at 31 October 2023, the amount of other liabilities includes the amount of EUR 1,202 thousand resulting from from the acquisition of TMR Ješted, a.s. in accordance with standard IFRS 3 (as at 31 October 2022: EUR 1,215 thousand) on the basis of a signed rent agreement ("business rent") for 10 years with an option for the next 10 years and value added tax liabilities in the amount of EUR 721 thousand (as at 31 October 2022: EUR 930 thousand).

The table contains a **detail on government grants movements**:

in TEUR	**31.10.2023**	**31.10.2022**
Balance as at 1.11.2022 / 1.11.2021	3 398	1 361
Increase from subsidiary acquisition	-	1 860
Received during the year	1 038	2 450
Released to the statement of profit and loss and other comprehensive income	-1 262	-2 273
Balance as at 31.10.2023 / 31.10.2022	**3 174**	**3 398**

In the financial year 2023, state aid totaling EUR 1,038 thousand was received, mainly to compensate for increased energy costs. This is short-term state aid that has been recognized in the statement of comprehensive income as income during the period in which the related costs to be reimbursed are recorded. For more information see Note 8 - Purchased services and 9 - Personnel costs.

In the financial year 2022, state aid related to energy with a total value of EUR 1,814 thousand was received. This is short-term State aid that has been recognized in the statement of comprehensive income as income during the period in which the related costs that the aid is intended to compensate for are accounted for. For more information see Note 8 - Purchased services and 9 - Personnel costs.

The table **summarizes government grants recognized** in the statement of comprehensive income:

in TEUR	**1.11.2022 - 31.10.2023**	**1.11.2021 - 31.10.2022**
State aid related to rental costs	-	501
State aid related to wages and salaries	53	382
State aid related to other costs	1 209	1 390
Total	**1 262**	**2 273**

33. Provisions

in TEUR	**31.10.2023**	**31.10.2022**
Opening balance as at 1.11.2022/1.11.2021	613	1 338
Creation of provisions during the year	570	241
Reversal of provisions during the year	-	-963
Use of provisions during the year	-600	-2
Foreign exchange difference	6	-1
Balance as at 31.10.2023/31.10.2022	**589**	**613**

	31.10.2023	31.10.2022
Short-term	422	472
Long-term	167	141
Total	**589**	**613**

34. Bonds Issued

On 10 October 2018, the Group issued the third bond issue TMR III in the total value of EUR 90,000 thousand.

On 7 November 2018, the Group issued the fourth bond issue TMR F. CR in the total value of CZK 1,500,000 thousand, which was repaid on 7 November 2022.

In February 2021, the Group issued TMR V bonds in the total value of up to EUR 150 million, at an interest rate of 6% p.a. and with a maturity date in 2026.

On 28 October 2022, the Group issued TMR VI bonds up to a maximum of EUR 65,000 thousand with an interest rate of 4% p.a. and maturity in 2027. In total, bonds worth EUR 59,000 thousand were traded. On 28 October 2022, bonds worth EUR 1,552 thousand were traded. On 3 November 2022, bonds issued by TMR VI worth EUR 57,448 thousand were traded.

Details on particular bonds are presented in the table below.

in TEUR	ISIN	Date of issue	Maturity date	Currency of the issue	Face value of the issue in the initial currency in '000	Interest rate p.a. in %	Effective interest rate p.a. in %	Carrying value as at 31.10.2023	Carrying value as at 31.10.2022
Name									
TMR III 4.40%/2024	SK4120014598	10.10.2018	10.10.2024	EUR	90 000	4,4	4,940	89 718	89 229
TMR V 6.00%/2026	SK4000018255	2.2.2021	2.2.2026	EUR	110 000	6,0	6,697	113 601	113 091
TMR F. CR 4.5%/2022	CZ0003520116	7.11.2018	7.11.2022	CZK	1 500 000	4,5	5,090	-	62 582
TMR VI 5.40%/2027	SK4000021713	28.10.2022	28.10.2027	EUR	59 000	5,4	5,924	57 945	1 284
Total								**261 264**	**266 186**
Short-term								94 621	67 690
Long-term								166 643	198 496
Total								**261 264**	**266 186**

All four bonds represent a book-entry security in bearer form, and their issue was approved by the National Bank of Slovakia or the Czech National Bank in case of TMR F. CR.

Covenants - issue of TMR III - The Parent Company has committed that, until all of its monetary obligations under the Bonds have been met, the Net Senior Debt to Modified EBITDA (Leverage) ratio will not exceed 8. If the indicator is not met, owners who own at least 10% of the nominal value of issued and outstanding bonds can request that a meeting be called to vote on the possibility of exercising the right to demand early maturity of bonds. The Parent Company has also committed to the LTV ratio, this indicator may not be higher than 70%. However, failure to meet the LTV ratio does not affect the maturity of the debt only the amount of security.

The Group issued TMR Finance CR TMR F. CR bonds on 7 November 2018 with a total volume of CZK 1,500,000 thousand. The funds raised were subsequently provided in the form of a loan to other companies in the Group, these loans were repaid on 4 November 2022. And subsequently, on 7 November 2022, the bonds were repaid.

Covenants – Issue of TMR V does not include conditions causing its immediate repayment. At the same time, the Parent Company is entitled under certain conditions to postpone payment of interest.

Covenants – Issue of TMR VI - The Group has committed that, until all of its monetary obligations under the Bonds have been satisfied, the LTV ratio may not be higher than 70%. However, failure to meet the LTV indicator does not affect the maturity of the debt only the amount of security.

The Group evaluated fulfillment of covenants as at 31 October 2023. The covenants which evaluation is due within the dates of issuing the consolidated financial statements were met. Fulfillment of other covenants will be evaluated later.

All of the three issues (as at 31 October 2022: four issues) are associated with regular payment of the coupon, financed from the Group's own resources.

Out of the total value of liability of EUR 261,264 thousand (as at 31 October 2022: EUR 266,186 thousand), a short-term portion amounts to EUR 94,621 thousand which represents a liability from coupon due in the period of 12 months after 31 October 2023 including the liability from issue of TMR III due on 10 October 2024 (as at 31 October 2022: EUR 67,690 thousand liability from the coupon due in the period of 12 months after 31 October 2022 including the liability from issue TMR F. CR).

Security

As at 31 October 2023, right of lien ("Pledge") for the issued TMR III bonds has been established on the property, movable assets and part of receivables owned by the Group, in the total amount of EUR 97,283 thousand. These are assets that are not used to secure other obligations of the Group.

As at 31 October 2023, right of lien ("Pledge") for the issued TMR VI bonds has been established on the property, movable assets and part of receivables owned by the Group, in the total amount of EUR 77,098 thousand. These are assets that are not used to secure other obligations of the Group.

35. Fair Value Information

The following overview contains information about the carrying amount and fair value of the Group's financial assets and liabilities, that are not accounted for in fair value:

in TEUR		Carrying value		Fair value	
		31.10.2023	**31.10.2022**	**31.10.2023**	**31.10.2022**
Financial assets					
Loans provided	20	2 671	2 109	2 256	1 725
Total		**2 671**	**2 109**	**2 256**	**1 725**

in TEUR		Carrying value		Fair value	
		31.10.2023	**31.10.2022**	**31.10.2023**	**31.10.2022**
Financial liabilities					
Bonds issued	34	261 264	266 186	259 746	264 362
Total		**261 264**	**266 186**	**259 746**	**264 362**

The table does not present financial instruments for which the carrying amount is considered to be an approximation of fair value.

36. Changes in Liabilities Arising from Financial Activities

in TEUR

	1 November 2022	**Additions / Drawings**	**Payment**	**Interest accrued in the current period**	**Additions due to business combinations**	**Impact of cash-flow hedge**	**Other**	**31 October 2023**
Loans and borrowings	122 830	2 928	-16 768	9 210	-	-	-318	117 882
Lease liabilities	67 098	8 541	-7 839	3 418	-	-	1 060	72 278
Bonds issued	266 186	56 457	-76 247	14 952	-	-127	43	261 264
Total liabilities from financing activities	**456 115**	**67 926**	**-100 854**	**27 580**	**-**	**-127**	**785**	**451 425**

In case of bonds issued, the category Other represents the impact of foreign currency loan hedge (see also Note 30 – Hedge accounting) and fee to the administrator for issuing bonds (see also Note 34 - Bonds issued).

in TEUR

	1 November 2021	**Additions / Drawings**	**Payment**	**Interest accrued in the current period**	**Additions due to business combinations**	**Impact of cash-flow hedge**	**Other**	**31 October 2022**
Loans and borrowings	107 626	34 112	-27 268	6 085	3 748		-1 473	122 830
Lease liabilities	66 154	4 376	-7 596	3 096	1 121		-53	67 098
Bonds issued	260 805	1 518	-13 257	14 526	-	2 833	-239	266 186
Total liabilities from financing activities	**434 585**	**40 006**	**-48 121**	**23 707**	**4 869**	**2 833**	**-1 765**	**456 114**

In case of loans and borrowings, the category Other represents the impact of foreign currency loan hedge (see also Note 30 – Hedge accounting). In case of issued bonds, the category Other represents administrator's fee for bond issuance administration.

37. Information about Risk Management

This section provides details about the risks the Group is exposed to and about the method of management thereof.

The Group is exposed to risk in the following areas:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

The management is fully responsible for the establishment and supervision of the Group's risk management.

Credit risk

The Group's primary exposure to credit risk arises through its trade receivables, lease receivables, other receivables and advances and loans provided. The amount of credit risk exposure is represented by the carrying amounts of these assets in the balance sheet if no form of guarantee is issued. The carrying amount of receivables, advances and loans provided represents the maximum accounting loss that would have to be recognised if the counterparty completely failed to perform its contractual obligations and all collaterals and guarantees would be of no value. Therefore, this value highly exceeds the expected losses included in the provision for unrecoverable receivables. Before the conclusion of major contracts, the Group's management evaluates the credit risk related to the counterparty at its regular meetings. Provided material risks are identified, the Group withdraws from concluding the contract.

Loans provided

The Group assigns a level of credit risk to the loans provided on the basis of data that is expected to predict credit risk (including but not limited to external ratings, financial statements, management accounts and cash flow projections and available counterparty press releases), potential days past due and applying experienced credit judgment.

The grades of credit risk are defined by qualitative and quantitative factors that indicate the risk of default and are consistent with external credit rating definitions from credit rating agencies such as Moody's and Standard & Poors. The probability of default is then assigned based on historical data collected by these agencies.

The loss given default (LGD) parameters generally reflect an expected rate of return of 40%, except when a borrowing is reduced by a loan.

Probability of default (PD)	Loss given default (LGD)	Carrying value	Expected credit loss (ECL)
1.99% - 7.38%	**40%**	**2 322**	**- 66**

As at 31 October 2023, loans totaling EUR 1,076 thousand (as at 31 October 2022: EUR 1,033 thousand) were classified as Stage 2, for which an impairment allowance of EUR 989 thousand (as at 31 October 2022: EUR 989 thousand) was created.

Sensitivity analysis

If the borrower's credit quality was changed, the probability of default (PD) would also change. If the PD increased by 10%, the ECL would increase by EUR 6,6 thousand. If the PD decreased by 10%, the ECL would decrease by EUR 6,6 thousand.

The Group also takes into account the differences between the economic conditions during the period in which the historical data were collected, the current conditions and the Group's view on the economic conditions over the expected life of the loan.

As at 31 October 2023, the Group was exposed to the following credit risk:

in TEUR	**Legal entities**	**Banks**	**Other financial institutions**	**Other**	**Total**
Financial assets					
Loans Provided	2 671	-	-	-	2 671
Other receivables	-	-	-	-	-
Trade receivables	5 537	-	-	-	5 537
Cash and Cash Equivalents	-	17 438	-	289	17 727
Other Assets	2 403	-	345	-	2 748
Total	**10 611**	**17 438**	**345**	**289**	**28 683**

As at 31 October 2022, the Group was exposed to the following credit risk:

in TEUR	**Legal entities**	**Banks**	**Other financial institutions**	**Other**	**Total**
Financial assets					
Loans Provided	2 107	-	-	2	2 109
Other receivables	-	-	-	-	-
Trade receivables	4 872	-	-	-	4 872
Cash and Cash Equivalents	-	15 325	-	275	15 600
Other Assets	4 641	254	225	8	5 128
Total	**11 620**	**15 579**	**225**	**285**	**27 709**

Liquidity risk

Liquidity risk arises in the general financing of the Group‘s activities and financial positions. It includes the risk of being unable to finance assets at an agreed maturity and interest rate and inability to realize assets at a reasonable price in a reasonable time frame. Individual companies in the Group use different methods of managing liquidity risk. Group‘s Management focuses on managing and monitoring the liquidity of each company controlled by the Group. In order to manage liquidity, the management determined its accounting period for a fiscal year ended on 31 October. In the first half of its accounting period the Group has the winter season representing 60% of the Group‘s income. Based on the development in the first half of the year, the Group is able, in good time, to affect the income and expenditures to maintain sufficient liquidity. In the Group, seasonality is compensated also by a strong summer season, providing for a more stable liquidity through the entire year.

The following table includes an analysis of financial assets and liabilities of the Group classified by the remaining maturity. This analysis represents the most prudent alternative of the remaining maturities including the interest, based on contracted terms. Therefore, the earliest repayment possible is reported for liabilities and the latest repayment possible is reported for assets. Assets and liabilities without a defined maturity are reported together in the "not specified" category.

As at 31 October 2023, the Group had financial assets and liabilities with the following remaining maturities:

in TEUR	Carrying value	Future cash flow	Up to 3 months	3 months up to 1 year	1 year up to 5 years	Above 5 years	Without specification
Financial assets							
Loans provided	**2 671**	**3 726**	1 077	1 404	353	892	-
Other receivables	-	-	-	-	-	-	-
Trade receivables	**5 537**	**5 661**	5 661	-	-	-	-
Cash and cash equivalents	**17 727**	**17 729**	17 729	-	-	-	-
Other Assets	**2 748**	**2 939**	2 898	41	-	-	-
Total	**28 683**	**30 055**	**27 365**	**1 445**	**353**	**892**	**-**
Financial liabilities							
Loans and borrowings	**-117 882**	**-153 893**	-3 595	-15 504	-110 773	-24 021	-
Lease liabilities	**-72 278**	**-137 338**	-2 502	-11 502	-44 313	-79 020	-
Bonds issued	**-261 264**	**-295 504**	-	-103 746	-191 758	-	-
Trade payables and other payables	**-14 756**	**-14 756**	-14 496	-	-260	-	-
Contract liabilities	-	-	-	-	-		-
Other liabilities	**-23 835**	**-23 835**	-6 372	-2 500	-14 963	-	-
Total	**-490 015**	**-625 326**	**-26 965**	**-133 252**	**-362 067**	**-103 041**	**-**

As at 31 October 2023, loans granted for up to 1 year amount to EUR 2,481 thousand (as at 31 October 2022: EUR 2,268 thousand), a majority of which is payable on demand or by the end of October 2024. The Group does not assume that these loans will be paid off within a year and plans to draw these financial resources according to its needs in order to finance its investment activity and acquisitions. The loan granted is expected to be paid off within 3 years. In order to ensure sufficient liquidity, shortly after the end of the accounting period, the Group increased the overdraft facility from J&T Banka and also decided on bond issue to refinance the bond with maturity in 2024.

As at 31 October 2022, the Group had financial assets and liabilities with the following remaining maturities:

in TEUR	Carrying value	Future cash flow	Up to 3 months	3 months up to 1 year	1 year up to 5 years	Above 5 years	Without specification
Financial assets							
Loans provided	**2 109**	**3 162**	1 095	1 173	-	894	-
Other receivables	-	-	-	-	-	-	-
Trade receivables	**4 872**	**5 291**	5 291	-	-	-	-
Cash and cash equivalents	**15 600**	**15 602**	15 602	-	-	-	-
Other Assets	**5 128**	**5 136**	5 046	90	-	-	-
Total	**27 709**	**29 191**	**27 034**	**1 263**	**-**	**894**	**-**
Financial liabilities							
Loans and borrowings	**-122 830**	**-153 518**	-6 527	-12 241	-98 572	-36 178	-
Lease liabilities	**-67 098**	**-123 362**	-2 213	-11 180	-37 773	-72 196	-
Bonds issued	**-266 186**	**-298 872**	-62 581	-10 644	-225 647	-	-
Trade payables and other payables	**-14 909**	**-14 909**	-14 883	-26	-	-	-
Contract liabilities	-	-	-	-	-		-
Other liabilities	**-15 813**	**-15 813**	-660	-2 592	-10 822	-1 739	-
Total	**-486 836**	**-606 474**	**-86 864**	**-36 683**	**-372 814**	**-110 113**	**-**

The carrying amount of Other receivables includes the advances provided where they are not expected to be settled in cash, but by means of a transfer of shares.

Foreign exchange risk

Because of the acquisition of subsidiaries in Poland and Czech Republic, the Group is primarily exposed to foreign exchange risk of Polish zloty and Czech crown versus euro. The Management regularly monitors whether the difference between receivables and payables in the foreign currency is not too big.

The Group used cash flow hedging to hedge only against currency risk. Since the Group issued Czech crown-denominated bonds in euro equivalent of EUR 58.7 million, the open currency risk position of the Czech crown has opened significantly. The Group decided to hedge its monetary position against fluctuations in the Czech crown for this particular debt instrument. On 7 November 2022, TMR Finance CR, a.s. repaid the fourth issue of TMR F. CR bonds in nominal value of CZK 1,500,000 thousand. At the same time, accounting for hedging cash flows against currency risk was completed. For more information, see Note 30 – Hedge Accounting.

As at 31 October 2023 and 31 October 2022, the Group reported below mentioned items of financial assets and liabilities denominated in foreign currencies:

	31.10.2023			31.10.2022		
in TEUR						
Financial assets	**EUR**	**PLN**	**CZK**	**EUR**	**PLN**	**CZK**
Cash and cash equivalents	4 908	891		1 188	185	154
Trade receivables	136	-	-	163	-	1
Loans Provided	4 674	34 699	6 848	4 147	31 159	8 280
Total	**9 719**	**35 590**	**6 848**	**5 498**	**31 344**	**8 435**

	31.10.2023			31.10.2022		
in TEUR						
Financial liabilities	**EUR**	**PLN**	**CZK**	**EUR**	**PLN**	**CZK**
Trade payables and other payables	-455	-1	-45	-58	-8	-46
Loans and borrowings received	-101 117	-	-	-102 437	-	-61 014
Total	**-101 572**	**-1**	**-45**	**-102 495**	**-8**	**-61 060**

Other assets and liabilities of the Group are denominated in euros.

There is a secondary risk that the weakening of the Czech crown or Polish zloty against the euro would lead to a reduction in the number of visitors to Slovakia from these countries. The Group's management is not able to quantify value of this risk for sure.

Sensitivity analysis

Appreciation of euro by 5% versus Polish zloty and Czech crown would have the following impact on financial assets and financial liabilities of the Group:

Effect on the portfolio		
in TEUR	**2023**	**2022**
PLN	-1 780	-1 568
CZK	-340	2 631

Depreciation of euro by 5% versus Polish zloty and Czech crown would have an identically high but opposite impact on financial assets and financial liabilities in comparison with strengthening of the euro.

Interest rate risk

The Group's operations are subject to the risk of interest rate fluctuations. The volume of this risk equals the sum of interest-earning assets and interest-bearing liabilities for which the interest rate differs at maturity or re-pricing compared to current interest rates. The period for which the interest rate of a financial instrument is fixed therefore indicates to what extent the Group is exposed to interest rate risk. The overview below provides information about the extent of the Group's interest rate exposure based on the contractual maturity date of its financial instruments. The balance of liabilities with fixed interest rate includes also non-interest-bearing liabilities.

As at 31 October 2023 and 31 October 2022, the Group has the following interest-earning assets and interest-bearing liabilities:

in TEUR	**31.10.2023**	**31.10.2022**
Fixed interest rate		
Assets	28 665	27 648
Liabilities	-372 393	-364 281
Variable interest rate		
Assets	18	61
Liabilities	-117 622	-122 555

Sensitivity analysis for instruments with variable interest rate

A change of 100 basis points in interest rates would have the following effect on profit or loss and cash flow sensitivity:

in TEUR	**Profit (Loss)**	
	100 bb growth	**100 bb decline**
31 October 2023		
Instruments with variable interest rate	1 176	-1 176
Effect	**1 176**	**-1 176**

in TEUR	**Profit (Loss)**	
	100 bb growth	**100 bb decline**
31 October 2022		
Instruments with variable interest rate	1 225	-1 225
Effect	**1 225**	**-1 225**

Interest-bearing liabilities of the Group bear variable interest rates based on EURIBOR. The Group considers a variable interest rate to be a self-management of the interest rate risk. EURIBOR grows under economic expansion, but also the economic performance of the population grows, and the Group has higher revenues and earnings. It is quite the opposite under economic recession.

In the previous period, when EURIBOR had negative value, the variable interest component of the total interest rate did not affect the economic result and cash flow sensitivity, as according to the loan agreements the value of EURIBOR is then taken at the level of 0%. In the current period, EURIBOR has positive values and therefore a decrease of 100 basis points in interest rates would have an impact on the economic result and cash flow sensitivity.

Operational risk

Operational risk is the risk of loss arising from embezzlement, unauthorized activities, error, omission, inefficiency or system failure. This risk arises in the case of all of the Group's activities and all companies within the Group are exposed to such risk. Operational risk includes also the risk of lawsuit.

The Group's objective is to manage the operational risk so as to prevent financial losses and damage to Group's reputation within the effectiveness of costs spent to achieve this objective, while avoiding measures hindering initiative and creativity.

The primary responsibility for the implementation of controls to address operational risk is assigned to the Group's management. This responsibility is supported by preparation of standards for management of operational risk applicable for the whole Group. Operational risk is managed by a system of directives, minutes from meetings and control mechanisms. The Group has a controlling department established, which attempts to eliminate all operational risks through regular inspections.

The Group is also exposed to risk of adverse weather-related conditions. The resort attendance is dependent on the volume and period of snow. Unfavorable conditions adversely affect the number of skiers and the Group's revenues and profit or loss. Warm weather may disproportionately increase the cost of snowmaking and reduce the area for skiing. Historically, the region of the Low Tatras had an average of 54 cm of snow during the winter season and the High Tatras region had 59 cm of snow. The start of the winter season and the snow conditions affect the perception of the whole season by skiers. The Group is unable to reliably predict the snow conditions at the beginning of the winter season. Thanks to the system of snowmaking, the snow conditions during the winter are stable each year.

38. Related Parties

Identification of related parties

As shown in the following overview, the Group has a related-party relationship with its shareholders who have significant influence in the Group and other parties; as at 31 October 2023 and 31 October 2022 or during the period from 1 November 2022 to 31 October 2023 and 1 November 2021 to 31 October 2022:

(1) Companies with joint control or significant influence over the entity and its subsidiaries or associates,
(2) Joint ventures in which the Group is a partner,
(3) Associates,
(4) Members of the Group's top management or shareholders of the Group and companies in which top management has control or significant influence (see also Note 9 – Personnel expenses)

Information about remuneration of key management is provided in Note 9 – Personnel expenses.

All related party transactions, including transactions with Key management, were made on the basis of market conditions that are common in such transactions between unrelated parties or that are expected in such transactions. None of the related parties was privileged in any kind of transactions.

As at 31 October 2023, the Group has receivables in the amount of EUR 0 thousand (2022: EUR 0 thousand) and liabilities in the amount of EUR 1,668 thousand (2022: EUR 941 thousand) to Members of the Key Management.

In the period from 1 November 2022 to 31 October 2023, the Group reported revenues in the amount of EUR 0 thousand (2022: EUR 43 thousand) and expenses in the amount of EUR 2,505 thousand (2022: EUR 1,925 thousand) to Members of the Key Management.

As at 31 October 2023, the Group has receivables in the amount of EUR 7 thousand (2022: EUR 25 thousand), liabilities in the amount of EUR 344 thousand (2022: EUR 62 thousand) to companies related through Members of the Key Management.

In the period from 1 November 2022 to 31 October 2023, the Group reported revenues in the amount of EUR 145 thousand (2022: EUR 43 thousand) and expenses in the amount of EUR 5,900 thousand (2022: EUR 4,081 thousand).

39. Subsequent Events

On 1 November 2023, the Group entered into cooperation agreement with the ski resort Beskid Sport Arena in the location of Szczyrk in Poland.

On 2 February 2024, the Group paid out a coupon from the TMR V bond in the amount of EUR 6,600 thousand.

On 15 December 2023, GOPASS Property a.s. was established with a registered capital of EUR 110 thousand and its registered office in the Czech Republic.

40. Capital Commitments and Capital Management

In the course of 2014, the Group made two bond issues in the total nominal value of EUR 180,000 thousand, which have been admitted to trading on the Bratislava Stock Exchange since 19 February 2014.

On 10 October 2018, the Group issued the third issue of TMR III bonds at a total nominal value of EUR 90,000 thousand; will be due in 2024.

On 7 November 2018, the Group issued the fourth bond issue TMR F. CR in the nominal value of CZK 1,500,000 thousand, with maturity in 2022.

During February 2021, the Company issued TMR V bonds with a total nominal value of EUR 110,000 thousand. Interest income from this bond will be paid for each annual period in arrears, always on the 2 February, with the first occurrence on 2 February 2022. The maturity of TMR V bond is on 2 February 2026.

On 28 October 2022, the Group issued TMR VI bonds with a total value of up to a maximum of EUR 65,000 thousand with an interest rate of 5.4% p.a. and a maturity in 2027. On 28 October 2022, bonds worth EUR 1,552 thousand were traded and on 3 November 2022, bonds worth EUR 57,448 thousand were traded. Interest income from this bond are paid for each income period on a semi-annual basis in arrears, always on 28 April and 28 October of each year. The maturity of TMR VI bond is on 28 October 2027.

Further information on issued bonds and related covenants is provided in Note 34 – Bonds Issued.

The Group's management deals with capital management in order to secure a sufficient amount of funds for the planned investments in the period for which the investments were planned, if necessary, in cooperation with bank loans.

The Group and its management monitor developments in the Group’s capital structure, any changes and their potential impact. The Group's capital includes significant items such as bonds issued, borrowings and the related costs or expenses associated with servicing and repayment. The Group meets all its obligations properly, on time and according to the agreed terms. It also meets all agreed terms, ratios and reporting and valuation requirements for any maintenance of this capital. The capital is part of the Group's long-term and strategic plans. The Group uses capital primarily to fund development projects that have been undertaken in previous periods. The purpose of these capital projects is to increase the value of the Group and provide a competitive advantage to its resorts, as well as to generate cash surpluses to cover the repayment of liabilities and also to provide a source of further funding for the Group.

Over the course of the period between 1 November 2022 and 31 October 2023, no changes occurred in the Group’s management approach to capital management.

41. Contingent Assets and Contingent Liabilities

With respect to that many areas of Slovak law on taxation have not been sufficiently ascertained in practice, there is uncertainty in how tax offices will apply them. It is not possible to quantify the level of this uncertainty and it will only cease to exist when legal precedents or official interpretations of the relevant bodies are available.

The Group is currently in the process of evaluation of the possibilities of tax losses utilization by the Parent Company in Slovakia, that arose in a foreign subsidiary of the Group. The Group addressed a request for guidance to the Financial Administration of the Slovak Republic. Due to the uncertainty and lack of clarity of the financial impact, this fact has not been captured in the Group's financial statements.

The Group is a party to several legal disputes. The maximum amount of compensation in all legal disputes can amount up to EUR 377 thousand plus related charges and fees.

42. Companies within the Group

The list of companies in the Group as at 31 October 2023 and 31 October 2022 is included in the following overview:

			31.10.2023		31.10.2022	
	Country	Method	Consol. %	Control	Consol. %	Control
Parent company						
Tatry mountain resorts, a.s.	Slovakia	full	100		100	
Subsidiaries						
Szczyrkowski Ośrodek Narciarski, S.A.	Poland	full	97	direct	97	direct
Śląskie Wesole Miasteczko Sp. z o. o.	Poland	full	100	indirect	100	indirect
TMR Parks, a.s.	Slovakia	full	100	direct	100	direct
TMR Ještěd, a.s.	Czech Republic	full	100	direct	100	direct
Tatry mountain resorts ČR, a.s.	Czech Republic	full	100	direct	100	direct
TMR Finance ČR, a.s.	Czech Republic	full	100	direct	100	direct
Tatry Mountain Resorts AT GmbH	Austria	full	100	direct	100	direct
Mölltaler Gletscherbahnen GmbH & Co KG	Austria	full	100	direct	100	direct
Mölltaler Gletscherbahnen GmbH	Austria	full	100	direct	100	direct
Grundstücksverwertungs-GmbH Flattach	Austria	full	100	indirect	100	indirect
Korona Ziemi sp.z o.o.	Poland	full	74	direct	74	direct
Muttereralm Bergbahnen Errichtungs GmbH	Austria	full	100	direct	100	direct
GOPASS, a.s.	Slovakia	full	-	direct	100	direct
WORLD EXCO s.r.o.	Slovakia	full	-	indirect	100	indirect
EUROCOM Investment, s.r.o.	Slovakia	full	100	indirect	100	indirect
International TMR services, s.r.o.	Czech Republic	full	100	direct	100	direct
GOPASS SE	Czech Republic	full	100	direct	100	direct
TMR Real Estate, s.r.o.	Slovakia	full	100	direct	-	-
Štrbské Pleso resort, s. r. o.	Slovakia	full	100	direct	-	-
Joint ventures						
OSTRAVICE HOTEL a.s.	Czech Republic	equity method	50	indirect	50	indirect
Associate						
MELIDA a.s. (Note 5(b))	Czech Republic	equity method	25	direct	25	direct

In March 2014, the Group acquired a 97% stake in the Polish mountain resort of Szczyrkowski Ośrodek Narciarski S.A. (SON).

In April 2015, the Group agreed to acquire a 75% stake in a Polish company that owns and operates the Silesian Amusement Park (Śląskie Wesołe Miasteczko Sp. Z o.o.). In 2017, the subsidiary TMR Parks, a.s. was established, which bought the entire 75% stake in SWM from the Parent Company and subsequently bought the remaining 25% stake from the original owner and thus became the sole owner.

In December 2017, the Group, through its subsidiary TMR Ještěd a.s. officially took over the operation of the Ještěd sports complex in the city of Liberec. In November 2018, the Group entered the golf segment and leases and operates Golf & Ski Resort Ostravice in the Czech Republic. The subject of activity of OSTRAVICE HOTEL a.s. is the rental of real estate, apartments and non-residential premises. In January 2019, the Group leased Golf Resort Kaskáda near Brno, Czech Republic, for a period of 20 years, managing the operation of a hotel with a congress center and restaurant.

The company Tatry mountain resorts ČR, a.s. was founded in 2018 and is used for future acquisitions in the Czech Republic. In 2018, the company TMR Finance ČR, a.s. whose main activity is the provision of funds obtained by issuing bonds to related companies in the Group in the form of loans, borrowings or other forms of financing, was founded.

In 2019, through the subsidiary Tatry Mountain Resorts AT GmbH, the Group acquired shares in the subsidiaries Mölltaler Gletscherbahnen GmbH & Co KG, Mölltaler Gletscherbahnen GmbH and Grundstücksverwertungs-GmbH Flattach. These subsidiaries operate the Mölltaler Gletscher and Ankogel ski resorts in Austria. In May 2020, the Group acquired a 100% stake in 1. Tatranská, a joint-stock company that operates the Štrbské Pleso ski resort in the High Tatras in Slovakia, operates a hospitality business and operates a ski school. As at 1 November 2020, it was merged with the Parent Company.

On 1 May 2021, the Parent Company acquired 100% share in the company Muttereralm Bergbahnen Errichtungs GmbH. The company operates a ski resort in Austria.

On 4 June 2021, GOPASS, a.s. was founded. The Parent company became its sole shareholder.

On 29 October 2021, the Parent Company sold the assets of Aquapark Tatralandia and Holiday Village Tatralandia to a subsidiary of TMR Parks, a.s. (original name: Tatry mountain resorts PL), but the Parent Company continues to operate them.

On 31 March 2022, the Group acquired a 100% stake and control in the company WORLD EXCO, s.r.o. The acquired company operates a congress center in Bešeňová.

On 31 March 2022, the Group also acquired a 100% stake and control in EUROCOM Investment, s.r.o. The acquired company operates the Bešeňová water park, Hotel Galeria Thermal and Hotel Bešeňová.

On 22 June 2022, the company International TMR services s.r.o. was founded in the Czech Republic for the purpose of providing services within the TMR Group, 100% owned by the Parent Company.

On 1 July 2022, the Group acquired a 100% stake in the European company GOPASS SE, based in the Czech Republic, which will serve the purpose of expanding in the European market.

On 1 November 2022, EUROCOM Investment, s.r.o. and WORLD EXCO, s.r.o. merged, where EUROCOM Investment s.r.o. became the legal successor.

On 8 November 2022, GOPASS SE, a branch in Slovakia, was founded. It is an enterprise of a foreign entity of a European company - a subsidiary of GOPASS SE.

As at 1 April 2023, the cross-border merger of GOPASS a.s. as a dissolving company with the successor company GOPASS SE took effect. The decisive date for the merger is 1 November 2022. GOPASS a.s. ceased to exist as a result of a cross-border merger without liquidation on 1 April 2023.

On 28 June 2023, TMR Real Estate, s.r.o. was established for the purpose of real estate activities with the amount of registered capital of EUR 5 thousand, of which the Company became the sole shareholder.

On 26 September 2023, the company Štrbské Pleso resort, s. r. o. was founded, with the amount of registered capital EUR 5 thousand, of which the Company became 100% owner. The company was founded for the purpose of further development of the Štrbské Pleso resort in relation to local communities.

Igor Rattaj *The Chairman of the Board of Directors*	Zuzana Ištvánfiová *The Vice Chairman of the Board of Directors*	Marián Klas *Finance Director*	Lucia Kušnierová *Person responsible for preparation of the financial statements*

Independent Auditor‘s Report

KPMG

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Translation of the Independent Auditors' Report originally prepared in Slovak language

Independent Auditors' Report

To the Shareholders, Supervisory Board and Board of Directors of Tatry mountain resorts, a.s.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Tatry mountain resorts, a.s. (the "Company") and its subsidiaries (the "Group"), which comprise:

- the consolidated statement of financial position as at 31 October 2023;

and, for the year then ended:

- the consolidated statement of profit or loss and other comprehensive income;
- the consolidated statement of changes in equity;
- the consolidated statement of cash flows;

and

- notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 October 2023, and of its consolidated financial performance and its consolidated cash flows for the period then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Obchodný register Mestského súdu Bratislava III, oddiel Sro, vložka č. 4864/B
Commercial register of the Municipal Court Bratislava III, section Sro, file No. 4864/B

IČO/Registration number: 31 348 238
Evidenčné číslo licencie audítora: 96
Licence number of statutory auditor: 96

Independent Auditor's Report

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Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") and Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements of the Act No. 423/2015 Coll. on statutory audit and on amendments to Act No. 431/2002 Coll. on accounting as amended ("the Act on Statutory Audit") including the Code of Ethics for an Auditor that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the following key audit matters:

Impairment of property, plant and equipment and intangible assets

Carrying amount of property, plant and equipment and intangible assets as at 31 October 2023: EUR 449,997 thousand (31 October 2022: EUR 440,567 thousand); Impairment allowance of property, plant and equipment and intangible assets as at 31 October 2023: EUR 26,210 thousand (31 October 2021: EUR 21,682 thousand);

Refer to Notes 2e), 2l), 2m) and 2n) (Summary of significant accounting policies), Note 3c) (Goodwill and impairment test), Note 3d) (Impairment test of non-financial assets other than goodwill), Note 14 (Property, Plant and Equipment), Note 15 (Right-of-use Leased Assets) and Note 16 (Goodwill and Intangible assets) of the consolidated financial statements.

Key audit matter	Our response
As described in Note 3d) of the consolidated financial statements, in the current year, the Group identified impairment indicators in respect of its property, plant and equipment and intangible assets, including ones related to business disruption and losses incurred during previous years, ongoing war in Ukraine and increased energy prices. In the wake of the above factors, as at 31 October 2023, the Group tested property, plant and equipment and intangible assets for impairment, as part of the impairment test performed for the cash generating unit („CGU") ski resort Vysoke Tatry of parent company Tatry mountain resorts, a.s., CGU ski resort Nizke Tatry of parent company Tatry mountain resorts, a.s., CGU aquapark Tatralandia of Slovak daughter company TMR Parks, a.s., CGU aquapark	Our audit procedures in the area included, among others: • Evaluating against the requirements of the relevant financial reporting standards the Group's accounting policy for identification of impairment, and measurement and recognition of any impairment losses in respect of property, plant and equipment and intangible assets; • Evaluating design and implementation of internal controls relating to the identification of impairment indicators and to the process of impairment testing; • Evaluating the quality of the Group's forecasting by comparing historical projections with actual outcomes;

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Besenova of Slovak daughter company EUROCOM Investment, s.r.o., CGU ski resort Szczyrk of Polish daughter company Szczyrkowski Osrodek Narciarski S.A., CGU amusement park Legendia of Polish daughter company Šlaskie Wesole Miasteczko Sp. z o. o., CGU ski resort Mölltaler Gletscher & Ankogel Mallnitz in Austrian daughter companies Mölltaler Gletscherbahnen GmbH and Mölltaler Gletscherbahnen GmbH & Co KG, CGU ski resort Jested in Czech daughter company TMR Ještěd a.s. and CGU ski resort Muttereralm Innsbruck in Austrian daughter company Muttereralm Bergbahnen Errichtungs GmbH. The Group determined recoverable amounts for above mentioned CGU's based on the higher of their fair value less costs of disposal and their value in use estimated under the discounted cash flow method. Determination of the recoverable amount requires making a number of assumptions and judgments, in particular those relating to grouping of assets into CGUs, discount rates used and future cash flows, with key assumptions made about prices for services provided, costs, and expected levels of sales, output and operating costs. Due to the above factors, coupled with the significantly higher estimation uncertainty stemming from the volatile economic environment, ongoing war in Ukraine and increased energy prices, assessment of property, plant and equipment and intangible assets for impairment required our significant judgment and increased attention in the course of our audit. As a consequence, we consider the area to be our key audit matter.	• Assessing the appropriateness of asset grouping into CGUs, based on our understanding of the Group's operations and business units; • Inquiring of the management of the Group regarding the impact of the volatile economic environment, ongoing war in Ukraine and increased energy prices and its results in the current year and going forward. • Assisted by our own valuation specialists, challenging the reasonableness of the Group's key assumptions and judgments used in estimating the recoverable amount, including: - Assessing the Group's discounted cash flow model against the relevant financial reporting standards and market practice, - Challenging reasonableness of the key macroeconomic assumptions used, such as those in respect of discount rates by reference to publicly available external sources, and - Using our knowledge of the Group, its past performance, business, and our industry experience, and also our understanding of the effects of the ongoing war in Ukraine and increased energy prices, assessing reasonableness of the assumptions relating to future prices of services provided, as well as those in respect of expected sales, output and operating costs, by reference to publicly available reports, market reports and the Group's internal documents; - Assessing susceptibility of the impairment model and the resulting impairment conclusion to management bias, by challenging the Group's analysis of the model's sensitivity to changes in key underlying assumptions; • Evaluating the appropriateness and completeness of impairment-related disclosures in the consolidated financial statements against the requirements of the financial reporting standards.

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Responsibilities of the Statutory Body and Those Charged with Governance for the Consolidated Financial Statements

The statutory body is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as the statutory body determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the statutory body;
- Conclude on the appropriateness of the statutory body's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Independent Auditor's Report

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Reporting on other information in the Annual Report

The statutory body is responsible for the other information. The other information comprises the information included in the Annual Report prepared in accordance with the Act No. 431/2002 Coll. on Accounting as amended ("the Act on Accounting") but does not include the consolidated financial statements and our auditors' report thereon. Our opinion on the consolidated financial statements does not cover the other information in the Annual Report.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information in the Annual Report that we have obtained prior to the date of the auditors' report on the audit of the consolidated financial statements, and, in doing so, consider whether the other information is materially inconsistent with the audited consolidated financial statements or our knowledge obtained in the audit of the consolidated financial statements, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

With respect to the Annual Report, we are required by the Act on Accounting to express an opinion on whether the other information given in the Annual Report is consistent with the consolidated financial statements prepared for the same financial year, and whether it contains information required by the Act on Accounting.

Based on the work undertaken in the course of the audit of the consolidated financial statements, in our opinion, in all material respects:

- the other information given in the Annual Report for the year ended 31 October 2023 is consistent with the consolidated financial statements prepared for the same financial year; and
- the Annual Report contains information required by the Act on Accounting.

In addition to this, in light of the knowledge of the Company and its environment obtained in the course of the audit of the consolidated financial statements, we are required by the Act on Accounting to report if we have identified material misstatements in the other information in the Annual Report. We have nothing to report in this respect.

Independent Auditor's Report

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Additional requirements on the content of the auditors' report according to Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities

Appointment and approval of an auditor

We have been appointed as a statutory auditor by the statutory body of Tatry mountain resorts, a.s. on 16 August 2023 on the basis of approval by the General Meeting of Tatry mountain resorts, a.s. held on 31 May 2023. The period of our total uninterrupted engagement, including previous renewals (extensions of the period for which we were originally appointed) and reappointments as statutory auditors, is 15 years.

Consistency with the additional report to the audit committee

Our audit opinion as expressed in this report is consistent with the additional report to the supervisory board of the Company, which was issued on the same date as the date of this report.

Non-audit services

No prohibited non-audit services referred to in Article 5 (1) of Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities were provided and we remained independent of the Group in conducting the audit.

Independent Assurance Report on the Compliance of the Presentation of the Consolidated Financial Statements with the Requirements of the European Single Electronic Format ("ESEF")

We have been engaged by the Company to conduct a reasonable assurance engagement to verify the compliance of the presentation of the consolidated financial statements of the Group for the year ended 31 October 2023 included in the Annual Financial Report (the "Presentation of the Consolidated Financial Statements") with the requirements of the ESEF Regulation.

Description of Subject Matter and Applicable Criteria

The Presentation of the Consolidated Financial Statements has been applied by the statutory body to comply with the requirements of the Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (the "ESEF Regulation"). The applicable requirements regarding the Presentation of the Consolidated Financial Statements are contained in the ESEF Regulation.

The requirements described in the preceding paragraph with respect to the Presentation of the Consolidated Financial Statements constitute, in our view, appropriate criteria to form a reasonable assurance conclusion.

Responsibilities of the Statutory Body and Those Charged with Governance

The statutory body is responsible for the Presentation of the Consolidated Financial Statements that complies with the requirements of the ESEF Regulation. This responsibility includes:

- preparation of the consolidated financial statements in XHTML format;
- selection and application of appropriate markups in iXBRL using ESEF taxonomy; and
- designing, implementing and maintaining internal controls relevant for the preparation of the Presentation of the Consolidated Financial Statements which is free from material non-compliance with the requirements of the ESEF Regulation.

Independent Auditor‘s Report

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Those charged with governance are responsible for overseeing the Group's financial reporting process, which also includes the preparation of the consolidated financial statements that also comply with the requirements of the ESEF Regulation.

Our Responsibility

Our responsibility is to express a reasonable assurance conclusion whether the Presentation of the Consolidated Financial Statements complies, in all material respects, with the requirements of the ESEF Regulation.

We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) Assurance Engagements Other than Audits and Reviews of Historical Financial Information ("ISAE 3000(R)"), issued by the International Auditing and Assurance Standards Board (the "IAASB"). This standard requires that we comply with ethical requirements, plan and perform procedures to obtain reasonable assurance whether the Presentation of the Consolidated Financial Statements complies, in all material respects, with the requirements of the ESEF Regulation.

The nature, timing, and extent of procedures performed depend on the auditor's judgment. Reasonable assurance is a high level of assurance, but it does not guarantee that the service performed in accordance with ISAE 3000(R) always detects material non-compliance.

Our Quality Control and Independence Requirements

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Summary of Work Performed

Our planned and performed procedures were aimed at obtaining reasonable assurance that the Presentation of the Consolidated Financial Statements complies, in all material respects, with the requirements of the ESEF Regulation. Our procedures included in particular:

- obtaining an understanding of the internal control system and processes relevant to the application of the electronic reporting format of the consolidated financial statements, including the preparation of the XHTML format and marking up the consolidated financial statements;
- verification whether the XHTML format was properly applied;
- evaluating the completeness of marking up the consolidated financial statements using the XBRL markup language according to the requirements of the implementation of the electronic format, as described in the ESEF Regulation;
- evaluating the appropriateness of the Group's' use of XBRL markups selected from the ESEF taxonomy and the creation of extension markups where no suitable element in the ESEF core taxonomy has been identified; and
- evaluating the appropriateness of the anchoring of the extension elements to the ESEF core taxonomy.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Independent Auditor's Report

KPMG

Conclusion

In our opinion, based on the procedures performed, the Presentation of the Consolidated Financial Statements complies, in all material respects, with the requirements of the ESEF Regulation.

Audit firm:
KPMG Slovensko spol. s r.o.
License SKAU No. 96

Slovenská komora audítorov SKAU Č.licencie 96 KPMG Slovensko spol. s r.o.

Responsible auditor:
Ing. Miroslav Kožlej
License UDVA No. 1212

Bratislava, 29 February 2024

This is a translation of the original Slovak Auditors' Report into English language. The consolidated financial statements have not been translated. For a full understanding of the information stated in the Auditors' Report, the Report should be read in conjunction with the full set of the consolidated financial statements prepared in Slovak.

SEPARATE FINANCIAL STATEMENTS

Separate Financial Statements

Tatry mountain resorts, a.s.

Separate Financial Statement
for the Period from 1 November 2022 to 31 October 2023

prepared in accordance
with the International Financial Reporting Standards ("IFRS")
Standards ("IFRS") as adopted by the EU

Separate statement of profit and loss and other comprehensive income

in TEUR	Note	1.11.2022 - 31.10.2023	1.11.2021 - 31.10.2022
Sales	6	135 617	90 483
Total revenue		**135 617**	**90 483**
Material and goods consumption	7	-19 875	-15 132
Purchased services	8	-32 964	-25 439
Personnel expenses	9	-37 056	-29 816
Other operating expenses	10	-943	-879
Other operating income	11	2 371	6 703
Gain / (loss) on revaluation of investment property	17	-	-906
Impairment losses to financial assets	22,23,26,28	-7 393	10 470
Profit before interest, taxes, depreciation and amortization (EBITDA)*		**39 757**	**35 484**
Depreciation and amortization	14,16	-14 116	-12 971
Depreciation of right-of-use assets	15	-4 803	-4 344
Profit / (loss) before interest, taxes (EBIT)		**20 838**	**18 169**
Interest income calculated using effective interest rate	12	7 523	7 965
Financing cost	12	-25 871	-20 051
Net profit / (loss) on financial operations	12	1 572	-715
Net profit / (loss) on disposal of subsidiaries	5	-	-721
Profit / (loss) before tax		**4 062**	**4 647**
Current income tax	13	-1 216	-1
Deferred income tax	13	-134	-1 359
Profit / (loss)		**2 712**	**3 287**
Other comprehensive income			
Other comprehensive income that may be reclassified to profit or (loss) in subsequent periods (net of tax):			
Net gain/(loss) on cash flow hedges	33	2 602	-1 103
Total comprehensive income		**5 314**	**2 184**
Profit / (loss) per share (in EUR)	29	**0,404**	**0,490**
Number of shares		**6 707 198**	**6 707 198**

*EBITDA represents a profit from recurring Company activities before taxes, interest, amortization and depreciation, adjusted to other income and expenses, which are listed under EBITDA, in particular profit / (loss) from financial operations representing foreign exchange gains / (losses). The EBITDA indicator adjusted in this way is used by the Company's management to manage the Company's performance as well as individual CGUs (cash-generating units).

Separate Statement of Financial Position

in TEUR	Note	31.10.2023	31.10.2022
Assets			
Goodwill and intangible assets	16	31 927	32 328
Property, plant and equipment	14	246 168	242 311
Right-of-use assets	15	59 092	59 256
Investment property	17	6 663	7 411
Investments in an associate and a joint venture	18	7 118	7 118
Loans provided	22	11 484	23 351
Other receivables	24	161	128
Investments in subsidiaries	19	45 573	15 074
Total non-current assets		**408 186**	**386 977**
Inventory	21	7 208	2 629
Trade receivables	23	3 961	2 424
Loans provided	22	145 996	159 877
Other receivables	24	1 349	3 923
Financial investments	27	36	36
Cash and cash equivalents	28	4 341	5 332
Other assets	26	4 745	4 317
Total current assets		**167 636**	**178 538**
Assets total		**575 822**	**565 515**
Equity	29		
Share capital		46 950	46 950
Share premium		30 430	30 430
Retained earnings		11 310	8 943
Other reserves		7 527	4 596
Total equity		**96 217**	**90 919**
Liabilities			
Loans and borrowings	30	79 558	87 272
Lease liabilities	31	55 455	51 901
Trade payables and other payables	32	864	1 169
Provisions	36	85	137
Other non-current liabilities	35	954	884
Bonds issued	37	166 643	198 496
Deferred tax liability	20	17 028	16 203
Total non-current liabilities		**320 587**	**356 062**
Loans and borrowings	30	27 018	78 317
Lease liabilities	31	7 566	7 760
Trade payables and other payables	32	17 890	14 755
Contract liabilities	34	8 983	10 061
Bonds issued	37	94 621	5 108
Corporate income tax liability	13	1 210	-
Other current liabilities	35	1 730	2 533
Total current liabilities		**159 018**	**118 534**
Total liabilities		**479 605**	**474 596**
Total equity and liabilities		**575 822**	**565 515**

The Notes provided on pages 194 to 260 constitute an integral part of the Separate Financial Statements.

Separate Statement of Changes in Equity

in TEUR	Share capital	Share premium	Legal reserve fund	Fair value revaluation reserve	Hedging revaluation reserve	Retained earnings	Total
Balance as at 1 November 2022	**46 950**	**30 430**	**7 018**	**180**	**-2 602**	**8 943**	**90 919**
Transfer of retained earnings into the legal reserve fund			329			-329	
Contributions to the social fund	-	-	-	-	-	-16	**-16**
Profit / (loss) for the period	-	-	-	-	-	2 712	**2 712**
Other components of comprehensive income, after tax							
- items with possible subsequent reclassification to profit/(loss):							
Cash Flow hedge	-	-	-	-	2 602	-	**2 602**
Total comprehensive income for the period	**-**	**-**	**329**	**-**	**2 602**	**2 367**	**5 298**
Balance as at 31 October 2023	**46 950**	**30 430**	**7 347**	**180**	**-**	**11 310**	**96 217**

Separate Statement of Changes in Equity (continued)

in TEUR	Share capital	Share premium	Legal reserve fund	Fair value revaluation reserve	Hedging revaluation reserve	Retained earnings	Total
Balance as at 1 November 2021	**46 950**	**30 430**	**7 018**	**180**	**-1 499**	**5 656**	**88 735**
Profit / (loss) for the period	-	-	-	-	-	3 287	**3 287**
Other components of comprehensive income, after tax							
- items with possible subsequent reclassification to profit/(loss):							
Cash Flow hedge	-	-	-	-	-1 103	-	**-1 103**
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-1 103**	**3 287**	**2 184**
Balance as at 31 October 2022	**46 950**	**30 430**	**7 018**	**180**	**-2 602**	**8 943**	**90 919**

Separate Cash Flow Statement

in TEUR	Note	1.11.2022 - 31.10.2023	1.11.2021 - 31.10.2022
OPERATING ACTIVITIES			
Profit		**2 712**	**3 287**
Adjustments related to:			
Gain on disposal of property, plant and equipment and intangible assets		-1 945	-5 319
Depreciation and amortization	14,16	14 116	12 971
Depreciation of right-of-use assets	15	4 803	4 344
(Release) / creation of impairment to receivables	23,24,26	7 392	-10 467
(Profit) / loss from financial operations	12	-1 572	715
Loss from disposal of subsidiaries	5	-	721
Loss on revaluation of investment property	17	-	906
Net interest expense / (income)	12	18 348	12 086
Change in provisions		-53	327
Income tax	13	1 350	1 360
Change in trade receivables, other receivables and other assets		3 819	-2 023
Change in inventories		-4 579	33
Change in trade liabilities and other liabilities		2 909	6 115
Cash flow from operating activity before income tax		**47 300**	**25 056**
Income tax paid		-6	167
Cash flow from operating activity		**47 294**	**25 223**
INVESTING ACTIVITIES			
Acquisition of land, buildings and equipment and intangible assets	14,16	-17 514	-19 800
Proceeds from disposal of property, plant and equipment and intangible assets		3 662	7 850
Cost of acquisition of subsidiaries (capital contributions)	5	-3 240	-17
Income from the sale of shares in subsidiaries	5	-	2 350
Loans provided		-6 031	-33 070
Repayment of loans provided		3 184	5 166
Interest received		10	22
Cash flow from investing activity		**-19 929**	**-37 499**
FINANCING ACTIVITIES			
Repayment of lease liabilities		-5 962	-7 012
Repayment of received loans and borrowings		-64 493	-7 352
Loans and borrowings received		7 928	37 023
Bonds issued	37	56 457	1 518
Interest paid		-22 286	-16 766
Cash flow from financing activity		**-28 356**	**7 411**
Net increase/ (decrease) of cash and cash equivalents		-991	-4 865
Influence of impairment allowance to cash and cash equivalents	28	-	3
Cash and cash equivalents at the beginning of the year	28	5 332	10 194
Cash and cash equivalents at the end of the year	28	**4 341**	**5 332**

The Notes provided on pages 194 to 260 constitute an integral part of the Separate Financial Statements.

Content

1. Information about the Company

Tatry mountain resorts a.s. (hereinafter referred to as the "Company") is a joint stock company with the registered office and place of business in Demänovská Dolina 72, Liptovský Mikuláš 031 01. The Company was established on 20 March 1992 and was registered in the Commercial Register on 1 April 1992. The Company identification number is 31 560 636 and the Company tax identification number is 2020428036.

The Company is not a fully liable partner in other accounting entities.

Starting from 19 November 1993, the Company shares are registered on the Bratislava Stock Exchange; starting from 15 October 2012, on the Warsaw Stock Exchange (WSE), and starting from 22 October 2012, on the Prague Stock Exchange (BCCP).

The Company has the accounting period and fiscal year from 1 November to 31 October, as the Company activity is influenced by seasonal fluctuations.

The Shareholders' structure of the Company is described in Note 29 - Equity

The principal activities of the Company comprise the operation of cable ways and ski lifts, restaurant and catering services, the operation of a ski and snowboard school, the purchase and sale of goods, hotel business. Since 29 March 2011 the Company has been operating the Tatralandia Aquapark and thus expanded its portfolio of services. During 2014 and 2015 the Company acquired interests in subsidiaries in Poland that operate the Szczyrk ski resort and an amusement park in Chorzow. During the years 2017 and 2018 the Company expanded its portfolio by subsidiary companies in the Czech Republic and Austria. The company in the Czech Republic operates ski center Ještěd near Liberec since December 2017. In 2019 the Company acquired interests in Austrian companies operating the ski resorts Mölltaler Gletscher and Ankogel in Austria. In October 2019 the Company became a direct shareholder (9.5% share) in MELIDA a.s., then in December 2019 acquired additional 15.5 % share (in total the Company has 25% share). MELIDA a.s. operates the ski resort Špindlerův Mlýn in the Czech Republic. During the accounting period ended 31 October 2020, the Company acquired shares in the Slovak company 1. Tatranská, akciová spoločnosť, which operates the ski resort Štrbské pleso in High Tatras, provides hospitality services and operates a ski school. On 1 November 2020, the Company merged with 1. Tatranská, akciová spoločnosť ("1. Tatranská"). As at 1 May 2021, the Company expanded its portfolio by adding the subsidiary Muttereralm Bergbahnen Errichtungs GmbH (90% share). On 4 June 2021, GOPASS, a.s. was established, in which the Company became the sole shareholder. GOPASS, a.s. will be used for expansion into Alpine ski resorts which are planned to be incorporated into its platform. On 29 October 2021, the Company sold Aquapark Tatralandia and Holiday Village Tatralandia assets to its subsidiary TMR Parks, a.s. (former name: Tatry mountain resorts PL), but the Company continues to operate them. On 22 June 2022, International TMR services s.r.o. was established for the purpose of providing services within the TMR Group, of which the Company became 100% owner. On 1 July 2022, the Company acquired 100% of the shares in the European company GOPASS SE, which will be used for the purpose of expansion in the European market.

On 8 November 2022, GOPASS SE, a branch in Slovakia, was founded. It is an enterprise of a foreign entity of a European company - a subsidiary of GOPASS SE. As of 1 April 2023, the cross-border merger of GOPASS a.s. as a dissolving company with the successor company GOPASS SE took effect. The decisive date for the merger is 1 November 2022. GOPASS a.s. ceased to exist as a result of a cross-border merger without liquidation as at 1 April 2023. On 28 June 2023, TMR Real Estate, s.r.o. was established for the purpose of real estate activities, and the Company became its sole shareholder. On 26 September 2023, the company Štrbské Pleso resort, s. r. o. was established, and the Company became its 100% owner.

Company bodies are:

The Board of Directors
Ing. Igor Rattaj, the Chairman
Ing. Zuzana Ištvánfiová, the Vice Chairman (since 1.6.2023)
Ing. Jozef Hodek, the Member (to 30.6.2023)
Čeněk Jílek, the Member

The Supervisory Board:
Ing. Jozef Hodek, (since 1.7.2023)
Ing. Bohuš Hlavatý (to 30.6.2023)
Ing. František Hodorovský
Roman Kudláček
Ing. Andrej Devečka
Ing. Pavol Mikušiak
Adam Tomis
Mgr. Marek Schwarz
Ivan Oško
Miroslav Roth

2. Significant Accounting Policies

(a) Statement of compliance

The separate financial statements for the period from 1 November 2022 to 31 October 2023 have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as adopted by the EU and in accordance with Art 17a), par. 3 of Act No. 431/2002 Coll. of the National Council of the Slovak Republic on Accounting ("Act on Accounting").

Since the Company has share in subsidiaries, IFRS and the Act on Accounting require the preparation of consolidated financial statement. The Company has not consolidated its subsidiaries in this separate financial statement. The investments in subsidiaries are recognized at cost (net of impairment losses, if any) and dividend returns are recognized at the moment when the Company became entitled to receiving dividends from those companies. The Company applies similar treatment to associates. The Company prepares consolidated financial statements that shall be published by the end of February 2024 and that shall be available at the Company headquarters.

The financial statements were approved by the Board of Directors on 29 February 2024.

(b) Basis of preparation

The separate financial statements have been prepared based on the historical cost principle, while the investment property and financial instruments measured at fair value were revalued to their fair value through profit or loss.

The Company's separate financial statements have been prepared on a going-concern basis.

The Company's management expects that the Company has sufficient resources to continue as a going concern for at least another 12 months and that the preparation of the financial statements, assuming the continuity of its operations, is appropriate.

The Company consistently plans the future development of the financial position, cash flows and operational results. It monitors the development of its financial results against financial plans and previous periods. It evaluates external factors, such as interest rates, unemployment, inflation, and others, in all its relevant markets. It uses the information and assumptions of developments in the preparation of long-term plans and cash flow projections, considering the needs for financing its operations. It is essential for the Company to meet its required capital commitments and ensure sufficient cash liquidity. The Company regularly monitors these parameters with an emphasis on maintaining sustainability of its business and functioning on a going concern basis. It adapts its strategy and management to the needs of meeting its commitments and investment needs of its resorts. The Company does not have and does not foresee any cash flow management issues for the next period. The Company considers the impact of macroeconomic developments in its plans and management and considers the current situation to be manageable. The Company, in its plans and management, takes into account the impacts of macroeconomic development and considers the current situation to be manageable. Thanks to investments into snowmaking, it was possible to open the ski season earlier than usual in several resorts in December 2023. At the same time, favorable weather conditions allowed for a wider-scale opening of the resorts, which resulted in an increased number of visitors at the resorts and hotels. Consequently, planned revenues and financial results have been exceeded above the expectations.

The separate financial statements have been prepared in EUR thousands.

The preparation of financial statements in compliance with the International Financial Reporting Standards as adopted by the EU requires the application of various judgements, assumptions and estimates which affect the reported amounts of assets, liabilities, income and expenses. However, actual results will likely differ from these estimates. Significant accounting estimates and judgements which were made by management, and which bear a significant risk of material adjustment in the next accounting period are discussed in Note 3 – Significant Accounting Estimates and Assumptions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of revision and also in future periods if the revision affects both current and future periods.

(c) Adoption of new standards and interpretations

In the course of the accounting period starting on 1 November 2022, the Company implemented following new IFRS standards, amendments to standards and IFRIC interpretations. The application of these standards had no impact on the financial statements of the Company.

- Amendments to IFRS 3 "Business Combinations" – adopted by the EU on 28 June 2021 (effective for annual periods beginning on or after 1 January 2022),
- Amendments IAS 16 "Property, Plant and Equipment" – adopted by the EU on 28 June 2021 (effective for annual periods beginning on or after 1 January 2022),
- Amendments IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" – adopted by the EU on 28 June 2021 (effective for annual periods beginning on or after 1 January 2022),
- Annual amendments to various standards due to "IFRS quality improvement project (cycle 2018 – 2020)" – resulting from the annual IFRS quality improvement project, the main aim of which is to eliminate inconsistencies and clarify the wording – adopted by the EU on 28 June 2021 (effective for annual periods beginning on or after 1 January 2022).

(d) International financial reporting standards that were issued but not yet effective

The Company did not apply any International Financial Reporting Standards as adopted by the European Union before the date they become effective. In case that the transition arrangements allow entities to choose between prospective or retrospective approach, the Company decided to apply these standards prospectively.

As at 31 October 2023, the following International Financial Reporting Standards, amendments to standards and interpretations were issued but not yet effective, and have not been applied by the Company in preparing these financial statements:

- Amendments to IFRS 17 Insurance contracts - Initial application of IFRS 17 and IFRS 9 - Comparative information – adopted by the EU on 8 September 2022 (effective for annual periods beginning on or after 1 January 2023),
- Amendments to IAS 12 Income taxes – Deferred tax relating to assets and liabilities arising from a single transaction - adopted by the EU on 11 August 2022 (effective for annual periods beginning on or after 1 January 2023),
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies – adopted by the EU on 2 March 2022 (effective for annual periods beginning on or after 1 January 2023),
- Amendments to IAS 8 Accounting principles, Changes in accounting estimates and errors - Definition of accounting estimates – adopted by the EU on 2 March 2022 (effective for annual periods beginning on or after 1 January 2023),
- Amendments to IFRS 17 Insurance contracts; including Amendments to IFRS 17 – adopted by the EU on 19 November 2021 (effective for annual periods beginning on or after 1 January 2023).

The Company anticipates that the issuance of new, but not yet effective International Standards, will not affect the financial statements.

(e) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i. Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Buildings and land — 30 years
- Individual movables and sets of movables
  - Works of art — 20 years
  - Billboards and advertising space — 10 years
  - Snow groomers — 8 years
  - Other — 5 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

Refer to the accounting policies for impairment of non-financial assets in Note 2(l) Impairment of non-financial assets.

ii. Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs.

The Company does not apply the practical expedient in IFRS 16.15. Every contract is examined to determine whether it contains a non-lease components in addition to lease components. Non-lease components are separated from the lease components, and only the lease components are accounted for in accordance with the provisions of IFRS 16.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. When revaluing lease liability due to a lease modification, residual value of the right-of-use asset is adjusted for the revaluation difference. Right-of-use asset is further depreciated from this adjusted value.

The Company's lease liabilities are included in Lease liabilities (see Note 31).

iii. Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). The Company also applies the lease of low-value assets recognition exemption to leases of items of low value - below

EUR 1,000. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Arising rental income is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

In the case of leases, in which the Company transfers substantially all the risks and rewards of ownership of the asset, are classified as finance leases. The leased asset is derecognized and the Company recognizes a financial asset measured at amortized cost, representing the present value of the lease payments, adjusted as in lease liabilities.

In case that the Company leases right-of-use assets, which it further sublets as a lessor to other lessees, the Company evaluates the lease provided to the lessee on whether it is an operating or financial sublease. The only different criterion compared to leasing own assets is the assessment of the sublease against the right-of-use and not the original underlying asset. After assessing whether it is a financial or operating lease, it is subsequently reported in terms of accounting policies for the Company as a lessor.

(f) Financial instruments

i. Initial recognition and measurement of financial asset

Financial assets upon initial recognition are classified in one of three categories as financial assets subsequently measured at amortized cost, fair value through other comprehensive income (OCI) and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient (ie. the Company measures life-time credit losses). The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

ii. Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- financial assets at amortised cost (debt instruments),
- financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments),
- financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments),
- financial assets at fair value through profit or loss.

iii. Financial assets at amortised cost (debt instruments)

The Company measures financial assets at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate method (EIR) and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Company's financial assets at amortised cost includes Trade receivables, Other receivables and Loans provided.

iv. Financial assets at fair value through OCI without recycling of cumulative gains and losses upon derecognition (equity instruments)

The Company elected to measure equity instruments at fair value through OCI if both of the following conditions are met:

- the equity instrument is an instrument neither in Associate, nor in Subsidiary,
- the equity instrument is not held for trading.

v. Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized when:

- the rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

vi. Impairment of financial assets

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a method, that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. For financial assets, where simplified approach is not used – Loans provided, significant increase in credit risk since initial recognition is assessed on an individual basis.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as foreign currency swaps to hedge its foreign currency risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as:

- cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability.

The Company does not use any other form of hedges.

At the beginning of the hedging relationship will be formally defined and documented hedging relationship and objective and strategy of an entity's risk management to ensure implementation. The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Company will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined).

A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is ‘an economic relationship’ between the hedged item and the hedging instrument.
- The effect of credit risk does not ‘dominate the value changes’ that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Company actually hedges and the quantity of the hedging instrument that the Company actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria above for hedge accounting are accounted for, as described below:

Cash flow hedges

That part of the gain or loss on the hedging instrument that is determined as effective hedging (i.e. that part that is offset by a change in the cash flow hedge provision) is recognized in other comprehensive income (OCI) until any remaining gain or loss on the hedging instrument (or any gain or loss required to offset a change in a cash flow hedge provision) represents a hedge ineffectiveness recognized in profit or loss.

The separate component of equity related to the hedged item (cash flow hedge reserve) is adjusted to the lower of the following values (in absolute terms):

(i) the cumulative gain or loss on the hedging instrument since the inception of the hedge and

(ii) the cumulative change in the fair value (present value) of the hedged item (i.e. the present value of the cumulative change in the hedged expected future cash flows) since the inception of the hedge.

The Company uses swap currency contracts as hedges of its exposure to foreign currency risk in loans taken out in foreign currencies.

If the hedged expected transaction subsequently results in the recognition of a non-financial asset or non-financial liability, or if the hedged expected transaction with a non-financial asset or non-financial liability becomes a liability to which fair value hedge accounting applies, the entity removes that amount from the cash flow hedge provision and include it directly in the initial cost or other carrying amount of the asset or liability. It does not constitute a reclassification adjustment (see IAS 1) and therefore does not affect the other components of the comprehensive income.

For other cash flow hedges, the amount is reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment in the same period or periods during which the hedged expected future cash flows have an impact on profit or loss.

When an entity ceases to account for a cash flow hedge, the amount that has accumulated in the cash flow hedge reserve remains in the cash flow hedge reserve until future cash flows are expected, otherwise the amount is immediately reclassified from the cash flow hedge reserve to profit or loss management as a reclassification adjustment.

(g) Financial investments

i. Subsidiaries

Subsidiaries are all enterprises that are controlled by the Company. The control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise, so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Investments in subsidiaries are measured at cost.

ii. Associates

Associates are those enterprises in which the Company has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when a company holds between 20 and 50 percent of the voting rights of another entity. Investments in associates are recognized at cost.

The cost of financial investments is derived from the amount of spent cash or cash equivalents or is recognized at fair value of contributed assets and liabilities to acquire the enterprise at the moment of acquisition. Costs related to acquisition (transaction costs) are included in the cost of the investment.

As at the reporting date, the management reconsiders whether any events occurred which could cause impairment of financial investments. Potential impairment of financial investments below their cost is recognized through a value adjustment. Value adjustments are derived from the value of future cash flows discounted to present value.

(h) Foreign currency

Foreign currency transactions

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The separate financial statements are presented in thousands of euros, which is the Company's functional and presentation currency. Transactions in foreign currencies are translated into euros at the foreign exchange rate valid at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into euros at the financial statements date at the exchange rate of the European Central Bank valid at that day.

Foreign exchange differences arising from such translations are recognized through profit or loss. Non-monetary assets and liabilities denominated in foreign currencies, which are measured at cost, are translated into euros at the exchange rate valid on the day preceding the day of the accounting event. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated into euros at the foreign exchange rates valid at the dates the fair values are determined.

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and in banks, short-term highly liquid investments with original maturities of three months or less and short-term highly liquid investments readily convertible for known amounts of cash.

(j) Inventories

Inventories are measured at the lower of acquisition cost (purchased inventory), respectively in own costs (incurred by own activity), and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses. Purchased inventories are measured at cost, which includes the purchase price and other directly attributable expenses incurred in acquiring the inventories and bringing them to their existing location and condition. Own costs include direct costs and indirect costs associated with acquiring inventories by own activity. The Company uses a weighted average cost method for valuation of its inventories.

(k) Offsetting

Financial assets and liabilities are offset and their net amount is reported in the balance sheet when the Company has a legally enforceable right to set off the recognized amounts and the transactions are intended to be settled on a net basis.

(l) Impairment of non-financial assets

The carrying amounts of the Company's assets, other than inventories (refer to the accounting policy under letter j), investment property (refer to the accounting policy under letter o), financial assets (refer to the accounting policy under letter f), and deferred tax assets (refer to the accounting policy under letter s) are reviewed at each financial statements date to determine whether there is objective indication of impairment of the asset. If any such indication exists, the asset's recoverable amount is estimated. Intangible assets that have an indefinite useful life are not subject to amortisation but are tested annually for impairment as part of the cash-generating unit to which they belong. An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in profit or loss.

If assets held for sale caused a decrease in fair value recognized directly in equity and if objective reasons exist that prove that there was a decrease in the fair value of the assets, the cumulated loss recognized in equity shall be reported in the profit and loss statement even if the relevant asset had not been derecognized from the statement of financial position.

The recoverable amount of other assets is the greater of their value in use less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

In the case of goodwill, an impairment loss cannot be decreased subsequently.

In respect of other assets, an impairment loss is reversed or decreased when there is an indication that the impairment loss no longer exists and there has been a change in the estimates used to determine the recoverable amount.

An impairment loss can only be reversed or decreased to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognized.

(m) Property, plant and equipment

i. Owned assets

Single items of property, plant and equipment are measured at cost less accumulated depreciation (see below) and impairment losses (refer to the accounting policy under letter l). Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use and costs of dismantling and removing the items and restoring the site where it was located. When parts of an item of property, plant and equipment have different useful lives, those components are accounted for as separate items (major components) of property, plant and equipment.

ii. Subsequent expenditures

Subsequent expenditure is capitalized if it is probable that the future economic benefits embodied in the part of property, plant and equipment will flow to the Company and the relevant cost can be measured reliably. All other expenditures including the costs of day-to-day servicing of property, plant and equipment are recognized in profit or loss in the period to which they relate.

iii. Depreciation

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of individual items of property, plant and equipment. Land is not depreciated. The estimated useful lives are as follows:

• Buildings	30 - 45 years
• Cableways and ski lifts	
▪ Fixed structures and other objects	20 – 40 years
▪ Technology and accessories	4 - 12 years
• Individual movables and sets of movables	
▪ Geothermal borehole	40 years
▪ Slides	25 years
▪ Equipment	5 - 12 years
▪ Fixtures and fittings and others	5 - 10 years

Depreciation methods, useful lives, as well as residual values, are reassessed annually as at the financial statement’s date. Each significant part of property, plant and equipment (component) with cost significant in relation to the total cost of the relevant item is depreciated separately.

iv. Capitalized borrowing costs

Borrowing costs attributable to the asset that necessarily takes a substantial period of time to get ready for its use or sale are capitalised by the Company as part of the cost of the asset.

(n) Intangible assets

i. Goodwill and intangible assets acquired in a business combination

Goodwill recognized as a result of the Company merging with its subsidiaries is measured as the excess of the sum of the consideration transferred, or the amount of the investments, over the net of the actual amounts of the identifiable assets acquired and the liabilities assumed. Goodwill on acquisition of subsidiaries and associates is included in the investments in subsidiaries and associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

ii. Software and other intangible assets

Software and other intangible assets acquired by the Company are stated at cost less accumulated amortisation (see below) and impairment losses (refer to the accounting policy under letter l). Useful life of these assets is reassessed regularly.

iii. Amortisation

Amortisation is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date the asset is available for use. The estimated useful lives are as follows:

- Software — 4 – 5 years
- Valuable rights — each item uses an individual depreciation plan, based on the estimate useful lives if these assets, valuable rights also include trademarks which represent non-depreciated assets. The Company uses 6, 7, 8, 12 and 50-year useful lives for its valuable rights.

(o) Investment property

Investment property represents assets that are held by the Company to generate rental income or to realise a long-term increase in value, or for both of these purposes.

Investment property is stated at fair value, which is determined by an independent expert or by the management. Fair value is based on current prices of similar assets on an active market under the same location and the same conditions, or where such conditions are not available, by applying the generally applicable valuation models such as the yield method. Any gain or loss arising from a change in fair value is recognized in profit or loss.

Assets that are constructed or developed for their future use as investment property are measured at fair value if the fair value can be determined reliably.

Details on the valuation of investment property are specified in Note 3(a) – Significant Accounting Estimates and Assumptions, Valuation of investment property.

Rental income from investment property is accounted for as described in the accounting policy under letter (u).

(p) Government grants

Government grants are recognized where there is a reasonable assurance that the grant will be received, and all attached conditions will be complied with.

When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

(q) Provisions

A provision is recognized in the balance sheet when the Company has a present legal, contractual, or non-contractual obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Long-term provisions the reduction of which to their present value would have a material impact on the financial statements are discounted to their present value.

i. Long-term employee benefits

Liability of the Company resulting from long-term employee benefits other than pension plans represents the estimated amount of future benefits that employees have earned in return for their service in the current and prior periods. The liability is calculated using the projected unit credit method, discounted to its present value. A discount rate used to calculate the present value of liability is derived from the yield curve of high-quality bonds with maturities close to the conditions of the Company's liabilities as at the date of the financial statements preparation.

(r) Interest income and expense

Interest income and expense is recognized in profit or loss in the period to which it relates using the effective interest rate basis. All expenses on loans and borrowings are recognized in profit or loss, with the exception of capitalised borrowing costs; refer to the accounting policy under Note (m), part *(iv)*.

(s) Income tax

Income tax on the profit for the current accounting period comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the current accounting period, using tax rates valid as at the date of the financial statement's preparation, and any adjustments to tax payable in respect of previous accounting periods.

The amount of deferred tax is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax is accounted for using the balance sheet method and calculated from all temporary differences between the carrying amounts of assets and liabilities determined for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences weren't taken into account: the initial recognition of assets or liabilities which affect neither accounting nor taxable profit, and the differences relating to investments in subsidiaries to the extent that it is probable that they will not be reversed in the foreseeable future. No deferred taxes are recognized on the initial recognition of goodwill. The amount of deferred tax is based on the expected way of realization or settlement of the carrying amount of assets and liabilities, using the tax rates valid or approved as at the date of the financial statement's preparation.

Income tax is recognized directly in profit or loss, except for the part that relates to items recognized directly in equity, in which case the income tax is recognized in equity.

Deferred tax asset and liability are offset if there is a legally enforceable right to offset the payable tax liability and asset, and they relate to the same tax authority and the taxable entity.

A deferred tax asset is only recognized up to the amount of probable future taxable profits against which the unused tax losses and credits can be offset. Deferred tax assets are reduced by the amount for which it is probable that the related tax benefit will not be realized.

(t) Trade and other payables

Trade and other payables are stated at amortised cost (see Note (y) Financial liabilities).

i. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are recognized as expenses at the time of provision of the service by the employees. A payable is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or contractual obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Customer advances received and current value of accruals are disclosed separately under Contract liabilities.

(u) Revenues from services rendered

The Company recognizes six types of basic revenues from services rendered:

- revenues from cableways and ski lifts (hereinafter also referred to as “Mountain Resorts”),
- revenues from leisure parks,
- revenues from sports services and stores,
- revenues from hotel services (hereinafter also referred to as “Hotels”),
- revenues from restaurant facilities (hereinafter also referred to as “Dining”),
- revenues from real estate projects (mainly from investment property, hereinafter also referred to as “Real Estate”),
- other revenues.

The Company recognizes the revenues to the extent, in which it is probable that the economic benefits will flow to the Company and these revenues can be reliably evaluated. The revenues are recognized at fair value. The Company accounts mainly for revenues from cable cars and amusement parks, which are accounted for in the profit or loss after fulfilling the obligation to perform the contract by transferring the promised service. Revenues from season ski passes and aqua passes are accrued depending on the period during which the service was provided.

Revenue from accommodation and restaurant facilities is charged daily on the basis of the services provided in each hotel establishment even for those customers who are still staying in the hotel facility. Revenue is accrued depending on the period during which the service was provided. Pre-paid advances from customers are recognized as liabilities under contract liabilities — referred to in Note 34.

Revenues from services rendered do not include value added tax. They are also net of discounts and rebates (rebates, bonuses, discounts, credit notes and the like).

Since 2012 the Company has been running a loyalty program for its clients – Gopass which enables its clients to earn points for purchase of products and services in its resorts and to redeem these points as discounts from future purchases. The number of unredeemed points are recognized as a decrease in sales against revenue time difference, as they are related to promised discounts from future purchases of clients. The Company monitors the value of unredeemed points and revalues it on a regular basis for its recognition in the financial statements. From 1 November 2022 to 31 October 2022 was the loyalty program operated by the subsidiary GOPASS a.s. Since 1 November 2022 the loyalty program has been operated by the subsidiary GOPASS SE, that is a part of the Group.

Revenues from investment property projects are recognized for when the Company fulfills the obligation to perform the contract by transferring the property to the customer. The sale of investment property is reported in the Company’s revenues on the date of signing the acceptance protocol, or by registration at the cadastre on the basis of the decision to allow the deposit of title, whichever occurs first.

Revenues from the sale of souvenirs and other goods shall be recognized when the Company fulfills the obligation to perform the contract by transferring the promised goods to the Customer or during this process. An asset is transferred when a customer acquires control of that asset. Other revenues from services provided shall be recognized following the provision thereof.

(v) Dividends

Dividends are recognized in the statement of changes in equity and also as liabilities in the period in which they are approved.

(w) Non-current assets and disposal groups held for sale

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets (or components of a disposal group held for sale) are re-measured in accordance with the International Financial Reporting Standards as adopted by the EU. Thereafter, upon initial classification as held for sale, the assets and disposal group held for sale are recognized at the lower of their carrying amount or fair value less cost to sell.

Any impairment loss on a disposal group is first allocated to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except for inventories, financial assets, deferred tax assets and investment property, which continue to be measured in accordance with the Company's accounting policies.

Impairment losses on initial recognition as held for sale are recognized in profit or loss even if the revaluation reserve was created. The same applies to gains and losses on subsequent measurements. Gains are not recognized in excess of any cumulative impairment loss. Property, plant and equipment and intangible assets classified as held for sale are no longer depreciated or amortised.

In case that, after the asset assignment into the group of assets held for sale, value is realized mainly through use rather than sale thereof, the assets shall be accounted back and depreciation or amortization for property, plant and equipment and intangible assets shall be recognized in the period when such change of assets arose.

(x) Reporting by segments

Operating segments are parts of the Company that are able to generate income and expenses with available financial information, which is regularly reviewed by the chief operating decision makers in order to allocate resources to the segments and to assess their performance. The management monitors 7 main segments, namely mountain resorts, leisure parks, hotels, dining, sports services and stores, real estate and other.

(y) Financial liabilities

The Company recognizes financial liabilities as other financial liabilities. The Company does not recognize any financial liabilities valued at fair value through profit or loss.

In the Company's separate statement of financial position, other financial liabilities are recognized as received loans and borrowings, bonds issued, trade payables and other liabilities.

Financial liabilities are recognized by the Company on the trade date. Upon initial recognition, financial liabilities are measured at fair value including transaction costs.

Subsequent to initial recognition, financial liabilities are measured at amortized cost. Upon measurement at amortized cost the difference between the cost and the face value is recognized through profit or loss during existence of the asset or liability using the effective interest rate method.

Financial liabilities are derecognized when the Company's obligation specified in the contract expires, is settled or cancelled.

(z) Fair value estimates

The following notes summarise the main methods and assumptions used in estimating the fair values of financial assets and liabilities referred to in Note 38 – Fair value information:

i. Loans granted

Fair value is calculated based on discounted expected future principal and interest cash flows. Expected future cash flows are estimated considering credit risk and any indication of impairment. The estimated fair values of loans reflect changes in credit status since the loans were made and changes in interest rates in the case of fixed rate loans.

ii. Loans and borrowings

For loans and borrowings with no defined maturities, fair value is taken to be the amount payable on demand as at the date of preparation of the consolidated financial statement. The estimated fair value of fixed-maturity loans and borrowings is based on discounted cash flows using rates currently offered for loans and borrowings of similar remaining maturities.

iii. Trade receivables and other financial assets

Short-term receivables without the interest rate are valued at the original invoice amount if the impact of discounting is insignificant. For receivables with a remaining life of less than one year, the nominal amount is deemed to reflect the fair value. Fair value is determined at initial recognition and for disclosure purposes at the end of the accounting period.

iv. Trade payables, and other financial liabilities

Trade payables and other financial liabilities are initially measured at fair value. The carrying amount of trade payables and other financial liabilities is approximately equal to their fair value.

v. Cash and cash equivalents

For cash and cash equivalents, it is assumed that their nominal value is also fair value.

vi. Other financial assets/liabilities

Other assets/liabilities are mainly claims on partner companies, which the Company uses for the proprietary sale of tickets to customers to its resorts, receivable/ liability from derivative operations – currency SWAP, remaining liability to shareholders from a reduction in share capital in 2013. Other financial assets/liabilities are discounted for the determination of fair value if the impact of discounting is material.

3. Significant Accounting Estimates and Assumptions

The compilation of the financial statements according to the International Financial Reporting Standards as adopted by the EU requires the application of certain significant accounting estimates. It also requires that the management, in the application process of the Company accounting principles, should use its judgement. Therefore, the accounting estimates will be rarely identical with actual figures. Information about assumptions and estimation uncertainties at 31 October 2023 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is described below. The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of revision and also in future periods if the revision affects both current and future periods.

The Company considers climate change and the risks arising from it (hereinafter referred to as climate risks) as a factor that may affect the ski sector in the future. Since the beginning of its existence, the Company has been adapting its ski resorts to trends requiring artificial snow. Therefore, historical investments in resorts also included a significant share in snowmaking (snowmaking technology, retention lakes such as water reservoirs, pumps and others). By using snowmaking technology in its resorts for a long time, the Company is factoring the increase in operating and snow production costs into its financial models, projections and pricing. This item is not new for the group, but due to fluctuations in electricity prices, it is growing significantly. Therefore, the Company uses financial risk management tools such as commodity hedging to secure and predict the prices of electricity needed for cable car operations as well as snowmaking. In the future, the topic of climate risks and their impacts on business will be dealt with by the Company with increased emphasis. At the same time, we follow trends and innovations in the field of snowmaking. The Company also defines its ESG strategies, which includes business sustainability in relation to location and climate risk impacts. This area is becoming a priority, including addressing risks and finding sustainable solutions.

Inflation and cost increases are perceived and actively managed by the Company through the mix of tools at its disposal. The Company monitors the indicators of cost, efficiency and profitability of its business. It evaluates trends and impacts of increases on its profitability. At the same time, it uses financial risk management tools to eliminate jumps in some costs (energy), such as commodity hedging and upfront buying. This tool significantly helps to predict the development of significant cost items and this makes it possible to quantify the impacts on financial indicators and results. By introducing flexible pricing tools for most of its products, the Company has gained the competence to better and more flexibly manage price and demand. At the same time, this method helps it compensate for the increase in costs to increase sales through price and demand. The Company is thus able to pass on part of the increase in costs to its customers. Flexi pricing and cost management allow you to better respond and meet financial projections and plans. From the perspective of sustainable business and managing the effects of inflation, the Company has sufficient know-how and tools to cope with these pressures. This was also demonstrated during 2022 and 2023, when the impact of inflation became apparent and the Company was able to maintain the business without major negative impacts.

(a) Valuation of Investments in Property

Investments in property are measured at fair value. The fair value of investments in property is determined either by a management evaluation or independent expert (see the Significant Accounting Principles, Note 2); in both of the cases the valuation is based on current market values and conditions. The fair market value is the estimated value, for which the property could be exchanged, on the valuation day, between knowledgeable, willing parties being a prospective seller and a prospective buyer, in an arm's length transaction, with each party acting well informed, cautiously and without compulsion.

In the absence of current market prices, net estimated cash flow generated from the leasing of property and gains from capitalization which reflect the risk specific for the market and also cash flow from the property shall be taken into account. The valuation reflects (where relevant) the type of lessees who use the property or are responsible for the fulfilment of lease liabilities or the type of prospective users, if the property is left non-rented, the general market perception of lessee solvency, the distribution of responsibilities related to maintenance and insurance of property between the Company and the lessees, and the remaining life of property.

An overview of investments in property of current and previous period is in Note 17 – Investment Property.

(b) Goodwill and Impairment Test

As at the date of the financial statements, the Company is required to assess whether there is any indication that its goodwill is impaired. If there is no indication that goodwill may be impaired, the Company shall, according to IAS 36, test reported goodwill for possible impairment on a yearly basis as at 31 October, i.e. as at the date of compilation of the annual separate financial statements.

On the day of recognition, the acquired goodwill is allocated to individual cash-generating units (CGU) that are expected to benefit from the synergies of the business combinations.

Potential decrease of the goodwill value is determined by comparing the recoverable amount of CGU and its book value. The recoverable amount is determined by the value in use. The value in use was derived from a business plan prepared by the management. The key prerequisite which was also the most sensitive factor in determining the recoverable amount was expected revenues assessed by the management, the profit margin ratio (EBITDA) and the cost of capital used as the discount factor for future net cash flows. Expected revenues as well as the profit margin ratio are based on historical revenue and EBITDA, adjusted by management's expectations for future developments - changes in customer target groups, strengthened marketing, increase in the quality of services rendered and expected investments into the property, plant and equipment to maintain their performance.

Projection of cash flows applied in determining the value in use covers a basic term period with subsequent extrapolation for the next period. The Company used a 24-year projection due to the need to reflect recently made investments in order to reach a normalized cash flows for determination of terminal value. Based on such normalized cash flows the assumption of long-term growth of cash flows at the level of inflation was used. Discount rates applied in the projecting of cash flows were calculated as weighted average cost of capital (after taking into account the effect of the corporate income tax).

Following table summarizes assumptions, result and sensitivity of impairment of goodwill in CGU High Tatras:

in TEUR	**1.11.2022 - 31.10.2023**	**1.11.2021 - 31.10.2022**
Calculation assumptions		
Horizon for cash flow projection	24 years	25 years
Growth in the terminal year	3.7 %	3.8 %
Average annual EBITDA/revenue growth	2.6 %	2.5 %
Average annual growth in the number of visitors	0.46 %	1.17 %
Discount rate used during cash flow projection	10.94 %	9.50 %
Result and sensitivity		
Impairment for the period	-	-
Impairment as at the end of the period	-	-
Decrease of EBITDA by 5 % – impact on value in use	-8 554	-8 413
Decrease of EBITDA by 5 % – resulting impairment	-	-
Increase of discount rate by 0.5 % – impact on value in use	-8 671	-10 118
Increase of discount rate by 0.5 % – resulting impairment	-	-
Marginal decrease of EBITDA	-18.08 %	-9.09 %
Marginal value of discount rate	13.04 %	10.29 %

In 2023 and 2022, goodwill was tested within CGU High Tatras, and the test did not show any reason for asset impairment. CGU High Tatras includes restaurants and ski resorts in Starý Smokovec, Tatranská Lomnica and Štrbské Pleso. Grandhotel Starý Smokovec, Grandhotel Praha and Hotel FIS are situated in these locations.

(c) Impairment test of non-financial assets other than goodwill

IAS 36 requires the testing of asset impairment in cases where external or internal indicators would point out to possible asset impairment.

The Company carries on 6 principal activities: running of mountain resorts, leisure park - aquapark, restaurant services, sports services and stores, accommodation services and real estate projects, namely in three locations: Jasná (the Low Tatras), in the High Tatras, and in Liptovský Mikuláš and via its subsidiaries in Slovakia, Poland, Czech Republic and Austria. Each of the locations was assessed by the management as an individual cash-generating unit (CGU). The Company monitors performance and creates separate budgets for each cash-generating unit. The Company's assets were allocated according to their material affiliation to the individual cash-generating units, including all assets located in there, except for hotels, restaurants, golf resorts, leisure parks and sports services and shops in addition to lifts and ropeways.

As at 31 October 2023 and 31 October 2022 the Company carried out testing for impairment of assets for all of its major CGUs, as the Group has identified indicators of possible asset impairment related to the disruption to its business operations in prior years, the ongoing military conflict in Ukraine, which has had an indirect impact on the Company, and as a result of which energy prices and other costs have increased significantly. The impairment test was performed for locations Low Tatras a High Tatras, since it has assigned goodwill as stated in Note 3(b). The test results did not confirm a decrease in the value of the assets of the main CGUs, therefore no impairment of the Company's assets was posted.

Projection of cash flows applied in determining the value in use covers a basic term period with subsequent extrapolation for the next period.

The Company used a 24-year respectively 25-year projection due to the need to reflect recently made investments in order to reach a normalized cash flows for determination of terminal value. Based on such normalized cash flows, the assumption of long-term growth of cash flows at the level of inflation was used. Discount rates applied in the projection of cash flows were calculated as weighted average cost of capital after taking into account the effect of the corporate income tax.

Following table summarizes assumptions, result and sensitivity of impairment of assets in CGU Low Tatras:

in TEUR	**1.11.2022 - 31.10.2023**	**1.11.2021 - 31.10.2022**
Calculation assumptions		
Horizon for cash flow projection	24 years	25 years
Growth in terminal year	3.7 %	3.8 %
Average annual EBITDA/revenue growth	2.8 %	3.3 %
Average annual growth in the number of visitors	0.59 %	1.88 %
Discount rate used during cash flow projection	10.94 %	9.50 %
Result and sensitivity		
Impairment for the period	-	-
Net Impairment as at the end of the period	-	-
Decrease of EBITDA by 5 % – impact on value in use	-10 317	-9 235
Decrease of EBITDA by 5 % – resulting impairment	-	-5 795
Increase of discount rate by 0.5 % – impact on value in use	-10 311	-11 017
Increase of discount rate by 0.5 % – resulting impairment	-	-7 578
Marginal decrease of EBITDA	-15.79 %	-1.87 %
Marginal value of discount rate	12.75 %	9.65 %

(d) Impairment testing of financial assets

The Company performs impairment testing of financial assets in accordance with IFRS 9 and reports an impairment allowance for expected credit losses (ECL) as described in Note 2(f) vi). As at 31 October 2019, a significant increase in credit risk was identified in the credit exposure to the subsidiary SWM and the Company proceeded to reclassify this credit relationship to Stage 2. During the period from 31 October 2019 to 31 October 2022, the Company booked a specific allowance for expected credit losses during the total remaining life of the loans to SWM in the total amount of EUR 17,894 thousand.

As at 31 October 2023, the Company prepared a projection of expected cash flows taking into the account current results of CGU SWM, which was discounted with an effective interest rate of 7% as a result of which the value of specific allowance was increased by the amount of EUR 8,277 thousand to EUR 26,171 thousand. If as at 31 October 2023 the projected EBITDA of CGU SWM which is part of the projected cash flows, was lower by 5% compared to the management´s estimate, the value of the specific allowance would be increased compared to previous accounting period by the amount of EUR 11,726 thousand.

(e) Financial instruments at fair value

The fair value of financial instruments is determined based on:

Level 1: quoted market prices (unadjusted) in active markets for identical assets or liabilities
Level 2: inputs other than quoted market prices included within Level 1, which are comparable for the asset or liability, either directly (as prices of comparable instruments) or indirectly (derived from prices)
Level 3: inputs for the asset and liability, which are not determined on the basis of data from comparable markets (unobservable inputs)

When the quoted market price is not available, the fair value of the instrument is estimated using valuation techniques. When using valuation models, the management applies estimates and assumptions which are consistent with information available on estimates and assumptions that market participants would use when pricing the relevant financial instrument.

in TEUR	**Note**	**31.10.2023**				**31.10.2022**			
		Level 1	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets									
Loans provided	22	-	-	157 480	**157 480**	-	-	183 228	**183 228**
Other assets - Hedging derivative transactions - foreign exchange SWAP	26	-	-	-	**-**	-	254	-	**254**
Total		**-**	**-**	**157 480**	**157 480**	**-**	**254**	**183 228**	**183 482**

in TEUR		**31.10.2023**				**31.10.2022**			
		Level 1	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial liabilities									
Bonds issued	37	-	261 264	-	**261 264**	-	203 604	-	**203 604**
Total		-	**261 264**	**-**	**261 264**	**-**	**203 604**	**-**	**203 604**

The table does not present financial instruments for which the carrying amount is considered to be an approximation of fair value. The above financial instruments are stated at their carrying amounts.

4. Information about Operating Segments

Information about Operating Segments - Separate Profit and Loss Statement

in TEUR	Mountain Resorts		Leisure Parks		Hotels		Dining		Sports Services and Stores		Real Estate		Main Segments TOTAL		Other		TOTAL	
	31.10.23	31.10.22	31.10.23	31.10.22	31.10.23	31.10.22	31.10.23	31.10.22	31.10.23	31.10.22	31.10.23	31.10.22	31.10.23	31.10.22	31.10.23	31.10.22	31.10.23	31.10.22
	12 m	*12 m*	*12 m*	*12 m*	*12 m*	*12 m*	*12 m*	*12 m*	*12 m*	*12 m*	*12 m*	*12 m*	***12 m***	***12 m***	*12 m*	*12 m*	*12 m*	*12 m*
Sales	53 163	34 473	10 006	6 700	43 815	31 106	20 907	13 747	4 837	3 677	2 889	780	**135 617**	**90 483**	-	-	**135 617**	**90 483**
Material and goods consumption	-2 575	-1 882	-782	-440	-7 993	-6 999	-5 613	-4 103	-1 386	-1 148	-1 526	-560	**-19 875**	**-15 133**	-	-	**-19 875**	**-15 132**
Purchased services	-12 772	-10 097	-2 821	-1 501	-12 715	-9 412	-3 616	-2 274	-700	-594	-340	-597	**-32 964**	**-24 475**	-	-964	**-32 964**	**-25 439**
Personnel expenses	-11 173	-9 362	-2 251	-1 792	-15 630	-11 688	-6 191	-4 895	-1 637	-1 573	-174	-506	**-37 056**	**-29 816**	-	-	**-37 056**	**-29 816**
Other operating expenses	-273	-387	-71	-81	-390	-245	-160	-106	-42	-44	-7	-16	**-943**	**-879**	-	-	**-943**	**-879**
Other operating income	27	82	11	605	2 227	4 832	112	100	-6	4	-	13	**2 371**	**5 636**	-	1 067	**2 371**	**6 703**
Gain / (loss) on revaluation of investment property	-	-	-	-	-	-	-	-	-	-	-	-906	**-**	**-906**	-	-	**-**	**-906**
Impairment losses to financial assets	-	-	-	-	-2	3	-	-1	-	-	-	-7	**-2**	**-5**	-7 391	10 475	**-7 393**	**10 470**
Depreciation and amortization	-9 722	-8 040	-131	-128	-2 821	-3 047	-943	-951	-292	-636	-207	-169	**-14 116**	**-12 971**	-	-	**-14 116**	**-12 971**
Depreciation of right-of-use assets	-2 884	-2 720	-1 155	-816	-548	-612	-171	-148	-45	-48	-	-	**-4 803**	**-4 344**	-	-	**-4 803**	**-4 344**
Interest income calculated using effective interest rate	-	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**	7 523	7 965	**7 523**	**7 965**
Financing cost	-9 959	-7 718	-1 552	-1 203	-7 338	-5 687	-3 707	-2 873	-1 469	-1 139	-1 846	-1 431	**-25 871**	**-20 051**	-	-	**-25 871**	**-20 051**
Net profit / (loss) on financial operations	-	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**	1 572	-715	**1 572**	**-715**
Net profit / (loss) on disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-721	-	-721
Profit / (loss) of the segment before taxes	**3 832**	**-5 651**	**1 254**	**1 344**	**-1 395**	**-1 749**	**618**	**-1 504**	**-740**	**-1 501**	**-1 210**	**-3 398**	**2 358**	**-12 461**	**1 704**	**17 107**	**4 062**	**4 647**
Current income tax																	-1 216	-1
Deferred income tax																	**-134**	**-1 359**
Profit/ (loss)																	**2 712**	**3 287**

The Company generates all of its revenues on the territory of the Slovak Republic. Intersegment eliminations are included in the amounts reported for each period. The Company reports the operating segment information that have been adjusted for intersegment transactions. The threshold of 10% of the share in total revenues was not exceeded by any client of the Company. Cost interest is distributed according to the management key and not according to the distribution in the table below.

Information about Operating Segments - Separate Statement of Financial Position

	Mountain Resorts		Leisure Parks		Hotels		Dining		Sports Services and Stores		Real Estate		Main Segments TOTAL		Other		TOTAL	
in TEUR	**31.10.23**	**31.10.22**	**31.10.23**	**31.10.22**	**31.10.23**	**31.10.22**	**31.10.23**	**31.10.22**	**31.10.23**	**31.10.22**	**31.10.23**	**31.10.22**	**31.10.23**	**31.10.22**	**31.10.23**	**31.10.22**	**31.10.23**	**31.10.22**
Goodwill	23 770	23 770	-	-	3 390	3 390	-	-	-	-	-	-	**27 160**	**27 159**	-	-	**27 160**	**27 159**
Intangible assets	3 232	3 273	1 153	1 088	331	533	23	141	18	65	10	69	**4 767**	**5 169**	-	-	**4 767**	**5 169**
Property, plant and equipment	147 336	150 129	7 819	8 240	72 351	61 254	14 442	14 869	1 413	1 756	1 224	3 826	**244 585**	**240 074**	1 583	2 237	**246 168**	**242 311**
Right-of-use assets	30 943	30 330	21 613	22 759	3 988	3 736	1 803	1 716	745	715	-	-	**59 092**	**59 256**	-	-	**59 092**	**59 256**
Investments property	-	-	-	-	-	-	-	-	-	-	6 663	7 411	**6 663**	**7 411**	-	-	**6 663**	**7 411**
Inventory	701	293	-	-	943	813	581	-	1 025	948	3 958	575	**7 208**	**2 629**	-	-	**7 208**	**2 629**
Trade receivables	1 813	1 608	536	408	538	222	220	36	15	17	839	133	**3 961**	**2 424**	-	-	**3 961**	**2 424**
Investments in associates and joint venture	7 118	7 118	-	-	-	-	-	-	-	-	-	-	**7 118**	**7 118**	-	-	**7 118**	**7 118**
Investments in subsidiaries	40 798	10 309	3 472	3 472	-	-	-	-	-	-	10	-	**44 280**	**13 781**	1 293	1 293	**45 573**	**15 074**
Other receivables	644	3 143	375	424	453	-	25	-	13	-	-	484	**1 510**	**4 051**	-	-	**1 510**	**4 051**
Financial investments	-	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**	36	36	**36**	**36**
Other assets	1 803	1 612	381	328	2 384	2 226	38	27	139	124	-	-	**4 745**	**4 317**	-	-	**4 745**	**4 317**
Loans provided	-	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**	157 480	183 228	**157 480**	**183 228**
Cash and cash equivalents	1 702	1 996	320	400	1 402	1 512	669	778	155	302	93	344	**4 341**	**5 332**	-	-	**4 341**	**5 332**
Assets total	**259 860**	**233 580**	**35 669**	**37 119**	**85 780**	**73 686**	**17 801**	**17 567**	**3 522**	**3 927**	**12 797**	**12 842**	**415 430**	**378 721**	**160 392**	**186 794**	**575 822**	**565 515**
in TEUR	**31.10.23**	**31.10.22**	**31.10.23**	**31.10.22**	**31.10.23**	**31.10.22**	**31.10.23**	**31.10.22**	**31.10.23**	**31.10.22**	**31.10.23**	**31.10.22**	**31.10.23**	**31.10.22**	**31.10.23**	**31.10.22**	**31.10.23**	**31.10.22**
Loans and borrowings long-term	45 654	47 724	21 488	26 998	9 020	9 155	2 263	2 263	1 132	1 132	-	-	**79 558**	**87 272**	-	-	**79 558**	**87 272**
Loans and borrowings short-term	20 765	15 787	5 643	1 280	590	287	14	45	7	23	-	-	**27 018**	**17 422**	-	60 895	**27 018**	**78 317**
Lease liabilities	35 141	31 508	21 528	22 023	3 754	3 611	1 852	1 766	746	753	-	-	**63 021**	**59 661**	-	-	**63 021**	**59 661**
Trade payables and other payables	8 517	6 937	1 899	2 008	4 929	2 960	1 854	1 493	493	344	1 062	1 991	**18 754**	**15 734**	-	190	**18 754**	**15 924**
Other liabilities	1 555	2 143	33	48	217	284	69	100	16	23	10	14	**1 900**	**2 614**	784	803	**2 684**	**3 417**
Contract liabilities	4 269	6 881	462	275	4 143	2 640	-	-	-	-	109	265	**8 983**	**10 061**	-	-	**8 983**	**10 061**
Provisions	46	64	5	9	21	40	10	18	2	5	1	1	**85**	**137**	-	-	**85**	**137**
Bonds issued	-	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**	261 264	203 604	**261 264**	**203 604**
Deferred tax liability	-	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**	17 028	16 203	**17 028**	**16 203**
Corporate income tax	-	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**	1 210	-	**1 210**	**-**
Total liabilities	**114 185**	**111 045**	**52 704**	**52 641**	**22 704**	**18 978**	**6 135**	**5 685**	**2 410**	**2 281**	**1 182**	**2 271**	**199 319**	**192 901**	**280 286**	**281 695**	**479 605**	**474 596**

Eliminations among segments are included in amounts reported for particular periods. The prices used among segments are determined based on market prices for similar services and financing.
Loans and Borriwings and Bonds Issued in the Other category were not used to finance specific projects.

5. Increase, Decrease and Sale of Shares in Companies

On 1 November 2022, the Company increased other capital funds in the company TMR Jested, a.s. and Mölltaler Gletscherbahnen GmbH & Co KG. For more information, see Note 20 Investments in Subsidiaries.

On 1 November 2022, the companies EUROCOM Investment, s.r.o and WORLD EXCO, s.r.o were merged and the company EUROCOM Investment s.r.o became the legal successor.

On 8 November 2022, GOPASS SE, a branch in Slovakia, was founded. It is an enterprise of a foreign entity of a European company - a subsidiary GOPASS SE. As of 1 April 2023, the cross-border merger of GOPASS a.s. as a dissolving company with the successor company GOPASS SE took effect. The decisive date for the merger is 1 November 2022. GOPASS a.s. ceased to exist as a result of a cross-border merger without liquidation on 1 April 2023.

On 28 June 2023, the company TMR Real Estate, s.r.o. was established with a share capital of EUR 5 thousand, of which the Company became the only partner.

On 26 September 2023, the company Štrbské Pleso resort, s.r.o. was established with a share capital of EUR 5 thousand, of which the Company became 100% owner.

On 30 September 2022, the Company sold its 51% share in Tikar D.O.O. The consideration transferred was in the amount of EUR 2,350 thousand, part of which was used to settle loans with the corresponding outstanding interest in the amount of EUR 3,071 thousand. The transaction resulted in a loss from the sale of the subsidiary in the amount of EUR 721 thousand.

On 1 July 2022, the Company acquired a 100% stake in the European company GOPASS SE with a place of business in the Czech Republic and a total value of CZK 2,924 thousand, which will serve to expand in the European market. This company was established solely for the purpose of further sale and before acquiring the 100 % share it did not carry out any business activity. By its purchase the Company acquired only receivable from unpaid share capital in the amount of CZK 2,924 thousand, which was not paid as at the date of acquisition. The consideration transferred in the amount of CZK 2,924 thousand was settled in cash.

On 22 June 2022, for the purpose of providing services within the TMR Group, International TMR services s.r.o. was founded in the Czech Republic with a share capital of CZK 200 thousand, which became 100% owned by the Company.

6. Sales

in TEUR	1.11.2022 - 31.10.2023	1.11.2021 - 31.10.2022
Low Tatras	52 275	33 806
High Tatras	47 194	33 116
Tatralandia	20 608	13 101
Bešeňová	10 067	6 360
Real estate	2 780	684
Other	2 693	3 415
Total	**135 617**	**90 483**

7. Consumption of Material and Goods

in TEUR	1.11.2022 - 31.10.2023	1.11.2021 - 31.10.2022
Material in hotels and restaurant facilities	-10 756	-7 745
Goods	-2 432	-2 701
Real estate sold	-1 517	-529
Fuels	-948	-809
Material for repair and maintenance	-1 087	-834
Material and goods – other	-3 135	-2 514
Total	**-19 875**	**-15 132**

8. Purchased Services

in TEUR	**1.11.2022 - 31.10.2023**	**1.11.2021 - 31.10.2022**
Energy consumption	-14 062	-10 793
Advertisement expenses	-2 349	-1 586
Rental costs (cost of premises) and others	-2 435	-685
Other administrative expenses	-3 894	-3 538
Repairs and maintenance expenses	-2 296	-1 972
Communication expenses	-1 825	-1 674
Legal advice expenses	-646	-958
Services related to owned premises	-570	-445
Transport, accommodation, travel expenses	-812	-271
Laundry and cleaning costs	-1 252	-923
Music and animation costs	-927	-421
Guard and security service costs	-249	-225
Accounting and audit costs	-266	-247
Other purchased services	-2 271	-1 907
State aid related to rental costs and other costs	890	206
Total	**-32 964**	**-25 439**

The Company uses the services of KPMG Slovensko spol. s r.o. audit company, for the auditing of separate and consolidated financial statements. Between 1 November 2022 and 31 October 2023, the expense of these items represented EUR 235 thousand (for the period ended on 31 October 2022: EUR 178 thousand) for auditing of year-end financial statements.

9. Personnel Expenses

in TEUR	**1.11.2022 - 31.10.2023**	**1.11.2021 - 31.10.2022**
Wages and salaries	-19 714	-16 051
Personnel leasing	-6 512	-5 898
Social security (compulsory)	-8 436	-6 691
Remuneration of members of key management and Supervisory Board	-2 377	-1 531
Other social expenses	-17	-15
State aid related to wages and salaries	-	370
Total	**-37 056**	**-29 816**

In the period between 1 November 2022 and 31 October 2023, the average number of Company employees was 996, of which management 9 (between 1 November 2021 and 31 October 2022, it was 918, of which management 14). During the year, the Company used the services of employment agencies for short-term personnel leasing. In the period between 1 November 2022 and 31 October 2023 it was 344 employees in average (between 1 November 2021 and 31 October 2022: 318 employees).

The table below provides an overview of the Company's key management remuneration for the period from 1 November 2022 to 31 October 2023:

in TEUR

Remuneration of members of key management	**Base remuneration**	**Extraordinary bonuses**	**Variable component of renumeration**	**Total**
Board of Directors	206		1 688	1 894
Supervisory Board	79	-	-	79
Top management	204	200	-	404
Audit Committee	-	-	-	-
Total	**489**	**200**	**1 688**	**2 377**

The table below provides an overview of the Company's key management remuneration for the period from 1 November 2021 to 31 October 2022:

in TEUR

Remuneration of members of key management	**Base remuneration**	**Extraordinary bonuses**	**Variable component of renumeration**	**Total**
Board of Directors	192	-	941	1 133
Supervisory Board	79	-	-	79
Top management	219	100	-	319
Audit Committee	-	-	-	-
Total	**490**	**100**	**941**	**1 531**

For the year ending 31 October 2023, base remuneration for top management amounted EUR 204 thousand (from 1 November 2021 to 31 October 2022: EUR 219 thousand). Extraordinary remuneration was paid to members of the top management in the total amount of EUR 200 thousand (from 1 November 2021 to 31 October 2022: EUR 100 thousand).

Members of the Board of Directors of the Company, in accordance with the Rules of Remuneration of Company Bodies dated 31 May 2023 (hereinafter referred to as the "Rules of Remuneration"), are granted remuneration for the performance of their duties as a member of the Board of Directors of the Company, which consists of a fixed component of remuneration and a variable component of remuneration. The amount of the fixed component of remuneration is agreed with the member of the Board of Directors in accordance with the Remuneration Rules in the contract for the performance of the duties of a member of the Board of Directors, which has been approved by the Supervisory Board of the Company. For the year ending 31 October 2023, fixed remuneration components totaling EUR 206 thousand were paid to the members of the Board of Directors (from 1 November 2021 to 31 October 2022: EUR 192 thousand). The variable remuneration component is paid to the members of the Board of Directors after fulfilling the criteria defined in the Remuneration Rules, the main criterion being the achievement of the EBITDA ratio at the next payout date specified in the Company for the payment of wages to employees after the publication of the consolidated statutory financial statements of the Company for the financial year for which the remuneration is paid. The total amount of the claimable variable component of the renumeration for the period from 1 November 2022 to 31 October 2023 in the value of EUR 1,688 thousand (from 1 November 2021 to 31 October 2022: EUR 941 thousand) is disclosed as a provision for the variable remuneration component of the members of the Board of Directors. The year-on-year increase occurred due to the fulfillment of the criteria set for the award of the variable remuneration component (fulfillment of the Company's EBITDA plan).

The members of the Supervisory Board are paid fixed components of remuneration in accordance with the Rules on remuneration of members of the Supervisory Board and concluded contracts for the performance of their duties, the variable components of remuneration shall not be paid to the members of the Supervisory Board. For the year ending on 31 October 2023, basic remuneration totaling EUR 79 thousand was paid (from 1 November 2021 to 31 October 2022: EUR 79 thousand).

10. Other Operating Expense

in TEUR	1.11.2022 - 31.10.2023	1.11.2021 - 31.10.2022
Insurance (property, automobiles, travel cost)	-368	-343
Fees and commissions	-406	-415
Shortages and losses	-154	-92
Other operating expense	-15	-29
Total	**-943**	**-879**

11. Other Operating Income

in TEUR	1.11.2022 - 31.10.2023	1.11.2021 - 31.10.2022
Claims paid by insurance company	23	22
Other operating income	403	1 362
Gain / (loss) on sale of assets	1 945	5 319
Total	**2 371**	**6 703**

For 2022, other operating income is represented by revenues from the sale of a part of the business between the Company and GOPASS a.s. in the amount of EUR 1,066 thousand.

12. Finance Income and Expense

in TEUR	1.11.2022 - 31.10.2023	1.11.2021 - 31.10.2022
Interest income calculated using effective interest rate	7 523	7 965
Financing costs	-25 871	-20 051
Net profit / (loss) on financial operations	1 572	-715
Total	**-16 776**	**-12 801**

Interest income calculated using effective interest rate results mainly from loans provided at a fixed interest rate. See Note 22 - Loans Provided.

The table below shows the composition of financing costs:

in TEUR	**1.11.2022 - 31.10.2023**	**1.11.2021 - 31.10.2022**
Interest expense related to loans and borrowings	-7 186	- 6 727
Interest expense from bonds issued	-14 900	-11 457
Interest expense from leasing	-3 791	-2 659
Income associated with hedging derivative transaction SWAP	6	792
Financing costs total	**-25 871**	**-20 051**

For information about received loans and borrowings see Note 30 – Loans and Borrowings. For information about bonds issued see Note 37 – Bonds Issued. For information about leases see Note 31 – Lease Liabilities.

In the period from 1 November 2022 to 31 October 2023, the Company capitalized interest expense into assets with a total value of EUR 94 thousand (from 1 November 2021 to 31 October 2022: EUR 137 thousand).

in TEUR	**1.11.2022 - 31.10.2023**	**1.11.2021 - 31.10.2022**
Cost of administration of financial instruments	-273	-484
Exchange gains / (losses)	1 845	-231
Net Profit / (Loss) from Financial Operations Total	**1 572**	**-715**

13. Current and Deferred Income Tax

Deferred income tax is calculated using statutory tax rates, which are expected in a period in which the receivable is realized, or the liability is settled.

To calculate deferred tax from temporary differences originated in the Slovak Republic, the Company applied a 21% rate for the year 2023 (2022: 21%) resulting from the legal corporate income tax rate valid as at the date when the financial statements are being compiled.

in TEUR	**1.11.2022 - 31.10.2023**	**1.11.2021 - 31.10.2022**
Current tax:		
Tax of current accounting period	-1 210	-
Withholding tax on interest	-6	-1
	-1 216	**-1**
Deferred tax:		
Posting and release of temporary differences	-134	-1 359
Change of tax rate	-	-
Total income tax	**-1 350**	**-1 360**

Income tax reported through other components of comprehensive income

	1.11.2022 - 31.10.2023			1.11.2021 - 31.10.2022		
in TEUR	Before taxes	Tax	After taxes	Before taxes	Tax	After taxes
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:						
Net gain/(loss) on cash flow hedges	3 294	692	2 602	-1 396	-293	-1 103
Total comprehensive income	**3 294**	**692**	**2 602**	**-1 396**	**-293**	**-1 103**

Reconciliation of the effective tax rate

in TEUR	1.11.2022 - 31.10.2023		1.11.2021 - 31.10.2022	
	%		%	
Profit before taxes		**4 062**		**4 647**
Tax rate 21%	21%	853	21%	976
Tax non-deductible expenses	18%	749	16%	738
Income not subject to tax	0%	-	-2%	-78
Current tax: withholding tax on interest	0%	6	0%	1
Tax losses claimed during the period	-7%	-282	-6%	-277
Deferred tax asset not recognized	1%	24	0%	-
Change of tax rate	0%	-	0%	-
Total	**33%**	**1 350**	**29%**	**1 360**

Movements of deferred tax liability (net) during 2023 and 2022

2023

in TEUR	**Balance as at 1 November 2022**	**Reported in profit and loss statement**	**Reported in other comprehensive income**	**Acquired through business combination**	**Balance as at 31 October 2023**
Non-current tangible and intangible assets	-21 975	-1 728	-	-	-23 703
Investment property	-595	156	-	-	-439
Losses from impairment of trade receivables and other assets	4 791	1 547	-	-	6 338
Cash Flow hedge	691	-	-691	-	-
Provisions and liabilities	526	385	-	-	911
Leases (IFRS 16)	-110	-212	-	-	-322
Tax losses	469	-282	-	-	187
Total, net	**-16 203**	**-134**	**-691**	**-**	**-17 028**

2022

in TEUR	**Balance as at 1 November 2021**	**Reported in profit and loss statement**	**Reported in other comprehensive income**	**Acquired through business combination**	**Balance as at 31 October 2022**
Non-current tangible and intangible assets	-22 501	526	-	-	-21 975
Investment property	-785	190	-	-	-595
Losses from impairment of trade receivables and other assets	6 996	-2 206	-	-	4 791
Cash Flow hedge	398	-	293	-	691
Provisions and liabilities	183	343	-	-	526
Leases (IFRS 16)	-181	71	-	-	-110
Tax losses	753	-284	-	-	469
Total, net	**-15 137**	**-1 360**	**293**	**-**	**-16 203**

See also Note 20 - Deferred Tax Asset, Deferred Tax Liability.

14. Property, Plant and Equipment

in TEUR	Land and buildings	Individual movable assets and sets of movable assets	Assets under construction	Total
Cost				
Opening balance as at 1.11.2021	220 522	134 553	7 086	362 162
Additions	1 061	822	17 754	19 637
Disposals	-4 216	-806	-298	-5 320
Transfer from Right-of-use asset	-	350	-	350
Movements within assets	235	107	-343	-
Balance as at 31.10.2022	**217 602**	**135 026**	**24 199**	**376 829**
Opening balance as at 1.11.2022	217 602	135 026	24 199	376 829
Additions	5 028	4 687	7 651	17 366
Disposals	-1 927	-327	-587	-2 841
Transfer from/to Investment property	747	-	-	747
Transfer from Right-of-use asset	277	1 899	-	2 176
Movements within assets	7 515	6 904	-14 419	-
Balance as at 31.10.2023	**229 242**	**148 189**	**16 844**	**394 277**
Accumulated depreciation and losses from impairment of assets				
Opening balance as at 1.11.2021	-59 541	-64 855	-	-124 396
Depreciation of current accounting period	-6 351	-6 134	-	-12 485
Disposals	1 755	780	-	2 535
Transfer from Right-of-use asset	-	-172	-	-172
Balance as at 31.10.2022	**-64 137**	**-70 381**	**-**	**-134 518**
Opening balance as at 1.11.2022	-64 137	-70 381	-	-134 518
Depreciation of current accounting period	-6 366	-7 247	-	-13 613
Disposals	817	326	-	1 143
Transfer from Right-of-use asset	-120	-1 001	-	-1 121
Balance as at 31.10.2023	**-69 806**	**-78 303**	**-**	**-148 109**
Carrying value				
As at 1.11.2021	**160 981**	**69 698**	**7 086**	**237 766**
As at 31.10.2022	**153 465**	**64 645**	**24 199**	**242 311**
As at 1.11.2022	**153 465**	**64 645**	**24 199**	**242 311**
As at 31.10.2023	**159 436**	**69 886**	**16 844**	**246 168**

In the period from 1 November 2022 to 31 October 2023, the Company made investments totaling EUR 17,366 thousand. The Company invested EUR 7,408 thousand into the continuation of the construction of the Centrum Jasná complex, EUR 5,636 thousand in the completion of the Biela Púť – Priehyba cable car and EUR 933 thousand in the reconstruction of the wellness in the Grandhotel Starý Smokovec. The Company also invested EUR 409 thousand in IT infrastructure and made other minor investments.

In the period from 1 November 2021 to 31 October 2022, the Company made investments totaling EUR 19,637 thousand. The Company invested EUR 10,446 thousand in the construction of the Biela Púť – Priehyba cableway, EUR 3,689 thousand in the continuation of the construction of the Centrum Jasná complex and completely strengthened snowmaking worth EUR 1,903 thousand. The Company also procured the gastronomic operation, named Humno, in Tatranská Lomnica in the value of EUR 780 thousand, invested EUR 402 thousand in the completion of water reservoir, named Zadné vody, and made other minor investments.

The Company also reclassified right-of-use assets with the accounting residual value of EUR 1,055 thousand (from 1 November 2021 to 31 October 2022: EUR 177 thousand) due to the termination of financial leasing during the period from 1 November 2022 to 31 October 2023.

The transfer from investment property in the amount of EUR 747 thousand includes the transfer of Hotel Liptov and accommodation facility Otupné, for which the lease to third parties was terminated on 31 May 2023 and 20 September 2023 respectively, and which the Company has begun to operate again.

Impairment loss

For the period ended on 31 October 2023 and 31 October 2022, the Company did not recognize any impairment of land, buildings and equipment.

Property Insurance

in TEUR	**31.10.2023**	**31.10.2022**
Natural disaster and vandalism	499 044	490 820
General machinery risks	32 797	31 900
Liability for damage	5 706	5 706

Security

As at 31 October 2023, Land, buildings and equipment in the amount of EUR 227,460 thousand were used as the security of the bank loans and bonds (as at 31 October 2022: in the amount of EUR 228,247 thousand).

Capitalized financial costs

As at 31 October 2023, the Company capitalized the interest expenses into the assets in the amount of EUR 94 thousand (as at 31 October 2022: EUR 137 thousand).

15. Right-of-use Assets

Movements in the carrying amounts of property, plant and equipment acquired through leasing were as follows:

in TEUR

	Land and buildings	Individual movable assets and sets of movable assets	Total
Cost			
Opening balance as at 1.11.2021	**36 696**	**8 266**	**44 962**
Additions	24 148	905	25 053
Transfer to Property, plant and equipment	-	-350	-350
Disposals	-870	-832	-1 702
Modifications	1 732	46	1 778
Balance as at 31.10.2022 / 1.11.2022	**61 706**	**8 036**	**69 742**
Additions	545	1 672	2 217
Transfer to Property, plant and equipment	-277	-1 900	-2 177
Disposals	-18	-244	-261
Modifications	3 545	-60	3 485
Balance as at 31.10.2023	**65 502**	**7 504**	**73 006**
Accumulated depreciation			
Opening balance as at 1.11.2021	**-5 090**	**-2 944**	**-8 034**
Depreciation of current accounting period	-2 947	-1 397	-4 344
Transfer to Property, plant and equipment	-	172	172
Disposals	860	860	1 720
Balance as at 31.10.2022 / 01.11.2022	**-7 177**	**-3 309**	**-10 486**
Depreciation of current accounting period	-3 454	-1 350	-4 803
Transfer to Property, plant and equipment	120	1 003	1 123
Disposals	18	234	252
Balance as at 31.10.2023	**-10 493**	**-3 424**	**-13 914**
Carrying value			
As at 31.10.2022	**54 529**	**4 727**	**59 256**
As at 31.10.2023	**55 009**	**4 083**	**59 092**

16. Goodwill and Intangible Assets

in TEUR	Goodwill	Valuable rights	Software	Acquired intangible assets	Total
Cost					
Opening balance as at 1.11.2021	27 510	6 874	2 617	134	37 135
Additions	-	-	184	22	206
Disposals	-	-1 653	-	-24	-1 677
Transfers within assets	-	-	110	-110	-
Balance as at 31.10.2022	**27 510**	**5 221**	**2 911**	**22**	**35 664**
Opening balance as at 1.11.2022	27 510	5 221	2 911	22	35 664
Additions	-	-	103	-	103
Disposals	-	-	-18	-1	-19
Foreign exchange differences	-	-	21	-21	-
Balance as at 31.10.2023	**27 510**	**5 221**	**3 017**	**-**	**35 748**
Accumulated depreciation and losses from impairment of assets					
Opening balance as at 1.11.2021	-350	-1 250	-1 602	-	-3 202
Depreciation of current accounting period	-	-158	-328	-	-486
Disposals	-	352	-	-	352
Balance as at 31.10.2022	**-350**	**-1 056**	**-1 930**	-	**-3 336**
Opening balance as at 1.11.2022	-350	-1 056	-1 930	-	-3 336
Depreciation of current accounting period	-	-141	-362	-	-503
Disposals	-	-	18	-	18
Balance as at 31.10.2023	**-350**	**-1 197**	**-2 274**	-	**-3 821**
Carrying value					
As at 1.11.2021	**27 160**	**5 624**	**1 015**	**134**	**33 933**
As at 31.10.2022	**27 160**	**4 165**	**981**	**22**	**32 328**
As at 1.11.2022	**27 160**	**4 165**	**981**	**22**	**32 328**
As at 31.10.2023	**27 160**	**4 024**	**743**	**-**	**31 927**

Valuable rights are represented in particular by the customer relationships obtained during the merger of the Company with the company 1. Tatranská a.s. worth of EUR 3,071 thousand in the financial year ending as at 31 October 2021. Disposals of valuable rights with a net book value of EUR 1,301 thousand are trademarks sold by the Company in the period from 1 November 2021 to 31 October 2022 to its subsidiary of TMR Parks, a.s.

17. Investment Property

in TEUR	**31.10.2023**	**31.10.2022**
Acquisition price		
Opening balance as at 1.11.2022 / 1.11.2021	7 411	8 317
Transfer to Property, Plant and Equipment	-747	-
Revaluation at fair value	-	-906
Balance as at 31.10.2023 / 31.10.2022	**6 663**	**7 411**

As at 31 October 2023, investment property represents hotel Kosodrevina, Chata Solisko and Vila Zámoček with an aggregate book value of EUR 1,042 thousand (as at 31 October 2022: EUR 1,789 thousand), which are leased out to third parties that operate them. Hotel Kosodrevina is located in the Low Tatras, Chata Solisko and Vila Zámoček are located in the High Tatras. Chata Solisko and Vila Zámoček in the amount of EUR 833 thousand (as at 31 October 2022: EUR 833 thousand) were acquired as a result of the Company's merger with 1. Tatranská. In addition, investment property also includes forest areas and lots of land in Starý Smokovec in the book value of EUR 5,622 thousand (as at 31 October 2022: EUR 5,622 thousand) acquired by acquisition in 2009.

Transfer to Property, Plant and Equipment in the amount of EUR 747 thousand includes the transfer of Hotel Liptov and accommodation facility Otupné, for which the lease to third parties was terminated on 31 May 2023 and 30 September 2023 respectively, and which the Company has begun to operate again.

As of 31 October 2023, the management of the Company concluded that the assumptions that would lead to change in the value of these investments have not changed significantly (as at 31 October 2022: based on the current market and contractual conditions, the management of the Company has revised the value of investment property downwards by EUR 906 thousand).

The value of the leased properties was determined by management's estimate. The estimate of management's fair value is based on discounting future cash flows arising from currently concluded lease contracts after taking into account non-recoverable costs of 4-10% in each of the objects at yield of 6-10%, assuming continuation at current prices. During the current period the lease contract of the Hotel Kosodrevina has not changed compared to the previous period. Other assumptions have also not changed during the current period presented, resulting in no change in their fair value.

The value of the land was determined by the management using market prices, and the final value is based on an estimate of market price per square meter, depending on the type of land and market transactions for similar lots of land. The price per m^2 for forest land is in a range between EUR 0.60 – EUR 1.10, the price for land with built-up areas and courtyards ranges from EUR 60 to EUR 110 per m^2. Prices per m^2 for individual types of land did not change during the presented or comparable period.

If the fair value of that part of investment property that was determined based on management's estimates differed by 10%, the carrying amount of investment property would be EUR 666 thousand higher or lower compared to the amount reported as at 31 October 2023 (as at 31 October 2022: EUR 741 thousand).

In the period between 1 November 2022 and 31 October 2023, income from investment property accounted for EUR 140 thousand and direct operating cost related to investment property was EUR 20 thousand (between 1 November 2021 and 31 October 2022: income from investment property accounted for EUR 138 thousand, and direct operating cost related to investment property was EUR 39 thousand).

Security

As at 31 October 2023, a part of investment property in the amount of EUR 209 thousand was used as the security for bank loans and bonds (as at 31 October 2022: in the amount of EUR 1,257 thousand).

18. Investment in an Associate and a Joint Venture

in TEUR	31.10.2023	31.10.2022
MELIDA, a.s. (25% stake)	7 118	7 118
Total	**7 118**	**7 118**

On 15 December 2019, the Company signed an agreement regarding transfer of securities, on the basis of which it purchased an additional 15.5% stake in MELIDA a.s., which is the operator of the Špindlerův Mlýn ski resort in the Czech Republic. By signing the contract, the Company became owner of a total share of 25% in the amount of EUR 7,118 thousand. As at 31 October 2023, the stake in MELIDA a.s. is reported as an investment in associates at cost.

The purchase price of MELIDA a.s. in the amount of EUR 7,118 thousand was the fair value of the share held as at 30 October 2019, increased by an additional cash consideration in the amount of EUR 2,027 thousand. The valuation of the 9.5% stake held as at 30 October 2019 in the amount of EUR 4,498 thousand, which was increased by additional capital contributions of EUR 593 thousand, totaled EUR 5,091 thousand, was assessed by the Company as a reliable estimate of the fair value of the 9.5% stake held as of 15 December 2019.

As at 31 October 2019, the Company recorded a financial investment of 9.5% stake in MELIDA, a.s. in the amount of EUR 4,498 thousand.

As at 29 October 2019, the Company signed an agreement on the transfer of securities with CAREPAR, a.s., on the basis of which the Company acquired 19 ordinary shares of MELIDA, a.s. and thus became a direct shareholder (9.5% stake) in MELIDA, a.s..

19. Investments in Subsidiaries

in TEUR	31.10.2023	31.10.2022
Investments in share capital		
Szczyrkowski Ośrodek Narciarski S.A. (97% stake)	7 191	7 191
Muttereralm Bergbahnen Errichtungs GmbH (90% stake)	3 714	3 714
TMR Parks, a.s. (100% stake)	2 327	2 327
GOPASS, a.s. (100% stake)	0	1 102
Korona Ziemi Sp. z o.o. (73% stake)	317	317
GOPASS SE (100% stake)	1 220	118
Tatry mountain resorts ČR, a.s. (100% stake)	79	79
TMR Finance ČR, a.s. (100% stake)	78	78
TMR Ještěd a.s. (100% stake)	75	75
Mölltaler Gletscherbahnen GmbH (90% stake)	33	33
Tatry Mountain Resorts AT GmbH (100% stake)	32	32
TMR Real Estate s.r.o. (100% stake)	5	-
Štrbské Pleso resort, s. r. o. (100% stake)	5	-
International TMR services s.r.o. (100% stake)	8	8
Mölltaler Gletscherbahnen GmbH & Co KG (90% stake)	0,002	0,002
	15 084	**15 074**
Investments in other capital funds		
TMR Ještěd a.s.	7 598	-
Mölltaler Gletscherbahnen GmbH & Co KG	22 891	-
	30 489	**-**
Total	**45 573**	**15 074**

As at 1 November 2022, the Company capitalized provided loan in the amount of EUR 6,552 thousand to other capital funds of the subsidiary TMR Ještěd, a.s.. As at 31 October 2023, the Company reported other capital funds of the subsidiary TMR Ješted worth of EUR 7,598 thousand.

As at 1 November 2022, the Company capitalized provided loan in the amount of EUR 20,970 thousand to other capital funds of the subsidiary Mölltaler Gletscherbahnen GmbH & Co KG. As at 31 October 2023, the Company reported other capital funds to the subsidiary Mölltaler Gletscherbahnen GmbH & Co KG worth EUR 22,891 thousand.

As at 1 April 2023, the cross-border merger of GOPASS a.s. as a dissolving company with the successor company GOPASS SE took effect. The decisive date for the merger is 1 November 2022. GOPASS a.s. ceased to exist as a result of a cross-border merger without liquidation on 1 April 2023.

On 28 June 2023, the company TMR Real Estate, s.r.o. was established for the purpose of real estate activity with a share capital with the amount of EUR 5 thousand, of which the Company became the only shareholder.

On 26 September 2023, the company Štrbské Pleso resort, s.r.o. was established, with a share capital with the amount of EUR 5 thousand, of which the Company became the 100% owner.

On 30 September 2022, the Company sold its 51% share in Tikar D.O.O. The consideration transferred was in the amount of EUR 2,350 thousand, part of which was used to settle loans with the corresponding outstanding interest in the amount of EUR 3,071 thousand. The transaction resulted in a loss from the sale of the subsidiary in the amount of EUR 721 thousand.

As of 7 September 2022, an increase in the registered capital of TMR Parks, a.s. by EUR 2,300 thousand was entered in the Commercial Register.

On 1 July 2022, the Company acquired 100% of the shares in the European company GOPASS SE with a value of CZK 2,924 thousand, which will be used for the purpose of expansion into the European market.

On 22 June 2022, the company International TMR services, s.r.o. was established with a registered capital of CZK 200 thousand, in which the Company became the sole shareholder. The Company will serve to provide services within the Group.

As at 12 April 2022, an increase in the registered capital of GOPASS, a.s. by EUR 1,074 thousand was entered in the Commercial Register.

On 4 June 2021, GOPASS, a.s. was founded with registered capital of EUR 25 thousand. The Company became its sole shareholder. GOPASS, a.s. will be used for expansion into Alpine ski resorts which are planned to be incorporated into its platform.

On 1 May 2021, the Company acquired a 90% share in Muttereralm Bergbahnen Errichtungs GmbH, amounting to EUR 3,714 thousand. The shareholding of 10% was acquired by the subsidiary Tatry mountain resorts AT GmbH. The Company operates a ski resort in Austria.

On 1 November 2020, the Company merged with its subsidiary 1. Tatranská. As a result of this merger, the Company increased its direct interests in Korona Ziemi Sp. z o.o. and TIKAR D.O.O. in the amount of EUR 317 thousand (73% interest) and EUR 1 thousand (51% interest), respectively.

On 31 May 2020, the Company acquired 100% stake in 1.Tatranská, akciová spoločnosť for EUR 25,247 thousand. Acquired company operates the ski resort Štrbské pleso in High Tatras in Slovakia, provides restaurant and catering services and runs a ski and snowboard school.

On 1 May 2019, the Company acquired 90% stake in Mölltaler Gletscherbahnen GmbH for EUR 33 thousand and 90% stake in Mölltaler Gletscherbahnen GmbH & Co KG for EUR 1.8. 10% stake in Mölltaler Gletscherbahnen GmbH and 10% stake in Mölltaler Gletscherbahnen GmbH & Co KG were purchased by Tatry Mountain Resorts AT GmbH. The acquired Companies run the ski resorts Mölltaler Gletscher and Ankogel in Austria.

On 16 February 2018 Tatry mountain resorts ČR, a.s. was founded with a registered capital of CZK 2,000 thousand (EUR 79 thousand). Its sole shareholder has become the Company. The company Tatry mountain resorts ČR, a.s. will serve for future acquisition in the Czech Republic.

On 28 May 2018, the Company signed a purchase agreement of PHIG Holding GmbH, which was later renamed to Tatry mountain resorts AT GmbH. The purchase amount was agreed to EUR 32 thousand, with the Company becoming the sole owner of the business. The net asset value of the company at the time of acquisition amounted to EUR 32 thousand.

On 14 September 2018, TMR Finance ČR, a.s. was founded, with a registered capital of CZK 2,000 thousand (EUR 78 thousand). Its sole shareholder has become the Company. TMR Finance ČR, a.s. issued bonds on the Prague Stock Exchange on 7 November 2018.

On 5 May 2017, company Tatry mountain resorts ČR, a.s. was incorporated, with share capital in total amount of CZK 2,000 thousand (EUR 75 thousand). The Company became sole shareholder in the new company.

On 31 January 2018, the company Tatry mountain resorts ČR, a.s. was renamed to TMR Ještěd a.s..

On 30 September 2017, company TMR Parks, a.s. (former name: Tatry mountain resorts PL, a.s.), with share capital in total amount of EUR 27 thousand was incorporated. The Company became sole shareholder in the new company. Tatry mountain resorts PL, a.s. then on 6 December 2017 purchased the entire 75% stake in Slaskie Wesole Miasteczko Sp. Z o.o. in the total value of PLN 30,000 thousand.

On 14 April 2015, the Company acquired a 70% stake in Polish company PS Rozrywka, which was later renamed to Śląskie Wesole Miasteczko Sp. z o. o. (hereinafter referred to as SWM). For such a 70% stake, the Company paid EUR 6,727 thousand. On 4 August 2015, the Company purchased an additional 5% stake, in a total amount of EUR 723 thousand. The company SWM is the operator of a theme park in the town of Chorzow, Poland. The total value of the assets, as the date of acquisition after revaluation at the fair value was EUR 9,489 thousand, and the total value of equity was EUR 9,077 thousand. On 6 December 2017 the Company sold its 75% stake in Śląskie Wesole Miasteczko Sp. Z o.o., to the subsidiary Tatry mountain resorts PL, a.s. for PLN 30 million.

On 5 March 2014, the Company purchased 97% shares of Szczyrkowski Osrode Narciarski S.A. (hereinafter referred to as SON), in a total amount of EUR 7,191 thousand. It is a company holding and running a ski centre in Poland. The total value of the assets, as the date of acquisition after revaluation at the fair value was EUR 13,321 thousand, and the total value of equity was EUR 9,031 thousand.

Security

As at 31 October 2023, shares in subsidiary SON in the amount of EUR 7,191 thousand (as at 31 October 2022: in the amount of EUR 7,191 thousand) were used to secure bank loans of the subsidiary SON.

20. Deferred Tax Asset, Deferred Tax Liability

Deferred tax asset (liability) was posted for the following items:

in TEUR	Receivables		Payables		Total	
	31.10.2023	**31.10.2022**	**31.10.2023**	**31.10.2022**	**31.10.2023**	**31.10.2022**
Temporary differences related to:						
Non-current tangible and intangible assets	-	-	-23 703	-21 975	**-23 703**	**-21 975**
Investments property	-	-	-439	-595	**-439**	**-595**
Losses from impairment of trade receivables and other assets	6 338	4 791	-	-	**6 338**	**4 791**
Cash flow hedge	-	691	-	-	**-**	**691**
Provisions and liabilities	911	526	-	-	**911**	**526**
Leases (IFRS 16)	-	-	-322	-110	**-322**	**-110**
Tax losses	187	469	-	-	**187**	**469**
Set-off	**-7 436**	**-6 477**	**7 436**	**6 477**	**-**	**-**
Total	**-**	**-**	**-17 028**	**-16 203**	**-17 028**	**-16 203**

Deferred tax asset was not posted for the following items (tax base):

in TEUR	**31.10.2023**	**31.10.2022**
Provisions and liabilities	114	-
Total	**114**	**-**

Deferred tax asset from unredeemed losses from previous periods is posted only up to the amount to which it may be probably redeemed in the future against future tax profits.

Expected last periods for redemption of tax losses are as follows:

in TEUR	**2024**	**2025**	**2026**	**post 2026**
Tax losses	892	-	-	-

Based on the legislative change, the tax loss can be deducted from the tax base for 2023 as follows:

- for the year 2019 - in the amount of ¼,
- for the year 2020 - in any amount, but not more than 50% of the tax base of the current year,
- For the year 2021 – in any amount, but not more than 50 % of the tax base of the current year.
- For the year 2022 – in any amount, but not more than 50 % of the tax base of the current year.

21. Inventory

in TEUR	31.10.2023	31.10.2022
Goods	1 435	947
Material	1 815	1 107
Chalets and apartments developed for sale	3 958	575
Total	**7 208**	**2 629**

Chalets and apartments for sale worth EUR 3,958 thousand are apartments under construction in the Centrum Jasná complex in the value of EUR 3,813 thousand and recreational objects in the cottage settlement Bobrovečky in the value of EUR 145 thousand, the construction of which the Company carries out and subsequently plans to sell to third parties. Revenue from the sale of recreational objects will be recognized in 2024 or later.

As at 31 October 2022 chalets and apartments for sale worth EUR 575 thousand are recreational objects in the cottage settlement Bobrovečky 1, the construction of which the Company carries out and subsequently plans to sell to third parties. Revenue from the sale of recreational objects will be recognized in 2023 or later. These are 16 recreational objects in the cottage settlement Bobrovečky 1, Liptovská Ondrášová.

In the period from 1 November 2022 to 31 October 2023, inventories amounting to EUR 13,935 thousand (from 1 November 2021 to 31 October 2022: EUR 9,633 thousand) were recognized as an expense during the year and included in the income statement. The Company did not recognize any write-down of inventories in the reporting and comparative period.

Security

As at 31 October 2023, inventory of EUR 7,208 thousand (as at 31 October 2022: EUR 2,629 thousand) was used to secure bank loans and bonds.

22. Loans Provided

in TEUR	31.10.2023	31.10.2022
Short-term	176 031	182 439
Long-term	11 484	23 351
Total	**187 515**	**205 790**
Impairment allowance	-30 035	-22 562
Total with allowance	**157 480**	**183 228**

As at 31 October 2023 in accordance with the rules of IFRS 9, the value of the impairment allowance for loans provided was EUR 2,874 thousand (as at 31 October 2022: EUR 3,709 thousand). The value of specific impairment allowance for short-term loans to subsidiaries - Ślaskie Wesole Miasteczko Sp. z o.o./TMR Parks, a.s. in the amount of EUR 26,171 thousand (as at 31 October 2022: EUR 17,894 thousand) and the value of the specific impairment allowance for the granted loan against a third party was EUR 990 thousand. (as of 31 October 2022: EUR 959 thousand).

Table below summarizes long-term loans as at 31 October 2023 and 31 October 2022. As at 31 October 2023, the weighted average interest rate applied on the long-term loans was 4,34% p.a. (as at 31 October 2022: 4.68% p.a.).

in TEUR		31.10.2023	31.10.2022
Debtor	**Interest rate type**	**Loan value**	**Loan value**
Eurocom Investment	4,75% p.a.	10 239	11 781
MELIDA a.s.	0%	892	894
Desať s.r.o.	0%	210	-
OSTRAVICE HOTEL a.s.	4% p.a.	143	-
Mölltaler Gletscherbahnen Gesellschaft GmbH & Co KG	5% p.a.	-	10 498
WORLD EXCO, s.r.o.	4,75% p.a.	-	178
Total long-term provided loans		**11 484**	**23 351**

For more information on credit risk management, see Note 40 – Information on Risk Management, Credit Risk section.

Table below summarizes short-term loans as at 31 October 2023 and 31 October 2022. As at 31 October 2023, the weighted average interest rate applied on the short-term loans was 5,51% p.a. (as at 31 October 2022: 5.45% p.a.).

in TEUR		31.10.2023	31.10.2022
Debtor	**Interest rate type**	**Loan value**	**Loan value**
Szczyrkowski Ošrodek Narciarski S.A.	7% p.a.	40 249	36 941
TMR Parks a.s.*	-	32 725	35 725
TMR Parks a.s.*	7% p.a.	30 354	28 692
Ślaskie Wesole Miasteczko Sp. z o. o.	6% p.a.	28 342	27 142
Ślaskie Wesole Miasteczko Sp. z o. o.	7% p.a.	21 733	19 902
Szczyrkowski Ošrodek Narciarski S.A.	7% p.a.	6 519	5 454
Ślaskie Wesole Miasteczko Sp. z o. o.	7% p.a.	3 608	3 227
Tatry mountain resorts ČR a.s.	7% p.a.	3 334	2 537
TMR Finance ČR a.s.	7% p.a.	1 830	-
Korona Ziemi Sp. z o.o.	7% p.a.	1 763	1 615
Ślaskie Wesole Miasteczko Sp. z o. o.	7% p.a.	1 263	1 193
SON Partner	7% p.a.	1 077	963
Thalia s.r.o.	5% p.a.	1 076	1 033
Muttereralm Bergbahnen Errichtungs GmbH	5% p.a.	1 001	468
TMR Ještěd a.s.	7% p.a.	536	-
Tatry mountain resorts AT GmbH	5% p.a.	366	349
TMR Finance ČR a.s.	4,51% p.a.	255	205
Mölltaler Gletscherbahnen Gesellschaft GmbH & Co KG	7% p.a.	-	9 122
TMR Ještěd a.s.	7% p.a.	-	3 743
TMR Ještěd a.s.	7% p.a.	-	2 955
TMR Ještěd a.s.	7% p.a.	-	901
OSTRAVICE HOTEL a.s.	4% p.a.	-	138
P.M.I.R a.s.	5% p.a.	-	132
Other	4% p.a.	-	2
Total short-term provided loans		**176 031**	**182 439**

* These items represent bills of exchange.

23. Trade Receivables

in TEUR	31.10.2023	31.10.2022
Trade receivables	4 076	2 657
Impairment allowance to receivables	-115	-233
Total	**3 961**	**2 424**
Short-term	3 961	2 424
Long-term	-	-
Total	**3 961**	**2 424**

As at 31 October 2023, trade receivables amount to EUR 3,961 thousand and comprise current operating receivables. As at 31 October 2022, trade receivables involved current operating receivables amounting to EUR 2,424 thousand.

The ageing structure of receivables is as follows:

in TEUR		31.10.2023			31.10.2022	
	Gross	Impairment allowance	Net	Gross	Impairment allowance	Net
Within due period	3 942	-98	3 844	2 267	-55	2 212
Overdue within 30 days	103	-2	101	136	-3	133
Overdue from 30 days to 180 days	18	-2	16	54	-36	18
Overdue from 180 days to 365 days	-	-	-	76	-15	61
Overdue over 365 days	13	-13	-	123	-123	-
Total	**4 076**	**-115**	**3 961**	**2 656**	**-232**	**2 424**

As at 31 October 2023 and 31 October 2022, the amount of impairment allowance is related to current operating receivables.

Development of impairment allowance during accounting period is shown in the following overview:

in TEUR	31.10.2023	31.10.2022
Balance as at 1.11.2022 / 1.11.2021	233	193
Creation of value adjustment	26	71
Use	-26	-25
Reversal of value adjustment	-118	-7
Balance as at 31.10.2023 / 31.10.2022	**115**	**232**

Security

As at 31 October 2023, trade receivables in amount of EUR 3,691 thousand (as at 31 October 2022: EUR 2,424 thousand) were used to secure bank loans and bonds.

24. Other Receivables

in TEUR	**31.10.2023**	**31.10.2022**
Advance payments made	1 510	4 051
Total	**1 510**	**4 051**
Short-term	1 349	3 923
Long-term	161	128
Total	**1 510**	**4 051**

The advances provided, in the total value of EUR 1,510 thousand, are mainly made up of advances for supplies and services received (as at 31 October 2022: EUR 4,051 thousand). The decrease in short-term advances provided, compared to the value as at 31 October 2022, is mainly due to the settlement of advances granted in the immediately preceding accounting period in connection with the construction of the Biela Púť – Priehyba cable car and the Centrum Jasná complex, as well as the reconstruction of cottages in the Holiday Village Tatralandia cottage area.

25. Assets held for sale and liabilities directly associated

As at 31 October 2023 or as at 31 October 2022, the Company did not disclose any assets held for sale or any related liabilities.

26. Other Assets

in TEUR	**31.10.2023**	**31.10.2022**
Prepaid expenses and accrued income	2 050	1 563
Finance sublease receivables	46	97
Derivative operations - currency SWAP	-	254
Other assets	2 665	2 419
Impairment allowance	-16	-16
Total	**4 745**	**4 317**
Short-term	4 745	4 268
Long-term	-	49
Total	**4 745**	**4 317**

Other assets in the total value of EUR 2,665 thousand mainly represent a receivable from Penzión Energetik s.r.o.. Based on an assignment contract and set-off agreement, the Company records a receivable against Penzión Energetik s.r.o. in the amount of EUR 1,994 thousand as at 31 October 2023 (31 October 2022: EUR 1,994 thousand).

As at 31 October 2023, derivative operations – currency SWAP represent fair value of the derivative in amount of EUR 0 thousand, accounting for security was completed during the current period (as at 31 October 2022: in the amount of EUR 254 thousand). For more information, see Note 33 – Hedge accounting.

As at 31 October 2023, in accordance with the rules of IFRS 9, the impairment allowance for other assets amounted to EUR 16 thousand (as at 31 October 2022: EUR 16 thousand).

27. Financial Investments

in TEUR	31.10.2023	31.10.2022
Financial instruments measured at fair value through profit or loss	36	36
Total	**36**	**36**

As at 31 October 2023 the financial investments in the amount of EUR 36 thousand represent a share in the company Tatranské družstvo (as of 31 October 2022: EUR 36 thousand).

28. Cash and Cash Equivalents

in TEUR	31.10.2023	31.10.2022
Cash	8	10
Meal vouchers	23	31
Current accounts with banks	4 312	5 293
Impairment allowance	-2	-2
Total	**4 341**	**5 332**

As at 31 October 2023, the Company created impairment allowance of EUR 2 thousand in light of IFRS 9 expected credit loss changes (as at 31 October 2022: EUR 2 thousand). The Company has cash and cash equivalents that are deposited in banks and financial institutions that have been awarded a credit rating between A2 to Baa2 by recognized rating agencies.

Security

The Company can freely dispose of bank accounts.

29. Equity

Share capital and share premium

As at 31 October 2023 and 31 October 2022, the approved, subscribed and fully paid-up share capital consisted of 6,707,198 ordinary shares in the nominal value of 7 EUR per share. The emission of shares is marked by ISIN: SK1120010287.

As at 31 May 2023, an ordinary general assembly of Tatry mountain resorts, a.s. was held. The general assembly decided, among other things, on the settlement of profit Tatry mountain resorts, a.s. generated in the period between 1 November 2021 and 31 October 2022 according to the financial statements compiled for that accounting period, in the amount of EUR 3,287 thousand as follows:

- Allocation to the legal reserve fund in the amount of EUR 329 thousand,
- Allocation to the social fund on the basis of a collective agreement in the amount of EUR 16 thousand,
- The balance in the amount of EUR 2,942 thousand transfer to retained earnings of previous period.

Shareholders have a right to the payment of dividends, and the value of share vote in the Company general meeting is determined as a ratio of the value of one share and the total value of share capital. The following table presents the Company shareholders and the number of shares, ownership interest and voting rights.

31 October 2023	Number of shares	Ownership interest *in TEUR*	Ownership interest %	Voting rights %
C.I. CAPITAL INDUSTRIES LIMITED	1 973 197	13 812	29.4%	29.4%
FOREST HILL COMPANY, s.r.o.	1 030 919	7 216	15.4%	15.4%
RMSM1 LIMITED	992 666	6 949	14.8%	14.8%
DIAMCA INVESTMENTS LIMITED	918 780	6 431	13.7%	13.7%
Minority shareholders	1 791 636	12 541	26.7%	26.7%
Total	**6 707 198**	**46 950**	**100%**	**100%**

31 October 2022	Number of shares	Ownership interest *in TEUR*	Ownership interest %	Voting rights %
C.I. CAPITAL INDUSTRIES LIMITED	1 973 197	13 812	29.4%	29.4%
FOREST HILL COMPANY, s.r.o.	1 030 919	7 216	15.4%	15.4%
NEEVAS INVESTMENTS LIMITED	992 666	6 949	14.8%	14.8%
STOCKLAC LIMITED	800 000	5 600	11.9%	11.9%
RMSM1 LIMITED	404 486	2 831	6.0%	6.0%
Minority shareholders	1 505 930	10 542	22.5%	22.5%
Total	**6 707 198**	**46 950**	**100%**	**100%**

Profit / (loss) per share

	31.10.2023	31.10.2022
Profit / (loss) for the period *in TEUR*	2 712	3 287
Weighted average number of ordinary shares	6 707 198	6 707 198
Basic and diluted earnings per share in EUR	**0,404**	**0,490**

Legal reserve fund

As at 31 October 2023, the legal reserve fund amounts to EUR 7,347 thousand (as at 31 October 2022: 7,018 thousand). According to the Slovak legislation, the creation of legal reserve fund is compulsorily created on a yearly basis in the minimum amount of 10% of the Company net profit and at least up to 20% of subscribed share capital (cumulatively). The legal reserve fund can only be used for the payment of Company losses and cannot be used for the payment of dividends. The calculation of reserve fund is made according to Slovak legal regulations.

Profit (Loss) Distribution

For the fiscal year ended on 31 October 2023, the Company's management proposes the distribution of total profit in the amount of EUR 2,712 thousand as follows:

- Allocation to the legal reserve fund of EUR 271 thousand,
- Allocation to the social fund on the basis of a collective agreement in the amount of EUR 13 thousand,
- Balance of EUR 2,428 thousand transfer to retained earnings of previous periods.

30. Loans and Borrowings

in TEUR	**31.10.2023**	**31.10.2022**
Loans and borrowings received	106 576	165 589
Total	**106 576**	**165 589**
Short-term	27 018	78 317
Long-term	79 558	87 272
Total	**106 576**	**165 589**

Creditor	**Interest rate type**	**Maturity date**	**Unpaid amount as at 31.10.2023** *in TEUR*
J&T BANKA, a.s.	3M EURIBOR + 4.75%	31.12.2029	33 748
J&T BANKA, a.s.	3M EURIBOR + 4.75%	31.12.2026	20 377
J&T BANKA, a.s.	3M EURIBOR + 5.25%	31.12.2026	20 121
EUROCOM Investment s.r.o.	4% p.a.	On demand within 15 days	15 766
J&T BANKA, a.s.	3M EURIBOR + 4.75%	31.12.2026	12 225
Ślaskie Wesole Miasteczko Sp. z o. o.	7% p.a.	31.12.2023	4 339
Total			**106 576**

Creditor	**Interest rate type**	**Maturity date**	**Unpaid amount as at 31.10.2022** *in TEUR*
TMR Finance ČR, a.s.	4.51% p.a.	30.11.2022	60 894
J&T BANKA, a.s.	3M EURIBOR + 4.75%	31.12.2029	38 116
J&T BANKA, a.s.	3M EURIBOR + 4.75%	31.12.2026	21 494
J&T BANKA, a.s.	3M EURIBOR + 5.25%	31.12.2026	20 116
EUROCOM Investment s.r.o.	4% p.a.	On demand within 15 days	11 285
J&T BANKA, a.s.	3M EURIBOR + 4.75%	31.12.2026	9 418
Śląskie Wesole Miasteczko Sp. z o. o.	7% p.a.	31.12.2023	4 147
GOPASS SE	-	31.12.2032	119
Total			**165 589**

The weighted average of interest rates for loans and borrowings as at 31 October 2023 accounted for 8.03 % (as at 31 October 2022: 5,36 %). The interest is due on a quarterly basis. For more information, see Note 12 – Finance Income and Expense.

On 2 December 2018 the Company drawn new loan from TMR Finance ČR, a.s. in the total amount of EUR 58,773 thousand. The outstanding balance of this loan amounted to EUR 60,894 thousand as of 31 October 2022. On November 4, 2022, this loan was repaid.

As at 31 October 2023, the total outstanding unpaid amount of the loans to J&T Bank represents the amount EUR 86,471 thousand (as at 31 October 2022: EUR 89,144 thousand).

As at 30 March 2022, the Company drew funds from a syndicated loan from J&T Banka and thus refinanced its previous loans from J&T Banka and 365.bank, the value of which was EUR 62,396 thousand as at 31 October 2021. The funds provided served primarily as a loan to a subsidiary TMR Parks, a.s. to cover the purchase price for the transfer of EUROCOM Investment, s.r.o. shareholding of EUR 10,000 thousand, the refinancing of loans in the acquired companies EUROCOM Investment, s.r.o. and WORLD EXCO s.r.o. in the amount of EUR 11,651 thousand and the construction of the Biela púť - Priehyba cableway.

On 7 October 2019, the Company signed a short-term loan agreement with EUROCOM Investment, s.r.o. The amount of the loan was gradually increased to EUR 14,500 thousand by several amendments (as at 31 October 2021: EUR 10,500 thousand). The outstanding balance of the loan at the balance sheet date amounts to EUR 15,766 thousand (as at 31 October 20212: EUR 11,285 thousand).

As at 31 October 2023, the Company has committed to meet the covenants – Leverage, DSCR and LTV. The Leverage covenant may not exceed 7.75. The DSCR covenant may not be less than 1.1 and the LTV covenant may not exceed 60%. However, failure to meet the LTV ratio does not affect the maturity of the debt, only the amount of security. The Company evaluated fulfillment of covenants as at 31 October 2023. Covenants Leverage, DSCR abd LTV which evaluation is due within the dates of issuing the consolidated financial statements were met.

Security

The following assets were used as a security of bank loans and bonds: land, technology and operating buildings of mountain lift facilities: lifts, chair-lift rope ways (hereinafter: RWs), funicular RWs, aerial RWs, gondola RWs, substations, economic buildings and structures: Grandhotel Praha, Hotel Grand Jasná, Hotel Tri Studničky, Hotel Srdiečko, Hotel Kosodrevina, Hotel Liptov, Hotel SKI, former telecommunications building. All movable assets of the centres Jasná and High Tatras are put into pledge, also including trade receivables.

As at 31 October 2023, lots of land, buildings and equipment, property investments, inventory and receivables of EUR 239,221 thousand were used as a security of bank loans and bonds (as at 31 October 2022: in the amount of EUR 234,557 thousand).

31. Lease Liabilities

in TEUR	
Opening balance as at 1.11.2021	**37 220**
Additions	25 066
Modifications	1 782
Interest	2 659
Lease payments	-7 066
Balance as at 31.10.2022	**59 661**
Short-term	7 760
Long-term	51 901
Total	**59 661**
Additions	2 199
Modifications	4 724
Interest	3 724
Lease payments	-7 287
Balance as at 31.10.2023	**63 021**
Short-term	7 566
Long-term	55 455
Total	**63 021**

The maturity of lease liabilities is as follows:

in TEUR	**31.10.2023**	**31.10.2022**
Less than 1 year	7 566	7 767
1 - 5 years	16 563	14 064
Above 5 years	38 892	37 830
Total	**63 021**	**59 661**

32. Trade Payables and other payables

in TEUR	**31.10.2023**	**31.10.2022**
Trade payables	8 991	7 705
Liabilities towards employees and social security institutions	6 877	5 706
Unbilled deliveries	2 886	2 513
Total	**18 754**	**15 924**
Short-term	17 890	14 755
Long-term	864	1 169
Total	**18 754**	**15 924**

As at 31 October 2023, liabilities towards employees and social security institutions are mainly provision for bonuses for the economic year from 1 November 2022 to 31 October 2023 in the amount EUR 1,762 thousand (as at 31 October 2022: EUR 1,744 thousand), wage liabilities to employees and social security institutions are in the amount EUR 4,266 thousand (as at 31 October 2022: EUR 3,172 thousand) and provision for unused vacations in the amount EUR 774 thousand (as at 31 October 2022: EUR 750 thousand).

The creation and usage of the Social Fund during the accounting period are shown in the following overview:

in TEUR	**31.10.2023**	**31.10.2022**
Balance as at 1.11.2022 / 1.11.2021	10	-3
Creation of social fund against expenses	128	86
Drawing	-84	-73
Balance as at 31.10.2023 / 31.10.2022	**54**	**10**

As at 31 October 2023, long-term liabilities in the amount EUR 864 thousand (as at 31 October 2022: EUR 1,169 thousand) are mainly retention fees against suppliers for the construction of the Centrum Jasná complex and the Biela Púť - Priehyba cableway.

As at 31 October 2023, overdue liabilities amounted to EUR 1,769 thousand (as at 31 October 2022: EUR 922 thousand). Overdue liabilities as at 31 October 2023 represent primarily unpaid retention fees due to signed construction contracts with suppliers for their performed and realised construction of individual buildings, in some cases repayment schedules are agreed with suppliers.

33. Hedge Accounting

The Company applied cash-flow hedges and hedges only against foreign currency risk. Since the Company took out a loan from the Czech subsidiary, the Company has opened a position in CZK. The Company decided to manage the foreign currency risk against the Czech Crown on this particular instrument by hedging against changes in foreign currency exchange rates – currency swap.

On 4 November 2022, according to the repayment schedule, a loan from TMR Finance ČR, a.s. was fully repaid, the total value of which as at 31 October 2022 amounted to EUR 60,894 thousand. At the same time, accounting regarding cash-flow hedges against foreign currency risk was completed. The hedging instrument had a fixed maturity in November 2022 for the entire nominal value of EUR 57.9 million. The forward rate used for hedging was 25.870 CZK / 1 EUR.

The total profit from hedging derivates in the Comprehensive income is in the amount of EUR 2,602 thousand (as at 31 October 2022: loss EUR 1,103 thousand).

The Company does not currently have any risks hedged through hedge accounting, as they are managed otherwise. Please refer to Note related to financial risks for further information.

For the comparative period from 1 November 2021 to 31 October 2022, the impact of hedging instrument and hedged instrument on statement of financial position was as follows:

The Company does not currently have any risks hedged through hedge accounting, besides the foreign currency risk arising from the above mentioned instrument, as they are managed otherwise. Please refer to section financial risks for further information.

The hedged item is a long-term bullet-payment loan denominated in CZK provided by a Czech subsidiary with a fixed repayment schedule.

Hedging instrument is a Foreign currency swap, swapping the CZK repayments on the loan exposure for repayments in EUR, retaining the fixed nature of interest rates in both currencies.

There is an economic relationship between the hedged items and the hedging instruments as the terms of the foreign exchange and swap contracts match the terms of the loan (nominal value and repayment schedules). The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the foreign exchange swap contracts are identical to the hedged risk components. As the terms of the swap copy the terms of the loan (nominal value and repayment schedules), the Company expects the hedging relationship to be effective to a high degree.

The hedge inefficiencies can arise when the Company ceases to adhere to the repayment schedule. The Company expects to repay the loan in accordance with the repayment schedule.

Hedging Instrument profile – the hedging instrument has a fixed maturity in November 2022 for the entire nominal value of EUR 57.9 million. The forward rate used for hedging is 25.870 CZK / 1 EUR.

In '000 EUR	Notional amount	Carrying amount	Line item in statement of financial position	Changes in FV used for measuring ineff.
Foreign exchange swap	57 943	254	Other assets	1 532

In '000 EUR	Change in fair value used for measuring ineffectiveness.	Cash flow hedge reserve	Cost of hedging reserve
Foreign exchange swap	-1 532	-2 602	0

In '000 EUR	Total hedging gain/(loss) recognised in OCI	Ineffectiveness recognised in profit or loss	Line item in the statement of profit or loss	Cost of hedging recognised in OCI	Amount reclassified from OCI to profit or loss	Line item in the statement of profit or loss
Foreign exchange swap	-1 103	0	-	0	379	Interest income calculated using the effective interest rate and Interest expense
					2 865	Profit / (loss) from financial operations, net

34. Contract liabilities

in TEUR	**31.10.2023**	**31.10.2022**
Advances received	7 288	5 818
Deferred revenue	1 311	3 859
Discounts from purchases	384	384
Total	**8 983**	**10 061**
Short-term	8 983	10 061
Long-term	-	-
Total	**8 983**	**10 061**

As at 31 October 2023, the advances received mainly represent advances received for hotel accommodation in the amount of EUR 3,958 thousand (as at 31 October 2022: EUR 2,511 thousand), advance on the purchase price in connection with the construction of the water structure Pump station and transformer stations – Otupné, which the Company constructs, in the amount of EUR 3,000 thousand (as at 31 October 2022: EUR 3,000 thousand) and advances for the purchase of cottages in the amount of EUR 109 thousand (as at 31 October 2022: EUR 265 thousand).

As at 31 October 2023, the amount of deferred revenue is mainly represented by an amount of EUR 672 thousand for the accrual of the ski passes sold. As of 31 October 2022, accrued revenues mainly amounted to EUR 3,485 thousand for accruals of season ski passes sold – “Šikovná sezónka”

35. Other Liabilities

in TEUR	31.10.2023	31.10.2022
Liabilities to shareholders from reduction in share capital	213	213
Contingent consideration	954	884
Other	563	1 141
Value added tax liabilities	450	652
Government grants	504	527
Total	**2 684**	**3 417**
Short-term	1 730	2 533
Long-term	954	884
Total	**2 684**	**3 417**

As at 31 October 2023, liabilities to shareholders from reduction in share capital represent the amount EUR 213 thousand (as at 31 October 2022: EUR 213 thousand) and comprise mainly the remaining liability from the capital reduction in 2013 in total amount EUR 174,388 thousand.

As at 31 October 2023, the contingent consideration in the amount EUR 954 thousand (as at 31 October 2022: EUR 884 thousand) represents the part of the purchase price for the subsidiary Muttereralm Bergbahnen Errichtungs GmbH (see also point 19 – Investments in Subsidiaries), which is contingent on the seller fulfilling the contractually stipulated conditions.

Governments grants are as at 31 October 2023, in the total value EUR 504 thousand, of which the amount EUR 432 thousand represents the grant for the construction of the cable car Furkotka in the Štrbské Pleso ski resort (as at 31 October 2022: EUR 453 thousand) and the amount EUR 72 thousand represents the grant for the Tri studničky hotel (as at 31 Octobter 2022: EUR 74 thousand).

Details of movement of government grants are presented in the table below:

in TEUR	31.10.2023	31.10.2022
Balance as at 1.11.2022 / 1.11.2021	527	550
Received during the year	890	576
Released to the statement of profit and loss and other comprehensive income	-913	-599
Balance as at 31.10.2023 / 31.10.2022	**504**	**527**

State aid related to energy was received during the financial year 2023 in the amount of EUR 890 thousand. This is short-term state aid that has been recognized in the statement of comprehensive income as income during the period in which the related costs to be reimbursed are recorded. (State aid related to COVID-19 was received during the financial year 2022 in the amount of EUR 576 thousand. This is short-term state aid that has been recognized in the statement of comprehensive income as income during the period in which the related costs to be reimbursed are recorded.)

In the period from 1 November 2022 to 31 October 2023 the state aid was recognized in the statement of comprehensive income in the amount EUR 913 thousand (as at 31 October 202: EUR 599 thousand). For more details see Note 8 - Purchased Services and Note 9 - Personnel Expenses.

Details of government grants recognised in the statement of other comprehensive income are presented in the table:

in TEUR	**1.11.2022 - 31.10.2023**	**1.11.2021 - 31.10.2022**
State aid related to rental costs	-	206
State aid related to wages and salaries	-	370
State aid related to other costs	913	23
Total	**913**	**599**

36. Provisions

in TEUR	**31.10.2023**	**31.10.2022**
Opening balance as at 1.11.2022	**137**	**24**
Creation of provisions during the year	61	113
Use of provisions during the year	-113	-
Balance as at 31.10.2023	**85**	**137**

	31.10.2023	**31.10.2022**
Short-term	-	-
Long-term	85	137
Total	**85**	**137**

37. Bonds Issued

On 10 October 2018, the Company issued the third bond issue in the total value of EUR 90,000 thousand.

In February 2021, the Company issued new TMR V bonds in the total value of up to EUR 150 million, at an interest rate of 6% p.a. and with a maturity date in 2026.

On 28 October 2022, the Company issued TMR VI bonds up to a maximum of EUR 65,000 thousand with an interest rate of 5.4% p.a. and maturity in 2027. A total of EUR 59,000 thousand worth of bonds were traded. On 28 October 2022, EUR 1,552 thousand worth of bonds were traded. On 3 November 2022, bonds of the TMR VI issue were traded in the amount of EUR 57,448 thousand.

Details of the individual bonds at the end of the current and immediately preceding financial year are presented in the table below:

in TEUR	ISIN	Date of issue	Maturity date	Currency of the issue	Face value of the issue in the initial currency in '000	Interest rate p.a. in %	Effective interest rate p.a. in %	Carrying value as at 31.10.2023	Carrying value as at 31.10.2022
Name									
TMR III 4.40%/2024	SK4120014598	10.10.2018	10.10.2024	EUR	90 000	4.4	4.940	89 718	89 229
TMR V 6.00%/2026	SK4000018255	2.2.2021	2.2.2026	EUR	110 000	6.0	6.697	113 601	113 091
TMR VI 5.40%/2027	SK4000021713	28.10.2022	28.10.2027	EUR	59 000	5.4	5.924	57 945	1 284
Total								**261 264**	**203 604**
Short-term								94 621	5 108
Long-term								166 643	198 496
Total								**261 264**	**203 604**

All three bonds represent a book-entry security in bearer form, and their issue was approved by the National Bank of Slovakia.

Covenants

Issue of TMR III - The Company has committed that, until all of its monetary obligations under the Bonds have been met, the Net Senior Debt to Modified EBITDA (Leverage) ratio will not exceed 8. If the indicator is not met, owners who own at least 10% of the nominal value of issued and outstanding bonds can request that a meeting be called to vote on the possibility of exercising the right to demand early maturity of bonds. The Company has also committed to the LTV ratio, this indicator may not be higher than 70%. However, failure to meet the LTV ratio does not affect the maturity of the debt only the amount of security.

Issue of TMR V does not include conditions causing its immediate repayment. At the same time, the Company is entitled under certain conditions to postpone payment of interest.

Issue of TMR VI - The Company has committed that until all of its monetary obligations under the Bonds have been satisfied, the LTV ratio may not be higher than 70%. However, failure to meet the LTV indicator does not affect the maturity of the debt only the amount of security.

The Company evaluated fulfillment of covenants as at 31 October 2023. The covenants which evaluation is due within the dates of issuing the separate financial statements were met.

All of the three issues are associated with regular payment of the coupon which is provided by the Company from its own resources.

Out of the total value of liability of EUR 261,264 thousand (as at 31 October 2022: EUR 203,604 thousand), the short-term part is EUR 94,621 thousand, comprising EUR 89,718 thousand, the liability from the TMR III issue due on 10 October 2024 and the coupon liability in the amount of EUR 5,108 thousand, payable in the 12 months after 31 October 2023 (as of 31 October 2022: EUR 5,108 thousand, which includes a coupon liability payable in the 12-month period after 31 October 2022).

Security

As at 31 October 2023 right of lien ("Pledge") for the issued TMR III and TMR VI bonds on the property, movable assets and part of receivables owned by the Company, in the total amount of EUR 112,820 thousand. It is property that is not used as a security for other Company's liabilities.

38. Information about the Fair Value

The following table contains information about the book value and fair value of Company financial assets and liabilities, that are not accounted for at fair value:

in TEUR		**Carrying value**		**Fair value**	
		31.10.2023	**31.10.2022**	**31.10.2023**	**31.10.2022**
Financial assets					
Loans provided	22	157 480	183 228	155 719	179 276
Total		**157 480**	**183 228**	**155 719**	**179 276**

in TEUR		**Carrying value**		**Fair value**	
		31.10.2023	**31.10.2022**	**31.10.2023**	**31.10.2022**
Financial liabilities					
Bonds issued	37	261 264	203 604	259 746	201 752
Total		**261 264**	**203 604**	**259 746**	**201 752**

The table does not present financial instruments for which the carrying amount is considered to be an approximation of fair value.

39. Changes in Liabilities Arising from Financial Activities

in TEUR	**1 November 2022**	**Additions / Drawings**	**Payment**	**Interest accrued in the current period**	**Impact of cash-flow hedge**	**Other**	**31 October 2023**
Loans and borrowings	165 589	7 928	-72 960	7 186	-127	-1 040	106 576
Lease liabilities	59 661	6 923	-7 287	3 724	-	-	63 021
Bonds issued	203 604	56 457	-13 744	14 900	-	47	261 264
Total liabilities from financing activities	**428 854**	**71 308**	**-93 991**	**25 810**	**-127**	**-993**	**430 861**

in TEUR	1 November 2021	Additions / Drawings	Payment	Interest accrued in the current period	Impact of cash-flow hedge	Other	31 October 2022
Loans and borrowings	132 408	37 023	-13 505	6 727	2 833	103	165 589
Lease liabilities	37 220	26 848	-7 066	2 659	-	-	59 661
Bonds issued	201 438	1 518	-10 560	11 457	-	-249	203 604
Total liabilities from financing activities	**371 066**	**65 389**	**-31 131**	**20 843**	**2 833**	**2 687**	**428 854**

In case of loans and borrowings, the category Other represents the impact of foreign currency loan hedge (see also Note 33 – Hedge accounting). In case of issued bonds, the category Other represents administrator's fee for bond issuance administration.

40. Information on Risk Management

This section provides details of risks to which the Company is exposed, and the method of management of the risks.

The Company is exposed to risks in the following areas:

- Credit Risk
- Liquidity Risk
- Market Risk
- Operational Risk

The management is generally responsible for setting and control of Company risk management.

Credit Risk

The Company is exposed to this risk mainly with respect to trade receivables, lease receivables, other receivables, advance payments and loans provided. The volume of exposure to this risk is expressed as the book value of these assets in the balance sheet in case that no form of guarantees is provided. The book value of receivables, advance payments and loans provided expresses the highest possible book loss that would have been posted if the counterpart completely fails in performing its contractual obligations, and all securities and guarantees would have a zero value. Therefore, this value far exceeds the expected losses which are included in the provisions for irrecoverable debts. Before signing major contracts, the Company board at regular board meetings evaluates credit risk related to counterpart. In case of identifying significant risks, the Company withdraws from signing the contract.

Loans provided

The Company assigns a degree of credit risk to loans provided on the basis of data that is expected to predict credit risk (including but not limited to external ratings, financial statements, management accounts and cash flow projections and available counterparty press releases), potential days past due and applying experienced credit judgment.

The grades of credit risk are defined by qualitative and quantitative factors that indicate the risk of default and are consistent with external credit rating definitions from credit rating agencies such as Moody's and Standard & Poors. The probability of default is then assigned based on historical data collected by these agencies.

The default loss (LGD) parameters generally reflect an expected rate of return of 40%, except when the loan is reduced by a loan.

Probability of default (PD)	Loss Given Default (LGD)	Carrying amount	Impairment allowance (ECL)
1.99% - 6.90%	**40%**	**101,139**	**-2,873**

As at 31 October 2023, loans provided were classified as Stage 2 for a total amount of EUR 86,376 thousand (31 October 2022: EUR 81,189 thousand), for which an impairment allowance of EUR 27,161 thousand (31 October 2022: EUR 18,852 thousand) has been created.

Sensitivity analysis

If the borrower's credit quality has changed, the probability of default would also change. If PD increased by 10%, ECL would increase by EUR 287 thousand. If PD decreased by 10%, ECL would decrease by EUR 287 thousand.

The Company also takes into account the differences between the economic conditions during the period in which the historical data were collected, the current conditions and the Company's view of the economic conditions over the expected life of the loan.

As at 31 October 2023, the Company was exposed to the following credit risk:

in TEUR	Legal entities	Banks	Other financial institutions	Other	Total
Financial assets					
Loans provided	157 480	-	-	-	157 480
Other receivables	154	-	-	-	154
Trade receivables	3 961	-	-	-	3 961
Cash and cash equivalents	-	4 310	-	31	4 341
Other Assets	2 325	-	227	-	2 552
Total	**163 920**	**4 310**	**227**	**31**	**168 488**

As at 31 October 2022, the Company was exposed to the following credit risk:

in TEUR	Legal entities	Banks	Other financial institutions	Other	Total
Financial assets					
Loans provided	183 226	-	-	2	183 228
Other receivables	248	-	-	-	248
Trade receivables	2 424	-	-	-	2 424
Cash and cash equivalents	-	5 291	-	41	5 332
Other Assets	2 220	254	156	8	2 638
Total	**188 118**	**5 545**	**156**	**51**	**193 870**

Liquidity Risk

Liquidity risks arise within general financing of the Company and management of financial positions. It covers the risk of insolvency regarding the financing of assets within the agreed maturity period and at the interest rate, and also the risk of asset management at a reasonable price within an adequate timeframe. The Company management focuses on liquidity management and monitoring. Due to liquidity management, the management determined the accounting period for a fiscal year ended on 31 October. In the first half of its accounting period, the Company has a winter season, which represents 60% of Company's income. According to the trend in the first half-year, the Company can affect the side of revenues and expenses sufficiently early, so that they are able to keep sufficient liquidity for Company's operation. In the High Tatras centre, the seasonal nature is also balanced with a strong summer season, which ensures its more stable liquidity all year round.

The following table presents an analysis of Company financial assets and liabilities grouped by the residual maturity. The analysis presents the most prudent variant of residual maturity including interest, based on contracted terms. Therefore, for liabilities, the earliest possible repayment is reported, and for assets, the latest possible repayment is reported. Assets and liabilities which have no maturity are posted in the category "Without specification".

As at 31 October 2023, the Company had financial assets and liabilities with the following remaining maturities:

in TEUR	**Carrying value**	**Future cash flow**	**Up to 3 months**	**3 months up to 1 year**	**1 year up to 5 years**	**Above 5 years**	**Without specification**
Financial assets							
Loans provided	**157 480**	**187 516**	142 231	33 801	10 592	892	-
Other receivables	**154**	**154**	154	-	-	-	-
Trade receivables	**3 961**	**4 076**	4 076	-	-	-	-
Cash and cash equivalents	**4 341**	**4 343**	4 343	-	-	-	-
Other assets	**2 552**	**2 580**	2 580	-	-	-	-
Total	**168 488**	**198 669**	**153 384**	**33 801**	**10 592**	**892**	**-**
Financial liabilities							
Loans and borrowings	**-106 576**	**-129 596**	-23 505	-10 073	-87 323	-8 695	-
Lease liabilities	**-63 021**	**-141 914**	-1 916	-11 800	-43 847	-84 352	-
Bonds issued	**-261 264**	**-295 504**	-	-103 746	-191 758	-	-
Trade payables and other payables	**-11 485**	**-11 485**	-11 485	-	-	-	-
Contract liabilities	-	-	-	-	-	-	-
Other liabilities	**-1 580**	**-1 579**	-447	-	-1 132	-	-
Total	**-443 926**	**-580 078**	**-37 353**	**-125 619**	**-449 679**	**-93 047**	**-**

As at 31 October 2023 the loans provided up to 1 year amount to EUR 175,309 thousand (as at 31 October 2022: EUR 182,439 thousand), a majority of which is payable on demand or by the end of October 2024. The Company does not anticipate repaying these loans within 1 year and plans to require the repayment of these financial resources based on the needs for the purposes of financing the investment activity and acquisition. The expected drawdown of the loan provided is within 3 years. For securing sufficient liquidity shortly after the end of the accounting period the Company has increased an overdraft from J&T Bank and also decided to issue bond which will be used to refinance the bond due for repayment in 2024.

As at 31 October 2022, the Company had financial assets and liabilities with the following remaining maturities:

in TEUR	Carrying value	Future cash flow	Up to 3 months	3 months up to 1 year	1 year up to 5 years	Above 5 years	Without specification
Financial assets							
Loans provided	**183 228**	**205 791**	118 399	64 040	11 959	11 393	-
Other receivables	**248**	**248**	248	-	-	-	-
Trade receivables	**2 424**	**2 657**	2 657	-	-	-	-
Cash and cash equivalents	**5 332**	**5 333**	5 333	-	-	-	-
Other assets	**2 638**	**2 646**	2 556	90	-	-	-
Total	**193 870**	**216 675**	**129 193**	**64 130**	**11 959**	**11 393**	**-**
Financial liabilities							
Loans and borrowings	**-165 589**	**-183 233**	-74 893	-7 544	-86 100	-14 697	-
Lease liabilities	**-59 661**	**-132 534**	-2 195	-11 126	-38 800	-80 413	-
Bonds issued	**-203 604**	**-236 291**	-	-10 644	-225 647	-	-
Trade payables and other payables	**-9 835**	**-9 835**	-9 835	-	-	-	-
Contract liabilities	-	-	-	-	-	-	-
Other liabilities	**-2 098**	**-1 924**	-1 040	-	-884	-	-
Total	**-440 787**	**-563 817**	**-87 963**	**-29 314**	**-351 431**	**-95 110**	**-**

The book value of Other receivables contains mainly advance payments made, which are not expected to be paid in cash, but by a transfer of shares.

Currency risk

Due to the acquisition of subsidiaries in Poland and in the Czech Republic and due to providing loans to and receiving loans from these companies during 2023 and 2022, the Company is primarily exposed to the risk of changes in the exchange rate of Polish Zloty and Czech Crown against the euro. The management monitors regularly whether there is a large difference between foreign currency liabilities and receivables. As at 31 October 2023, the Company reported an investment in the subsidiaries in Polish Zloty in the amount of EUR 7,508 thousand, (as at 31 October 2022: EUR 7,508 thousand). The Company also reported investment in the subsidiaries in Czech Crown in the amount of EUR 9,058 thousand (as at 31 October 2022: EUR 358 thousand). For more information see point 19 – Investments is Subsidiaries

Since the Company has drawn a loan from its subsidiary in Czech Republic, denominated in Czech Crown, the open position on the currency risk at the Czech Crown has significantly opened. The Company decided to hedge its currency position against fluctuations in the Czech Crown for this particular debt instrument. In 2023, the loan denominated in Czech crowns was repaid and the respective hedging instrument terminated. For more information, see Note 33 - Hedge Accounting.

Secondarily, there is a risk that weakening of the Czech Crown or Polish Zloty against the euro would lead to reducing the number of visitors from the above stated countries.

Sensitivity analysis

31.10.2023

in TEUR	**CZK**	**PLN**
Assets		
Cash and cash equivalents	-	7
Loans and borrowings	6 847	34 700
	6 847	**34 707**

in TEUR	**CZK**	**PLN**
Liabilities		
Loans and borrowings received	-	-
Trade payables	-16	-
	-16	-

31.10.2022

in TEUR	**CZK**	**PLN**
Assets		
Cash and cash equivalents	12	33
Loans and borrowings	8 280	31 161
	8 292	**31 194**

in TEUR	**CZK**	**PLN**
Liabilities		
Loans and borrowings received	-61 013	-
Trade payables	-20	-8
	-61 033	**-8**

5% strengthening of the EUR against the Polish Zloty and the Czech Crown would have the following effect on the financial assets and financial liabilities of the Company:

Effect on the portfolio

in TEUR	**2023**	**2022**
PLN	-1 735	-1 558
CZK	-342	-414

5% weakening of the EUR against the Polish Zloty and the Czech Crown would have an identically high but opposite effect on the financial assets and financial liabilities in comparison with strengthening of the euro.

Interest Risk

Company transactions are exposed to the risk of interest rate changes. The volume of this risk is equal to the amount of interest-bearing assets and interest-bearing liabilities, for which the interest rate differs, in the maturity period or in the period of change, from the present interest rate. Therefore, the period for which a fixed interest rate is determined for the financial instrument, expresses the exposure to the risk of changes in interest rates to which the Company is exposed. The table below presents Company exposure to the risk of changes in interest rates based on contractual maturity period of financial instruments. The balance of liabilities with fixed interest rate includes also non-interest-bearing liabilities.

As at 31 October 2023 and as at 31 October 2022, the Company has the following assets and liabilities linked to interest rates:

in TEUR	**31.10.2023**	**31.10.2022**
Fixed interest rate		
Assets	168 469	166 666
Liabilities	-357 456	-351 643
Variable interest rate		
Assets	18	27 204
Liabilities	-86 470	-89 144

Sensitivity analysis for instruments with a variable interest rate

Change by 100 basis points in interest rates would have the following effect on the profit/loss from operations and cash flow sensitivity:

in TEUR	**Profit (Loss)**	
	100 bb growth	**100 bb decline**
31 October 2023		
Instruments with variable interest rate	865	-865
Effect	**865**	**-865**

in TEUR	**Profit (Loss)**	
	100 bb growth	**100 bb decline**
31 October 2022		
Instruments with variable interest rate	619	-619
Effect	**619**	**-619**

Company interest-bearing liabilities have a variable interest rate referring to EURIBOR. The Company considers the variable interest rate as the self-management of interest risk. During an economic expansion, the EURIBOR is growing, but at the same time, the population economic performance is growing, and the company has higher revenues and profits. During an economic recession, the situation is completely opposite.

Operational Risk

Operational risk is the risk of loss resulting from any fraud, unauthorised activities, failures, errors, inefficiency or failure of systems. The risk is created in all Company activities. Operational risk also includes the risk of legal disputes.

The aim of the Company is to manage the operational risk to prevent any financial losses and detriment to the Company reputation within the cost-efficiency of cost spent on achieving this objective, while avoiding any measures preventing initiatives and creativity.

The Company management has key responsibility for the implementation of inspections related to the operational risk management. The responsibility is supported by the implementation of standards for the management of operational risk which is common for the whole Company. Operational risk is governed by a system of directives, minutes of meetings and control mechanisms. The Company has a controlling department which attempts to eliminate all operational risks through regular inspections.

The Company is also exposed to the risk of unfavourable conditions with respect to the weather. The number of visitors in the centre depends on the snow and snowfall periods. Unfavourable conditions adversely affect the number of skiers and the revenue of profit/loss from operations. Warm weather can unreasonably increase the cost of snowmaking and reduce the area where skiing is possible. Historically, the Low Tatras and the High Tatras region had on average 54 cm and 59 cm of snow during the winter season, respectively. The start of winter season and snow conditions affect the perception of the whole season by skiers. The Company is not able to forecast reliably in any manner the snow conditions at the beginning of winter season. Thanks to the system of snowmaking, the snow conditions during the winter are stable each year.

41. Related Parties

Identification of related parties

As provided in the following overview, the Company has relations of a related party with respect to its shareholders having significant influence in the Company, and with respect to other parties, as at 31 October 2023 and 31 October 2022 or during the period between 1 November 2022 and 31 October 2023 and 1 November 2021 and 31 October 2022:

(1) Companies controlling jointly or having significant influence on the accounting entity and its subsidiary and associate companies
(2) Jointly controlled companies in which the Company is a partner
(3) Associates
(4) The members of company top management or Company shareholders or companies in which top management has control or significant influence (see also Note 9 – Personnel Expenses)

Information on remuneration of Members of Key management is stated in Note 9 – Personnel Expenses. All transactions with related parties, including transactions with Key management, were realized based on conditions, which are ordinary (or expected) for non-related parties transactions realized on the market. None of the related parties was privileged in any kind of transactions.

The Company has the transactions provided below with respect to related parties:

in TEUR	Note:	**Receivables 31.10.2023**	**Payables 31.10.2023**	**Receivables 31.10.2022**	**Payables 31.10.2022**
Szczyrkowski Osrodek Narciarski S.A.	1	46 964	-	42 399	8
Śląskie Wesołe Miasteczko Sp. z o. o.	2	54 948	4 343	51 465	4 147
TMR Ještěd a.s.	3	555	-	7 618	18
Tatry mountain resorts ČR, a.s.	4	3 337	6	2 543	2
TMR Parks, a.s.	5	63 279	1 000	64 465	1 024
Mölltaler Gletscherbahnen GmbH & Co KG	6	2	41	19 693	5
Mölltaler Gletscherbahnen GmbH	7	-	-	6	-
Grundstücksverwertungs-GmbH Flattach	8	-	-	5	-
TMR Finance ČR, a.s.	9	2 085	-	205	60 895
Ostravice Hotel a.s.	10	138	-	138	-
MELIDA, a.s.	11	892	-	966	4
TIKAR d.o.o	12	-	-	-	-
Korona Ziemi sp.z o.o.	13	1 763	-	1 615	-
Muttereraim Bergbahnen Errichtungs GmbH	14	1 001	-	468	-
Tatry mountain resorts AT GmbH	15	366	-	350	-
GOPASS, a.s.	16	-	-	47	748
WORLD EXCO s.r.o.	17	-	-	178	-
EUROCOM Investment, s.r.o.	18	10 909	16 400	12 426	11 420
International TMR services, s.r.o.	19	1	-	1	1
GOPASS SE	20	178	90	-	119
Companies related though Members of the Key Management	21	7	310	25	42

in TEUR	Note:	**Revenues 1.11.2022 - 31.10.2023**	**Costs 1.11.2022 - 31.10.2023**	**Revenues 1.11.2021 - 31.10.2022**	**Costs 1.11.2021 - 31.10.2022**
Szczyrkowski Osrodek Narciarski S.A.	1	2 602	13	2 322	8
Śląskie Wesołe Miasteczko Sp. z o. o.	2	2 470	199	1 885	212
TMR Ještěd a.s.	3	250	32	618	333
Tatry mountain resorts ČR, a.s.	4	181	43	144	213
TMR Parks, a.s.	5	1 697	2 001	2 301	1 258
Mölltaler Gletscherbahnen GmbH & Co KG	6	2	5	924	5
Mölltaler Gletscherbahnen GmbH	7	-	-	5	-
Grundstücksverwertungs-GmbH Flattach	8	-	-	5	-
TMR Finance ČR, a.s.	9	133	22	8	2 630
Ostravice Hotel a.s.	10	-	-	-	-
MELIDA, a.s.	11	-	-	-	-
TIKAR d.o.o	12		-	167	-
Korona Ziemi sp.z o.o.	13	82	-	81	-
Muttereraim Bergbahnen Errichtungs GmbH	14	33	-	19	-
Tatry mountain resorts AT GmbH	15	16	-	16	-
GOPASS, a.s.	16	-	-	37	927
WORLD EXCO s.r.o.	17	-	-	10	-
EUROCOM Investment, s.r.o.	18	2 376	941	1 785	327
International TMR services, s.r.o.	19	-	-	-	101
GOPASS SE	20	159	2 554	-	-
Companies related though Members of the Key Management	21	102	5 608	43	4 082

[1] Szczyrkowski Osrodek Narciarski S.A. became a related party on 30 April 2014.
[2] Śląskie Wesole Miasteczko Sp. z o. o. became a related party on 1 May 2015.
[3] TMR Ještěd a.s. became a related party on 5 May 2017.
[4] Tatry mountain resorts ČR, a.s. became a related party on 16 February 2018.
[5] Tatry Parks, a.s. became a related party on 30 September 2017.
[6] Mölltaler Gletscherbahnen GmbH & Co KG became a related party on 1 May 2019.
[7] Mölltaler Gletscherbahnen GmbH became a related party on 1 May 2019.
[8] Grundstücksverwertungs-GmbH Flattach became a related party on 1 May 2019.
[9] TMR Finance ČR, a.s became a related party on 14 September 2018.
[10] OSTRAVICE HOTEL a.s. became a related party on 31 December 2018.
[11] MELIDA, a.s. became a related party on 15 December 2019.
[12] TIKAR d.o.o. was a related party from 31 May 2020 to 30 September 2022.
[13] Korona Ziemi sp. Z.o.o. became a related party on 31 May 2020.
[14] Muttereraim Bergbahnen Errichtungs GmbH became a related party on 1 May 2021.
[15] Tatry mountain resorts AT GmbH became a related party on 28 May 2018.
[16] GOPASS, a.s. became a related party on 4 June 2021 until the decisive date of the merger with the successor company GOPASS SE, 1 November 2022. GOPASS a.s. ceased to exist as a result of a cross-border merger without liquidation on 1 April 2023.
[17] WORLD EXCO s.r.o. became a related party from 1 April 2022 to November 1, 2022, when the companies EUROCOM Investment, s.r.o. and WORLD EXCO, s.r.o. merged, whose legal successor became EUROCOM Investment s.r.o.
[18] EUROCOM Investment, s.r.o. became a related party on 1 April 2022.
[19] International TMR services, s.r.o. became a related party on 22 June 2022.
[20] GOPASS SE became a related party on 1 July 2022.
[21] Transactions related to remuneration mentioned in Note 9 - Personnel Expenses are not included in the above line.

42. Subsequent Events

On 1 November 2023, the Company entered into agreement on lease of part of enterprise with its subsidiary Štrbské Pleso resort, s.r.o, based on which it leased part of movable and immovable assets in location Štrbské Pleso, High Tatras.

On 2 February 2024, the Company redeemed the coupon on the TMR V bond in the amount of EUR 6,600 thousand.

43. Capital Commitments and Capital Management

During financial year 2014, the Company issued two bond issues (see point 37 – Bonds Issued) in the total nominal value of EUR 180,000 thousand, which, starting from 19 February 2014, were admitted to trading on the Bratislava Stock Exchange.

On 10 October 2018, the Company issued the third bond issue TMR III in the nominal value of EUR 90,000 thousand. Interest income on the TMR III bond is paid for each income period on a semi-annual basis, on 10 October and 10 April each year, starting on 10 April 2019. The TMR III bond has maturity on 10 October 2024.

During February 2021, the Company issued TMR V bonds with a total nominal value of EUR 110,000 thousand. Interest income from this bond is paid for each annual period in arrears, always on the 2 February, with the first occurrence on 2 February 2022. The maturity of TMR V bond is on 2 February 2026.

On 28 October 2022, the Company issued TMR VI bonds with a total value of up to a maximum of EUR 65,000 thousand with an interest rate of 5.4% p.a. and a maturity in 2027. On 28 October 2022, bonds worth EUR 1,552 thousand and 3 November 2022 worth EUR 57,448 thousand were traded. Interest income from this bond are paid for each income period on a semi-annual basis in arrears, always on 28 April and 28 October of each year. The maturity of TMR VI bond is on 28 October 2027.

Further information on issued bonds and related covenants are provided in Note 37 – Bonds Issued.

The Company management manages capital in order to ensure sufficient amount of resources for planned investments in that period for which investments are planned, if necessary in cooperation with bank loans.

The Company and its management monitor developments in the Company's capital structure, any changes and their potential impact. The Company's capital includes significant items such as bonds issued, borrowings and the related costs or expenses associated with servicing and repayment. The Company meets all its obligations properly, on time and according to the agreed terms. It also meets all agreed terms, ratios and reporting and valuation requirements for any maintenance of this capital. The capital is part of the Company's long-term and strategic plans. The Company uses capital primarily to fund development projects that have been undertaken in previous periods. The purpose of these capital projects is to increase the value of the Company and provide a competitive advantage to its resorts, as well as to generate cash surpluses to cover the repayment of liabilities and also to provide a source of further funding for the Company.

Over the course of the period between 1 November 2022 and 31 October 2023, no changes occurred in the Company's management approach to capital management.

44. Contingent Assets and Contingent Liabilities

With respect to that many areas of Slovak law on taxation have not been sufficiently ascertained in practice, there is uncertainty in how tax offices will apply them. It is not possible to quantify the level of this uncertainty and it will only cease to exist when legal precedents or official interpretations of the relevant bodies are available.

The Company is currently in the process of evaluation of the possibilities of tax losses utilisation in Slovakia, that arose in a foreign subsidiary of the Company. The Company addressed a request for guidance to the Financial Administration of the Slovak Republic. Due to the uncertainty and lack of clarity of the financial impact, this fact has not been captured in the Company's financial statements.

The Company has initiated several legal proceedings. The maximum amount of compensation in all legal proceedings can be up to EUR 260 thousand and accessions thereof.

Igor Rattaj	Zuzana Ištvánfiová	Marián Klas	Lucia Kušnierová
The Chairman of the Board of Directors	*The Vice Chairman of the Board of Directors*	*Finance Director*	*Person responsible for preparation of the financial statements*

Independent Auditor‘s Report

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Translation of the Independent Auditors' Report originally prepared in Slovak language

Independent Auditors' Report

To the Shareholders, Supervisory Board and Board of Directors of Tatry mountain resorts, a.s.

Report on the Audit of the Separate Financial Statements

Opinion

We have audited the separate financial statements of Tatry mountain resorts, a.s. (the “Company”), which comprise:

- the separate statement of financial position as at 31 October 2023;

and, for the year then ended:

- the separate statement of profit or loss and other comprehensive income;
- the separate statement of changes in equity;
- the separate statement of cash flows;

and

- notes to the separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying separate financial statements give a true and fair view of the unconsolidated financial position of the Company as at 31 October 2023, and of its unconsolidated financial performance and its unconsolidated cash flows for the period then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

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Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") and Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Separate Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements of the Act No. 423/2015 Coll. on statutory audit and on amendments to Act No. 431/2002 Coll. on accounting as amended ("the Act on Statutory Audit") including the Code of Ethics for an Auditor that are relevant to our audit of the separate financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate financial statements of the current period. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the following key audit matters:

Impairment of property, plant and equipment and intangible assets

Carrying amount of property, plant and equipment and intangible assets as at 31 October 2023: EUR 278,095 thousand (31 October 2022: EUR 274,639 thousand); Impairment allowance of assets as at 31 October 2023: EUR 0 thousand (31 October 2022: EUR 0 thousand)

Refer to Notes 2l), 2m) and 2n) (Summary of significant accounting policies), Note 3b) (Goodwill and impairment testing), Note 3c) (Impairment test of non-financial assets other than goodwill), Note 14 (Property, Plant and Equipment) and Note 16 (Goodwill and Intangible assets) of the separate financial statements.

Key audit matter	Our response
As described in Note 3c) of the separate financial statements, in the current year, the Company identified impairment indicators in respect of its property, plant and equipment and intangible assets, including ones related to business disruption during previous years, ongoing war in Ukraine and increased energy prices. In the wake of the above factors, as at 31 October 2023, the Company tested property, plant and equipment and intangible assets for impairment, as part of the impairment test performed for the cash generating unit („CGU") ski resort Vysoke Tatry and CGU ski resort Nizke Tatry. The Company determined recoverable amount for above mentioned CGU's based on their value in use estimated under the discounted cash flow method.	Our audit procedures in the area included, among others: • Evaluating against the requirements of the relevant financial reporting standards the Company's accounting policy for identification of impairment, and measurement and recognition of any impairment losses in respect of property, plant and equipment and intangible assets; • Evaluating design and implementation of internal controls relating to the identification of impairment indicators and to the process of impairment testing; • Evaluating the quality of the Company's forecasting by comparing historical projections with actual outcomes;

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Determination of the recoverable amount requires making a number of assumptions and judgments, in particular those relating to grouping of assets into CGUs, discount rates used and future cash flows, with key assumptions made about prices for services provided, costs, and expected levels of sales, output and operating costs. Due to the above factors, coupled with the significantly higher estimation uncertainty stemming from the volatile economic environment, ongoing war in Ukraine and increased energy prices, assessment of property, plant and equipment and intangible assets for impairment required our significant judgment and increased attention in the course of our audit. As a consequence, we consider the area to be our key audit matter	• Assessing the appropriateness of asset grouping into CGUs, based on our understanding of the Company's operations and business units; • Inquiring of the management of the Company regarding the impact of the volatile economic environment, ongoing war in Ukraine and increased energy prices and its results in the current year and going forward. • Assisted by our own valuation specialists, challenging the reasonableness of the Company's key assumptions and judgments used in estimating the recoverable amount, including: - Assessing the Company's discounted cash flow model against the relevant financial reporting standards and market practice, - Challenging reasonableness of the key macroeconomic assumptions used, such as those in respect of discount rates by reference to publicly available external sources, and - Using our knowledge of the Company, its past performance, business, and our industry experience, and also our understanding of the effects of the ongoing war in Ukraine and increased energy prices, assessing reasonableness of the assumptions relating to future prices of services provided, as well as those in respect of expected sales, output and operating costs, by reference to publicly available reports, market reports and the Company's internal documents; - Assessing susceptibility of the impairment model and the resulting impairment conclusion to management bias, by challenging the Company's analysis of the model's sensitivity to changes in key underlying assumptions; • Evaluating the appropriateness and completeness of impairment-related disclosures in the separate financial statements against the requirements of the financial reporting standards.

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Impairment of loans provided	
Carrying amount of long-term and short-term loans provided as at 31 October 2023: EUR 157,480 (31 October 2022: EUR 183,228 thousand); Impairment allowance as at 31 October 2023: EUR 30,035 thousand (as at 31 October 2022: EUR 22,562 thousand); Refer to Notes 2f) (Summary of significant accounting policies) and Note 22 (Loans provided) of the separate financial statements	
Key audit matter	**Our response**
As at 31 October 2023, loans provided are represented primarily by uncollateralized loans to companies within Tatry mountain resorts, a.s. group totalling EUR 184,117 thousand. Loans provided are assessed by the Company for impairment as at each reporting date, both at an individual asset and collective basis. Management measures the loss allowance at an amount equal to expected credit losses (ECLs) being a probability weighted estimate of credit losses. Credit losses are measured as the present value of an expected cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that it expects to receive). The estimate takes into account, among other things, repayment history and past credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date. For collectively assessed exposures, the Company uses statistical models with parameters such as the probability of default (PD) and loss given default (LGD) using historical data, as adjusted for appropriate forward-looking information. We identified impairment of loans provided as a key audit matter because these assets are material to the Company and due to the fact that estimating ECLs is inherently subjective and requires the exercise of significant management judgment including due to significantly higher estimation uncertainty stemming from the business disruption and related losses incurred by daughter companies during previous years, volatile economic environment, ongoing war in Ukraine and increased energy prices.	Our audit procedures in the area, performed where applicable, with the assistance from our own financial instruments and valuation specialists, included: • Updating understanding of and assessing the design and implementation of key internal controls over the credit control, the loans collection process and making loss allowances for loans provided; • Assessment of the appropriateness of the Company's impairment methodology against the relevant financial reporting requirements; • Evaluating whether the Company's estimates of expected credit losses appropriately consider both current economic conditions and forward-looking information; • Evaluating whether in its loan staging and ECL measurement the Company appropriately considered the effects of the market disruption and related losses incurred by daughter companies during previous years, volatile economic environment, ongoing war in Ukraine and increased energy prices. • Assessment of the accuracy and completeness of the Company's ECL estimates at 31 October 2023 including: *For loans assessed individually, for a risk-based sample of debtors:* - Inspecting the debtors' most recent financial statements, credit terms and historical repayment patters, and making corroborating inquiries of the Company's management and relevant finance personnel, to obtain understanding of any credit/ repayment uncertainties, significant increase in credit risk or default;

Independent Auditor's Report

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	- Inspecting supporting documents in relation to cash receipts from debtors subsequent to the end of the reporting period; - Considering the outcome of the above procedures, critically assessing the Company's estimate of the expected cash flows from each loan and other receivable in the sample, also assessing the appropriateness of the discount rate used. *For collective impairment assessment:* - Assessing the key collective impairment model parameters, such as the PD and LGD, and the effects thereof on the model, by reference to the Company's own historical credit loss experience, our understanding of the business, current economic trends and expectations, and market practices; - Performing a retrospective assessment of the historical accuracy of the management's impairment assumptions and estimates, including estimated loss rates, against actual outcomes; • Evaluating whether the disclosures in the separate financial statements in respect of the expected credit losses for the loans and other receivables satisfy the requirements of the relevant financial reporting standards.

Responsibilities of the Statutory Body and Those Charged with Governance for the Separate Financial Statements

The statutory body is responsible for the preparation of separate financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as the statutory body determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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Auditors' Responsibilities for the Audit of the Separate Financial Statements

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

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

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the statutory body;
- Conclude on the appropriateness of the statutory body's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Report on Other Legal and Regulatory Requirements

Reporting on other information in the Annual Report

The statutory body is responsible for the other information. The other information comprises the information included in the Annual Report prepared in accordance with the Act No. 431/2002 Coll. on Accounting as amended ("the Act on Accounting") but does not include the separate financial statements and our auditors' report thereon. Our opinion on the separate financial statements does not cover the other information in the Annual Report.

In connection with our audit of the separate financial statements, our responsibility is to read the other information in the Annual Report that we have obtained prior to the date of the auditors' report on the audit of the separate financial statements, and, in doing so, consider whether the other information is materially inconsistent with the audited separate financial statements or our knowledge obtained in the audit of the separate financial statements, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

With respect to the Annual Report, we are required by the Act on Accounting to express an opinion on whether the other information given in the Annual Report is consistent with the separate financial statements prepared for the same financial year, and whether it contains information required by the Act on Accounting.

Based on the work undertaken in the course of the audit of the separate financial statements, in our opinion, in all material respects:

- the other information given in the Annual Report for the year ended 31 October 2023 is consistent with the separate financial statements prepared for the same financial year; and
- the Annual Report contains information required by the Act on Accounting.

In addition to this, in light of the knowledge of the Company and its environment obtained in the course of the audit of the separate financial statements, we are required by the Act on Accounting to report if we have identified material misstatements in the other information in the Annual Report. We have nothing to report in this respect.

Additional requirements on the content of the auditors' report according to Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities

Appointment and approval of an auditor

We have been appointed as a statutory auditor by the statutory body of the Company on 16 August 2023 on the basis of approval by the General Meeting of the Company held on 31 May 2023. The period of our total uninterrupted engagement, including previous renewals (extensions of the period for which we were originally appointed) and reappointments as statutory auditors, is 15 years.

Consistency with the additional report to the audit committee

Our audit opinion as expressed in this report is consistent with the additional report to the supervisory board of the Company, which was issued on the same date as the date of this report.

Non-audit services

No prohibited non-audit services referred to in Article 5 (1) of Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities were provided and we remained independent of the Company in conducting the audit.

Independent Auditor's Report

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Independent Assurance Report on the Compliance of the Presentation of the Separate Financial Statements with the Requirements of the European Single Electronic Format ("ESEF")

We have been engaged by the Company to conduct a reasonable assurance engagement to verify the compliance of the presentation of the separate financial statements of the Company for the year ended 31 October 2023 included in the Annual Financial Report (the "Presentation of the Separate Financial Statements") with the requirements of the ESEF Regulation.

Description of Subject Matter and Applicable Criteria

The Presentation of the Separate Financial Statements has been applied by the statutory body to comply with the requirements of the Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (the "ESEF Regulation"). The applicable requirements regarding the Presentation of the Separate Financial Statements are contained in the ESEF Regulation.

The requirements described in the preceding paragraph with respect to the Presentation of the Separate Financial Statements constitute, in our view, appropriate criteria to form a reasonable assurance conclusion.

Responsibilities of the Statutory Body and Those Charged with Governance

The statutory body is responsible for the Presentation of the Separate Financial Statements that complies with the requirements of the ESEF Regulation. This responsibility includes:

- preparation of the separate financial statements in XHTML format; and
- designing, implementing and maintaining internal controls relevant for the preparation of the Presentation of the Separate Financial Statements which is free from material non-compliance with the requirements of the ESEF Regulation.

Those charged with governance are responsible for overseeing the Company's financial reporting process, which also includes the preparation of the separate financial statements that also comply with the requirements of the ESEF Regulation.

Our Responsibility

Our responsibility is to express a reasonable assurance conclusion whether the Presentation of the Separate Financial Statements complies, in all material respects, with the requirements of the ESEF Regulation.

We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) Assurance Engagements Other than Audits and Reviews of Historical Financial Information ("ISAE 3000(R)"), issued by the International Auditing and Assurance Standards Board (the "IAASB"). This standard requires that we comply with ethical requirements, plan and perform procedures to obtain reasonable assurance whether the Presentation of the Separate Financial Statements complies, in all material respects, with the requirements of the ESEF Regulation.

The nature, timing, and extent of procedures performed depend on the auditor's judgment. Reasonable assurance is a high level of assurance, but it does not guarantee that the service performed in accordance with ISAE 3000(R) always detects material non-compliance.

Independent Auditor's Report

Our Quality Control and Independence Requirements

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Summary of Work Performed

Our planned and performed procedures were aimed at obtaining reasonable assurance that the Presentation of the Separate Financial Statements complies, in all material respects, with the requirements of the ESEF Regulation. Our procedures included in particular:

- obtaining an understanding of the internal control system and processes relevant to the application of the electronic reporting format of the separate financial statements, including the preparation of the XHTML format; and
- verification whether the XHTML format was properly applied.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

In our opinion, based on the procedures performed, the Presentation of the Separate Financial Statements complies, in all material respects, with the requirements of the ESEF Regulation.

Audit firm:
KPMG Slovensko spol. s r.o.
License SKAU No. 96

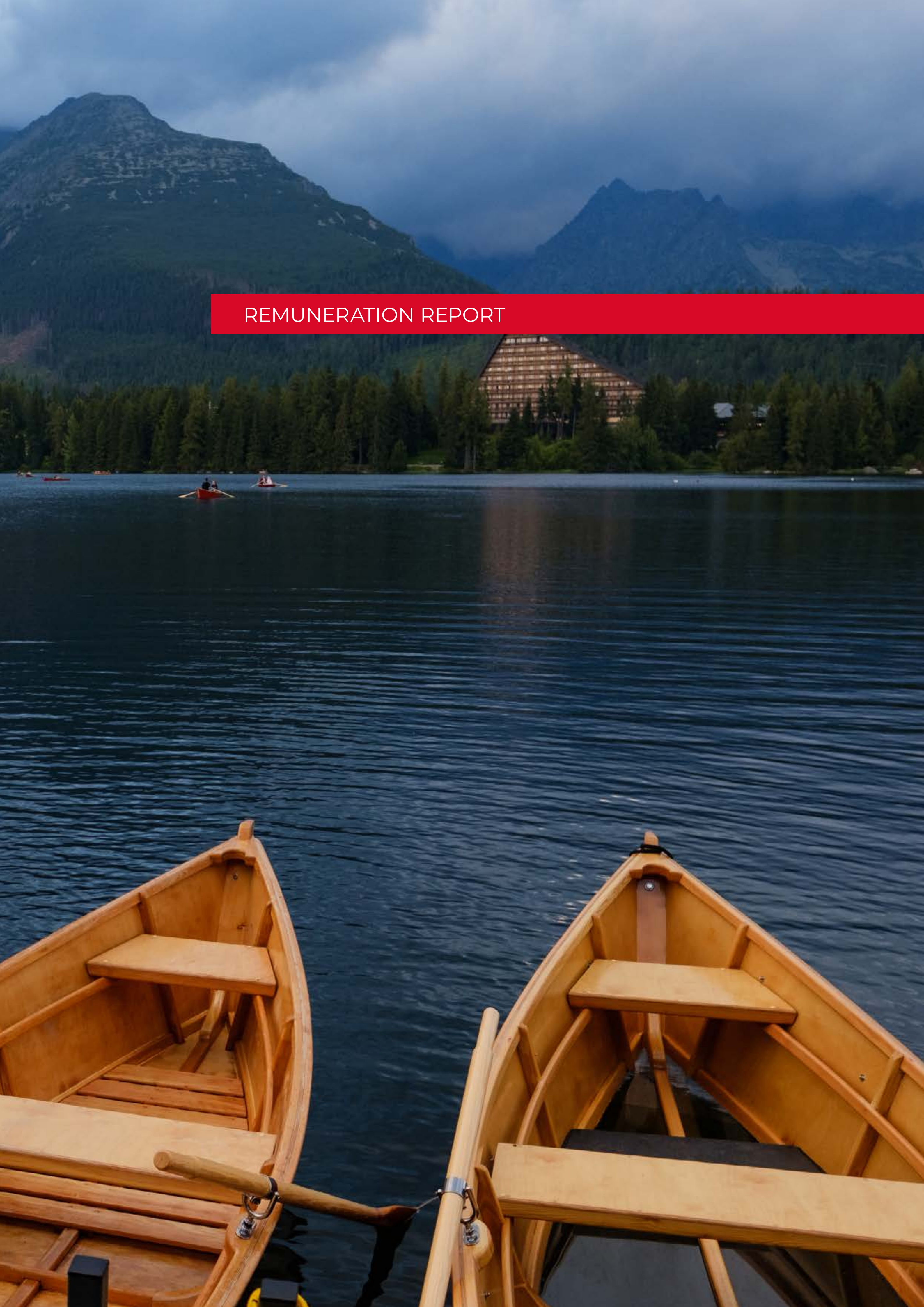
Slovenská komora audítorov SKAU Č.licencie 96 KPMG Slovensko spol. s r.o.

Responsible auditor:
Ing. Miroslav Kožlej
License UDVA No. 1212

Bratislava, 29 February 2024

This is a translation of the original Slovak Auditors' Report into English language. The separate financial statements have not been translated. For a full understanding of the information stated in the Auditors' Report, the Report should be read in conjunction with the full set of the separate financial statements prepared in Slovak.

REMUNERATION REPORT



Remuneration report

REMUNERATION REPORT OF MEMBERS OF THE BODIES OF PUBLIC LIMITED COMPANY TATRY MOUNTAIN RESORTS, A.S.

*Board of Directors of Tatry mountain resorts, a.s. with its registered seat at Demänovská Dolina 72, 031 01 Liptovský Mikuláš, ID: 31 560 636, registered in the Commercial Register kept by the District Court of Žilina, Section: Sa, Insert No. 62/L (hereinafter referred to as "**The Company**") in accordance with the provision stated in § 201e of Act No. 513/1991 of the Commercial Code as amended (hereinafter referred to as the "**Commercial Code**") prepared the following report on the remuneration of members of the Company's bodies for the financial year starting on 01.11.2022 and ending on 31.10.2023 (hereinafter referred to as the "**Remuneration Report**").*

1. REMUNERATION OF MEMBERS OF THE BOARD OF DIRECTORS

1.1. The Board of Directors of the Company was active in the financial year starting on 01.11.2022 and ending on 31.10.2023 (hereinafter referred to as the "**Financial year**") in the following composition:

1.1.1 Ing. Igor Rattaj, Chairman of the Board of Directors since 30.04.2020
1.1.2 Ing. Jozef Hodek, Member of the Board of Directors from 30.06.2009 to 30.06.2023
1.1.3 Čeněk Jílek, Member of the Board of Directors since 29.04.2020
1.1.4 Ing. Zuzana Ištvánfiová, Vicechairman of the Board of Directors since 01.06.2023

1.2 Overview of all components of the total remuneration

1.2.1 In accordance with the remuneration rules of the Company's bodies approved by the General Meeting on 29.04.2020, In the wording of changes approved by the general meeting on 31.05.2023 (hereinafter referred to as "**Remuneration rules**") the members of the Board of Directors are provided with so-called total remuneration of a member of the Board of Directors which consists of: (i) fixed component – point 2.2 of the Remuneration rules, (ii) variable component – point 2.3 of the Remuneration rules and (iii) bonuses and other benefits.

1.2.2 For the Financial year, these following components of the total remuneration were paid to the members of the Board of Directors:

1.2.2.1 Fixed component of the total remuneration:
Ing. Igor Rattaj, in the amount of 96.000,- EUR
Ing. Jozef Hodek, in the amount of 32.000,- EUR
Čeněk Jílek, in the amount of 48.000,- EUR
Ing. Zuzana Ištvánfiová, in the amount of 30.000,-EUR

1.2.2.2 Granted variable component of the total remuneration:
Ing. Igor Rattaj, in the amount of 730.393,- EUR
Ing. Jozef Hodek, in the amount of 321.538,- EUR
Čeněk Jílek, in the amount of 456.496,- EUR
Ing. Zuzana Ištvánfiová, in the amount of 179.942,- EUR

1.3 Proportional share of fixed and variable component in the total remuneration

1.3.1 The proportional share of fixed and variable component of the total remuneration for members of the Board of Directors is as follows:

	Fixed component	**Variable component**
Ing. Igor Rattaj	11.62%	88.38%
Ing. Jozef Hodek	9.05%	90.95%
Čeněk Jílek	9.51%	90,49%
Ing. Zuzana Inštvánfiová	14.29%	85.81%

1.4 Explanation of how the total remuneration corresponds to the agreed remuneration rules including how it contributes to a long-term performance of the Company and information on how the performance assessment criteria have been applied

1.4.1 The total remuneration provided or awarded to the members of the Board of Directors in the Financial year takes full account of the criteria for awarding remuneration within the meaning of the Remuneration rules. In the case of a fixed component of the total remuneration it is the proper performance of the function of a member of the Board of Directors and in the case of the variable component of the total remuneration it is the achievement of the performance criteria, which is the positive financial result of the Company.

1.4.2 For the Financial year, the Company achieved positive consolidated financial result (EBITDA) of EUR 59.366 thousand and when comparing the so-called modified EBITDA like-for-like, the achieved modified EBITDA for the year ended 31.10.2023 (EUR 56.306 thousand) reached more than 90% of modified EBITDA for the year ended 31.10.2022 (EUR 27.824 thousand). At the same time, the Company properly complied with the set of non-financial performance indicators – the Company´s position as the so called "Creditable debtor". Due to achievement of all criteria in terms of the Remuneration rules, the members of the Board of Directors in the Financial year were entitled to a variable component of the total remuneration in the amount specified in point 2.3.1., 2.3.11., 2.3.12 of the Remuneration rules. In accordance with the changes to the Remuneration Rules adopted at the Company's general meeting on May 31, 2023, a claim for a proportional portion of the variable component of the total remuneration has arisen for members of the board of directors whose position was created/discontinued during the fiscal year (point 2.3.11. and 2.3.12. of the renumeration rules). The granted variable components of remuneration in accordance with point 2.3.1, 2.3.11, 2.3.12 of the Remuneration Rules in the total amount of EUR 1.688.371 will be paid to the members of the Board of Directors in accordance with point 2.3.10 of the Remuneration rules on the next payment date determined by the Company for the payment of wages to employees after the publication of the consolidated IFRS financial statements of the Company for the year ended 31.10.2023.

2. REMUNERATION OF MEMBERS OF THE SUPERVISORY BOARD

2.1. The Supervisory Board of the Company served during the Financial year in the following composition:

2.1.1. Ing. Bohuš Hlavatý, Chairman of the Supervisory Board from 30.04.2020 to 30.06.2023
2.1.2. Ing. Jozef Hodek, Chairman of the Supervisory Board since 01.07.2023
2.1.3. Ing. František Hodorovský, Vice-Chairman of the Supervisory Board since 18.01.2011
2.1.4. Roman Kudláček, Member of the Supervisory Board since 21.04.2012
2.1.5. Ing. Pavol Mikušiak, Member of the Supervisory Board since 27.04.2013
2.1.6. Adam Tomis, Member of the Supervisory Board since 12.04.2014
2.1.7. Ing. Andrej Devečka, Member of the Supervisory Board since 29.04.2020
2.1.8. Miroslav Roth, Member of the Supervisory Board since 30.06.2021
2.1.9. Mgr. Marek Schwarz, Member of the Supervisory Board since 30.06.2021
2.1.10. Ivan Oško, Member of the Supervisory Board since 30.06.2021

2.2. Overview of all components of the total remuneration

2.2.1. In accordance with the Remuneration rules, the members of the Supervisory Board are provided with the so-called total remuneration of a member of the Supervisory Board, which consists of: (i) fixed component – point 3.2 of the Remuneration rules, (ii) variable component – point 3.3 of the Remuneration rules and (iii) bonuses and other benefits.

2.2.2. For the Financial year, these following components of the total remuneration were paid to the members of the Supervisory Board:

2.2.2.1. Fixed component of the total remuneration:
Ing. Bohuš Hlavatý, in the amount of 32.000,- EUR
Ing. Jozef Hodek, in the amount of 16.000,-EUR
Ing. František Hodorovský, in the amount of 6.000,- EUR
Roman Kudláček, in the amount of 3.600,- EUR
Ing. Pavol Mikušiak, in the amount of 3.280,- EUR
Adam Tomis, in the amount of 3.600,- EUR
Ing. Andrej Devečka, in the amount of 3.600,- EUR
Miroslav Roth, in the amount of 3.600,- EUR
Mgr. Marek Schwarz, in the amount of 3.600,- EUR
Ivan Oško, in the amount of 3.600,- EUR

2.2.2.2. The variable component of the total remuneration is not granted to the members of the Supervisory Board in accordance with the Remuneration rules.

2.3. Proportional share of fixed and variable component in the total remuneration

2.3.1 The proportional share of fixed and variable component of the total remuneration of the members of the Supervisory Board is as follows:

	Fixed remuneration	Variable remuneration
Ing. Bohuš Hlavatý	100%	0%
Ing. Jozef Hodek	100%	0%
Ing. František Hodorovský	100%	0%
Roman Kudláček	100%	0%
Ing. Pavol Mikušiak	100%	0%
Adam Tomis	100%	0%
Ing. Andrej Devečka	100%	0%
Miroslav Roth	100%	0%
Mgr. Marek Schwarz	100%	0%
Ivan Oško	100%	0%

2.4. Explanation of how the total remuneration corresponds to the approved remuneration rules, including how it contributes to the long-term performance of the Company and information on how the performance assessment criteria have been applied.

2.4.1. The total remuneration provided or awarded to the members of the Supervisory Board in the Financial year takes full account of the criteria for awarding remuneration within the meaning of the Remuneration rules. Only a fixed component of the total remuneration is awarded to members of the Supervisory Board for the proper performance of the function of a member of the Supervisory Board.

3. COMMON PROVISIONS ON REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE MEMBERS OF THE SUPERVISORY BOARD

3.1. Annual remuneration summary regardless of its form of acquisition, annual development of the Company's performance assessment and average annual remuneration summary based on comparison of income from total remuneration of a member of the Body of the Company and income of the Company's employees who are not members of the Body of the Company and have a weekly working time established according to a special law, for at least five previous accounting periods.

3.1.1. In accordance with the Remuneration rules a member of the Board of Directors and a member of the Supervisory Board also have the right to remuneration in the form of salary or any other form obtained from the Company for the act of employment contract or any other contract in the case of a membership within the Board of Directors and in the form of a salary in the case of a membership within the Supervisory Board. However, members of the Board of Directors and members of the Supervisory Board are not awarded remuneration for the performance of their duties in the bodies of other companies belonging to the TMR Group. No royalties were awarded or paid to the members of Board of Directors or members of Supervisory Board during the Financial year.

3.1.2. For the Financial year, members of the Board of Directors and members of the Supervisory Board were paid salaries and bonuses, and at the same time the members of Board of Directors were granted bonuses in aggregate as follows:
Ing. Igor Rattaj, in the amount of 826.393,- EUR
Ing. Jozef Hodek, in the amount of 655.597,- EUR
Čeněk Jílek, in the amount of 632.582,- EUR
Ing. Zuzana Ištvánfiová, in the amount of 328.252,- EUR
Bohuš Hlavatý, in the amount of 32.000,- EUR
Ing. Andrej Devečka, in the amount of 29.145,- EUR
Ing. František Hodorovský, in the amount of 6.000,- EUR
Roman Kudláček, in the amount of 3.600,- EUR
Ing. Pavol Mikušiak, in the amount of 3.280,- EUR
Adam Tomis, in the amount of 3.600,- EUR
Miroslav Roth, in the amount of 30.521,- EUR
Mgr. Marek Schwarz, in the amount of 93.495,- EUR
Ivan Oško, in the amount of 32.982,- EUR

3.1.3. Comparison of income from total remuneration of a member of the Body of the Company and income of the Company's employees in thousand EUR:

Financial year	2023	2022	2021	2020	2019
Number of „E“	1 456	1 359	1 193	1 332	1 456
Number of „BoC“	12	12	13	12	19
Number of „EE“	1 444	1 347	1 180	1 325	1 444
Total annual personal expenses for „EE“	34 268	27 375	18 959	21 760	22 672
Total annual remuneration for „BoC“	2 505	1 925	836	1 195	2 424
Total annual remuneration for BoC/number of BoC	208.8	160.4	64.3	99.6	127.6
Total annual personal expenses for EE/number of EE	22.0	18.9	15.4	15.5	14.0
Total annual remuneration BoC/number BoC to total annual personal expenses EE/number of EE	9.5 multiple	8.5 multiple	4.2 multiple	6.4 multiple	9.1 multiple

„E“ Employees of the Company in the corresponding Financial year
„EE“ Employees of the Company in the corresponding Financial year without the number of members of the Body of the Company
„BoC“ Members of the Body of the Company (member of the Board of Directors, member of the Supervisory Board, persons on the highest level of management) in the corresponding Financial year

3.2. Number of shares and share options granted or offered in connection with the performance of the function.

3.2.1. No member of the Board of Directors and the Supervisory Board has acquired any shares or stock options in connection with the performance of a member of the Board of Directors function neither as member of the Supervisory Board. Information on the number of shares of the Company owned by individual members of Board of Directors and members of the Supervisory Board is provided in the annual report prepared as of 31.10.2023, which includes this Remuneration report.

3.3. Information on the use of the possibility of recovering option of the variable component of the total remuneration.

3.3.1. The Company has not set any criteria for recovering the variable component of the total remuneration.

3.4. Information on all cases pursuant to § 201a, section 3, including an explanation of the nature of exceptional cases and an indication of the specific provisions from which they have temporarily deviated

3.4.1. The Remuneration rules do not provide for any exceptional cases referred to in § 201a, section 3 of the Commercial Code, therefore the provisions in the Financial year have not been applied.

Demänovská Dolina, 29.02.2024

STATEMENT BY THE BOARD OF DIRECTORS

Statement by the Board of Directors

The Board of Directors of Tatry mountain resorts, a.s. hereby states that according to its best knowledge Annual Report, Consolidated Financial Statements, and Separate Financial Statements have been prepared in accordance with relevant regulations, and they present a true and accurate description of assets, liabilities, financial situation, and comprehensive results of the Group (Tatry mountain resorts, a.s. and its subsidiaries) and the Parent company. The Board further states that Annual Report contains a true and accurate review of performance, operating results, and position of the Group, as well as an explanation of key risks and uncertainty factors that the Group faces.

Demänovská Dolina, February 29, 2024

Igor Rattaj	Zuzana Ištvánfiová
Chairman of the Board of Directors	Vice-Chairman of the Board of Directors

TATRY MOUNTAIN RESORTS, a.s., e-mail: info@tmr.sk, www.tmr.sk, tel.: 0850 606 202
foto: Marek Hajkovský